



# *evolving* **Greenovation**

To be the Leading Asian Greenovative Group, founded on  
Good Corporate Governance,  
through Inclusiveness and Sustainability



**Annual Report 2017**

**Bangchak Corporation Public Company Limited**

The Bangchak Petroleum Public Company Limited has changed its name to

**"Bangchak Corporation Public Company Limited"**

to better reflect its present business direction,  
which has grown beyond petroleum refining and marketing  
to include technological innovations, bio-based and green businesses,  
expanding domestically and internationally,  
as well as sustainable social and environmental development.

*"To be the leading Asian Greenovative Group, founded on Good Corporate Governance,  
through Inclusiveness and Sustainability"*



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# evolving Greenovation

To be the Leading Asian Greenovative Group, founded on  
Good Corporate Governance,  
through Inclusiveness and Sustainability

## Vision :

## Mission :

BCP commits in bringing Disruptive and Inclusive Greenovation to Delight our customers, being a trusted partner and Value Creator for all Stakeholders, and promoting Sustainable Development to Society.

We emphasize Inclusive and Sustainable business, pursue Domestic and Overseas expansion, embrace Good Corporate Governance principles, and nurture a High-performance, Learning culture and Happy workplace.

## Core Values :

**i**

Innovation

**AM**

Agility & Mobility

**B**

Beyond  
Expectation

**C**

Continuous  
Development

**P**

Pursuit of  
Sustainability

**Corporate Culture :** Sustainable Innovative Business Development in Harmony with the Environment and Society

**Employee Culture :** To be virtuous, knowledgeable, and contributive to others

“

*Bangchak  
firmly believes  
in the value  
of conscientious  
and smart  
people*

”



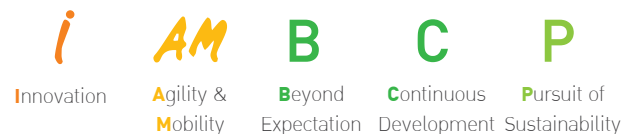
## Message from the Chairman

Bangchak Corporation Public Company Limited and the Group conduct business with commitment to business development in tandem with stewardship of the environment and society while taking part in national economic development and improving lives by balancing value and virtue. Clearly, our growth of the past 33 years has been relentless as well as secure. To strengthen ourselves in the long term, Bangchak values business governance and personnel capability development because we are convinced that business processes that are modern, swift, accurate, and transparent, coupled with competent personnel, are key and the main potential leading Bangchak toward sustainable business excellence. This year our significant development and transition are highlighted below.

First, we won approval from the 2017 AGM to undergo a name change to Bangchak Corporation Plc to more accurately match our business strategies and approach to developing the corporation into an “Evolving Greenovation” group of Asia. Besides rebranding, we have restructured the bio-based business unit through amalgamation, forming a new entity and one of the largest biofuel companies in Thailand with over 1,710,000 liters per day in capacity. Such a move has enhanced our capability, strengthened our business, and led to future growth opportunities—all benefiting long-term business expansion. Development will in time take place to add value to bio-based products under the Thailand 4.0 policy. This matches very well the “Evolving Greenovation” vision of becoming a leading group of green innovation of Asia, marked by corporate governance along with inclusive and sustainable business undertaking.

Convinced of the value of virtuous and knowledgeable people sustaining our growth, Bangchak values good governance and personnel development alike. We leverage the “I AM BCP” values in our people development, focusing on fostering importance and value in each of them through a variety of

projects and plans. These include training on development of skills and competencies to establish readiness and career growth opportunities; leadership caliber development, coupled with succession planning; and creation of a work environment conducive to innovative thinking and work processes.



This year Bangchak and its subsidiaries netted a profit of Baht 6,405 million, a 35% rise from last year. This translated into Baht 4.20 in earnings per share, a 21% rise. High utilization rates marked our refinery business this year. The month of March marked an all-time high average utilization rate of 121.64 KBD. Meanwhile, the marketing business managed to retain the No. 2 domestic market share with 15.4%. We grew our tally of service stations, most of which are large-format ones with a sophisticated image, complete with other non-oil businesses. Relentlessly, we also have rebranded our service stations and created maximum satisfaction for service station customers, evident in a second-ranked Net Promoter Score (NPS) with a higher score than last year.

Through the years, we have applied the Sufficiency Economy concept in all aspects of our businesses. We believe that is why Bangchak has balanced its all-around business management, boosting all sectors' confidence with the commitment of the Board of Directors, the management, and all employees. We cannot forget the trust and support of public agencies and all stakeholders—business partners, customers, the public, and investors alike—that have played a part in enriching growth into our 34<sup>th</sup> year, sustained with security and value to the Thai society for years to come.

(Signed) Pichai Chunhavajira

(Mr. Pichai Chunhavajira)  
Chairman

## Financial Highlights

Consolidated Financial Statements	2017	2016	2015
<b>Statement of Income (Million Baht)</b>			
Sales and service revenue	172,138	144,705	151,140
Gross profit (loss)	13,543	11,896	11,454
EBITDA	13,663	11,363	11,081
Profit (loss) from futures crude and product contracts	366	107	(407)
Profit (loss) from foreign exchange and futures foreign-currency trading	664	276	22
Net profit <sup>1/</sup>	5,778	4,773	4,151
<b>Statement of Financial Position (Million Baht)</b>			
Total assets	114,110	101,783	81,942
Total liabilities	61,979	57,874	45,959
Shareholders' equity	52,132	43,909	35,983
Share capital			
- Registered share capital	1,377	1,377	1,377
- Issued & fully paid-up share capital	1,377	1,377	1,377
<b>Financial Ratios (%)</b>			
EBITDA / sales and service revenue	7.94	7.85	7.33
Net profit / sales and service revenue	3.72	3.27	2.71
Rate of return on assets	7.31	7.51	8.04
Debt with interest payable to equity <sup>2/</sup>	0.78	0.86	0.94
Net IBD to Equity <sup>2/</sup>	0.59	0.38	0.59
<b>Operating Outcomes (Baht per share)</b>			
Net earnings per share	4.20	3.47	3.01
Book value per share	33.15	28.72	25.77

**Note:**

<sup>1/</sup> Net profit (loss) of the owners of the Parent

<sup>2/</sup> Only the equity of the Company



## Policy and Business Overview

### Vision, Mission, Objectives and Goals, and Business Strategies

#### Vision

##### Evolving Greenovation

To be the leading Asian Greenovation group, founded on good governance, through inclusiveness and sustainability

#### Mission

Bangchak is committed to bringing disruptive and inclusive Greenovation to delight our customers, being a trusted partner and value creator for all stakeholders, and promoting sustainable development of society.

We emphasize inclusive and sustainable business, pursue domestic and overseas expansion, embrace good corporate governance principles, and nurture a high-performance, learning culture, and happy workplace.

#### Objectives and Goals

Bangchak is committed to its resolution of being a Thai energy firm that engages in business in parallel with its stewardship of the environment and society, while striving for a balance between value and virtue, and taking part in the quality of life improvement for Thai society.

Bangchak values sustainable growth for the organization; upgrading its management excellence in pursuit of world standards; applying Sufficiency Economy to its businesses (for non-profiteering benefits); nurturing growth and sustainability through the promotion and development of innovation and technology; paying due regard for conscientious consumption of natural resources; and managing businesses to achieve its vision of Evolving Greenovation (To be the leading Asian Greenovation Group) together with its business, social, and environmental goals by 2022, as highlighted below.



#### Business goals

- **Refinery and oil trading business group:** To raise the refinery's safety and environmental standards, to maximize its efficiency and stability through the YES-R (Yield Optimization, Energy Efficiency, Safety Excellence, and Reliability Enhancement) Phase 1-3 Project, to grow its capacity to over 130 KBD through the 3E Project (Efficiency, Energy, and Environment), and to venture into related businesses, including oil trading through BCP Trading Pte. Ltd. (BCPT), founded in Singapore.
- **Marketing business group:** To continue to maintain the No. 2 market share, to evolve a new service station format under the Greenovative Experience concept to accommodate Thais' current lifestyles by which everyone can play a part in sustainable stewardship of the environment. Bangchak also plans to expand service stations in the cluster form with an outstanding image compatible with each locality; to develop the food store, the convenience store, and novel product businesses to keep pace with consumers' changing behavior; to achieve maximum customers' and business partners' satisfaction; and to pursue The Most Admired Brand.

- **Green power business:** Through BCPG Plc, to execute the renewable power capacity expansion plan to 1,000 MW from both domestic and international installations, and to execute the investment plan for renewable power purchase through the Internet of Energy through the Blockchain technology to pursue demand side management (management for maximum power efficiency).
- **Bio-based product business:** To keep growing the biofuel business with products like biodiesel and ethanol, to set R&D goals to build on biotechnology and form high value-added bio-based innovation, implement the process efficiency improvement project, and implement the refined glycerin project, and to pursue additional bio-based energy investment opportunities through fund mobilization on stock exchanges.
- **Natural resource business:** To develop the petroleum exploration and production business and the new-resource business, including lithium mining.
- **Organization, management, and innovation:** To grow competitiveness and organizational development capability, aiming at achieving the “employer of choice” distinction, achieving HR excellence, and encouraging employee collaboration on innovation in business processes, products, or business models under the new corporate vision; to focus on executing the Group Shared Service Strategies to serve affiliates in HR, IT, procurement, and process development; to forge corporate sustainability under DJSI (Dow Jones Sustainability Indices) in economic, environmental, and social aspects with good governance to boost investors’ confidence in Bangchak’s attaining sustainable good returns; and to build on emerging businesses for sustainability, including innovative businesses and startups (through Bangchak Initiative and Innovation Center, BiIC) with a focus on green energy innovations and bio-based businesses.
- **Being open, transparent, and auditable:** To conduct business openly, transparently, and auditably whether in disclosure of business data under corporate governance or in compliance with SET’s regulations.

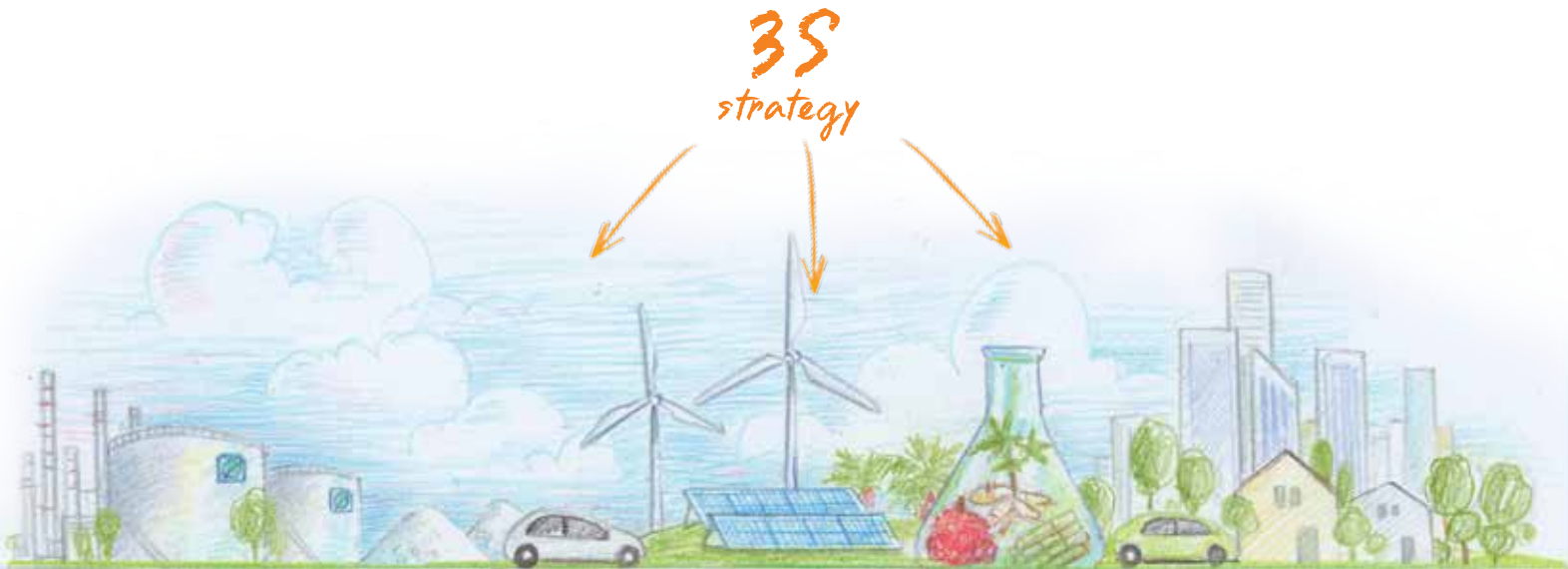


### Socio-environmental goals

- **Pursuing a low-carbon company to ease impacts on global climate change:** To set a goal of minimum carbon dioxide emission by relentlessly executing a project on efficiency improvement of energy and resource consumption and by growing investment in projects on production of assorted alternative / renewable energy to lower carbon dioxide emission
- **Business conduct in parallel with the environment and society:** To establish corporate sustainability by conducting business to benefit the environment and society hand in hand with business growth, through CSR after-process activities and creation of shared values between business, society, and the environment through the CSR/CSV in-process. Bangchak also set a goal to build on CSR/CSV and engage in Social Enterprise (SE) to create jobs, generate income, and promote cooperation in the stewardship of habitat surroundings including the formation of the Baimai Punsook Foundation, encouragement of farmers’ development of produce of higher quality and value for distribution through Oamsuk Social Enterprises Co., Ltd., promotion of agricultural produce export through Bangchak Retail Co., Ltd.’s distribution channels, and purchase of produce for use as feedstock/raw materials for bio-based and innovative products of BBGI, Co., Ltd.

## Business strategy

Bangchak's 3S Strategy is designed to achieve short-term as well as long-term goals as described below:



### Security

Enhance competitiveness, forge secure returns by strategizing the refinery business and the marketing business together to procure, produce, and sell enough fuels for the needs of the business sector and the public. These are to be achieved by planning procurement and purchase of crude oil from domestic and overseas deposits for attractive refining margins and by growing investment in energy innovations, including lithium mines, Key material of battery production, to accommodate changes in demand and future energy technology, including mobile electronic devices and electric vehicles.

### Stability

Create sustainable business value by increasing the proportion of emerging business revenue through investment in green energy and other businesses and building on products for high value-added ones. Also, focus on investment in steady-income businesses with low risk exposure to external factors in Thailand and abroad, including green power energy and bio-based products.

### Sustainability

Develop businesses for a balance between business value and socio-environmental value by taking sustainable development seriously, including development of "Greenovative Experience" service stations, and by valuing water resources-a vital production process resource-leading to a goal of water consumption reduction and by optimizing water discharge reuse.

This includes work process improvement, development of innovative products and businesses derived from R&D efforts of the Bangchak Initiative and Innovation Center (BiiC) jointly with public and private institutions, as well as investment and startup business incubation. To this end, focus is on innovative green businesses and bio-based businesses that benefit society and the environment. In addition, in place is a corporate performance monitoring process through social and environmental KPIs.

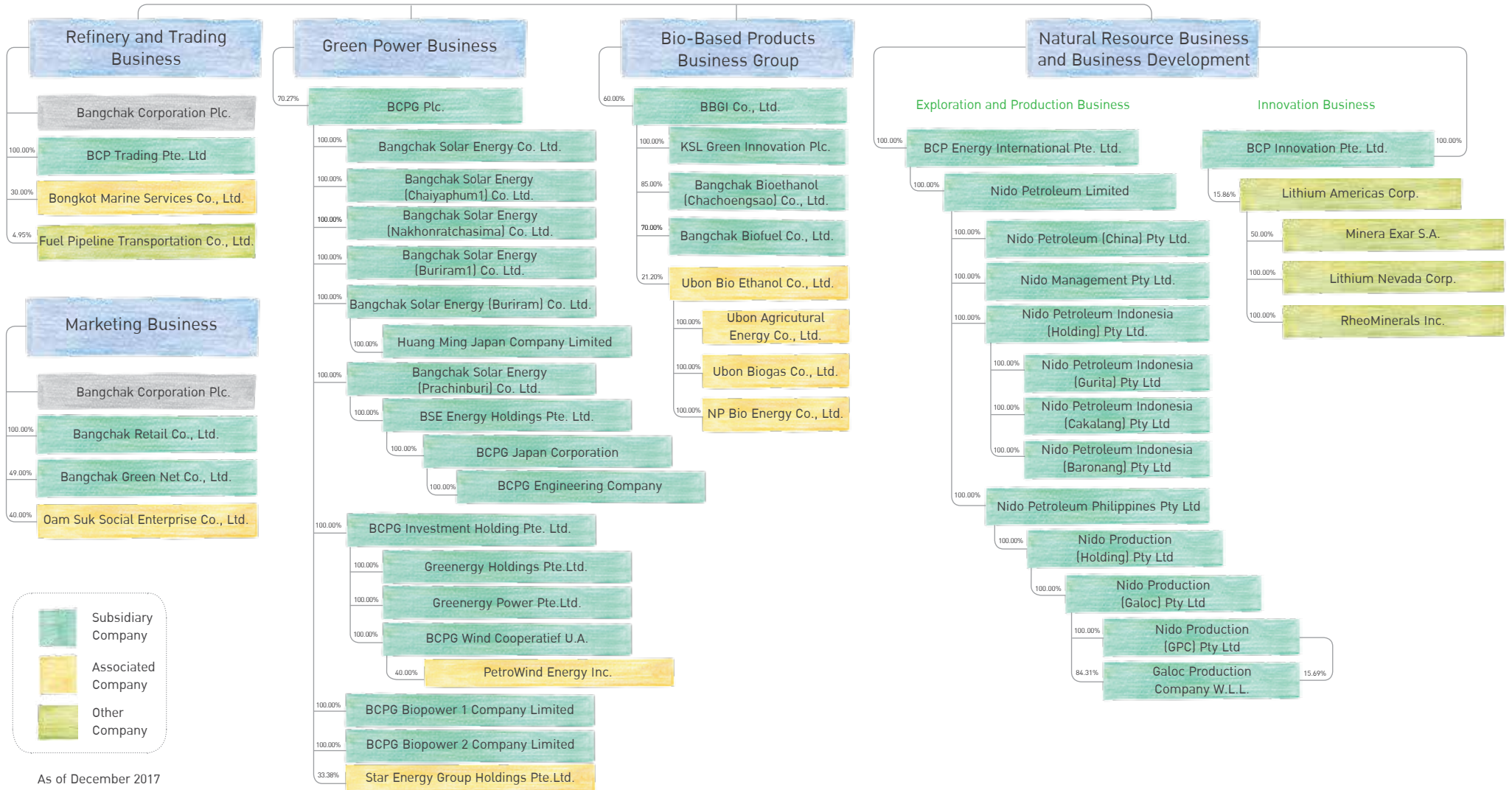
# Shareholding Structure



Register book closing date on September 15<sup>th</sup>, 2017



**Bangchak Corporation Plc.**  
Registered Capital and Paid-up Capital Baht 1,376,923,157



As of December 2017



## Refinery and Trading Business Group

The complex refinery of Bangchak operates with the nameplate capacity of 120,000 barrels per day. The majority of the yields are gasoline and diesel. The quality of its gasohol and diesel products meets the public sector's Euro 4 standard. Bangchak focuses on energy stability in its production processes by using electricity and steam derived from its cogeneration power plant, while replacing fuel oil with cleaner-burning natural gas. It raises the efficiency of its refining processes with the implementation of its 3E and YES-R Projects.

### BCP Trading Pte. Ltd. (BCPT)

Incorporated in Singapore, BCPT engages in commodity trading including crude oil, petroleum products, petrochemicals, other chemical products, and other downstream businesses. The company has a registered capital of US\$1 million and is wholly owned by Bangchak.

### Bongkot Marine Services Co., Ltd.

This joint-venture enterprise has a registered capital of Baht 240 million, in which Bangchak holds 30%. It engages in supplying and administration of floating storage units.

### Fuel Pipeline Transportation Ltd. (FPT)

With a registered capital of Baht 3.66 billion, in which Bangchak holds 4.95%, FPT operates underground pipeline fuel transport. The multiproduct pipeline is laid parallel to the railway route to Don Muang International Airport Oil Depot via Chong Nonsi Oil Depot and ends at Bangchak's oil depot in Bang Pa-in, Ayutthaya, and at FPT. A pipeline connection with the system of JP-One Asset Co., Ltd., made at the Makkasan area supplies aviation fuels to Suvarnabhumi International Airport. FPT's latest move was to develop an additional fuel pipeline project, expanding its route from Amphoe Bang Pahan, Ayutthaya, to Lampang in the North. Two fuel depots in Phichit and Lampang are envisioned to accommodate this plan. The project is due for completion by 2019.



## Marketing Business Group

The Marketing Business Group sells fuels and lubricants to consumers through Bangchak's network of 1,114 service stations nationwide, made up of 499 standard and 615 community service stations, as of December 2017. To provide convenience to customers, the stations offer supplementary (non-oil) businesses under the operation of Bangchak Retail Co., Ltd., which also distributes products to industrial users together with the transport, airlines, vessels, construction, and agriculture sectors.

### Bangchak Green Net Co., Ltd.

Incorporated with Baht 1 million in registered capital, in which Bangchak holds 49%, BGN engages in service station administration and sales management of consumer products at Baichak and Lemon Green outlets.

### Bangchak Retail Co., Ltd.

This wholly-owned subsidiary of Bangchak has Baht 300 million in registered capital. BCR engages in the food and drinks business to accommodate steady growth in the retail business through 33 SPAR Supermarkets, 446 Inthanin Coffee and Inthanin Garden premium coffee shops, and other supplementary businesses.

### Oam Suk Social Enterprise Co., Ltd.

With an initial registered capital of Baht 10 million, in which Bangchak holds 40%, Oam Suk engages in the purchase of agricultural produce and organic crops for processing, marketing, distribution, and R&D.



## Green Power Business Group

Bangchak invests in the renewable-power business by holding 70.27% equity in BCPG Public Company Limited (BCPG), a listed company on the Stock Exchange of Thailand (SET). Its IPO took place on September 28, 2016. BCPG engages in investments in the power generation business from green energy sources (both domestic and overseas), such as solar, wind, and geothermal power projects.

### BCPG Plc.

Incorporated with a registered capital of Baht 10 billion to engage and invest in the domestic and overseas green power business, BCPG engages in the domestic solar farm business, totaling 139 MW in contractual capacity. It also invests in power generation from solar cells in Japan, totaling 150.5 MW in contractual capacity, a wind farm project with a total of 20 MW in equity capacity, and a geothermal power plant with 182 MW in equity capacity.



## Bio-Based Products Business Group

### BBGI Co., Ltd.

BBGI was incorporated with a registered capital of Baht 2.532 billion. A merger between BBP Holdings Co., Ltd. (BBH, a Bangchak subsidiary) and KSLGI Co., Ltd. (a subsidiary of Khon Kaen Sugar Industry Plc), BBGI enhances the capacity and strengthens the ethanol and biodiesel businesses, while diversifying risks arising from the price volatility of ethanol's main raw materials, namely cassava and molasses. Finally, BBGI is part of the enhanced future growth opportunity. Four subsidiaries make up BBGI: Bangchak Biofuel Co., Ltd., Bangchak Bioethanol (Chachoengsao) Co., Ltd., Ubon Bio Ethanol Co., Ltd., and KSL Green Innovation Plc. Bangchak has 60% equity in BBGI.

### Bangchak Biofuel Co., Ltd. (BBF)

Established with Baht 281.5 million in registered capital, in which BBGI holds 70%, BBF engages in the production of biodiesel from crude palm oil, a basic raw material, with a plant located in Bang Pa-in, next to Bangchak's oil depot, in Ayutthaya

### Bangchak Bioethanol (Chachoengsao) Co., Ltd. (BBE)

BBE has a registered capital of Baht 500 million, in which BBGI holds 85%. Located in Amphoe Phanom Sarakham, Chachoengsao, it produces 99.5% ethanol from fresh cassava and cassava chips with a capacity of 150,000 liters a day to serve soaring demand.

### Ubon Bio Ethanol Co., Ltd. (UBE)

UBE was incorporated with a registered capital of Baht 2.74 billion, in which BBGI holds 21.28%, located in Amphoe Na Yia, Ubon Ratchathani. It engages in the ethanol and tapioca flour business with an ethanol capacity of 400,000 liters a day based on fresh cassava, cassava chips, and molasses to enhance ethanol security and accommodate growth in gasohol E20 and gasohol E85 sales. UBE's subsidiary also engages in processing cassava into flour with a capacity of 700 tons a day and generating power from the biogas derived from wastewater treatment from the flour and ethanol processes.

### KSL Green Innovation Plc. (KGI)

KGI is wholly owned by BBGI with a registered capital of Baht 610 million. It engages in the production and distribution of ethanol based on molasses derived from the sugar manufacturing process. KGI's two ethanol manufacturers now operate with a total capacity of 350,000 liters per day, located in Amphoe Nam Phong, Khon Kaen, and in Amphoe Bo Phloi, Kanchanaburi. Moreover, the biogas power plant of KGI generates power from the biogas derived from wastewater treatment from the ethanol process.



## Natural Resources and Business Development Group

BCP Energy International Pte. Ltd. was established in Singapore to engage in energy, petrochemical, and natural resources businesses and an innovation business overseas.

BCP Innovation Pte. Ltd. was founded in Singapore to engage in innovation businesses overseas by investing in Lithium Americas Corp., a listed company on the Canadian Securities Exchange, undertaking lithium mining businesses in Argentina and the US. Lithium's demand has soared since it is an essential raw material for batteries for various products.

### BCP Energy International Pte. Ltd. (BCPE)

Wholly owned by Bangchak and established in Singapore with a registered capital of US\$111.4 million, BCPE engages in energy, petrochemical, and natural resources business overseas and now invests 100% through the common shares of Nido Petroleum Ltd.

### BCP Innovation Pte. Ltd. (BCPI)

BCPI has a registered capital of US\$5.1 million, wholly owned by Bangchak. Incorporated in Singapore to engage in innovation business overseas, BCPI now invests 15.86% through common shares in Lithium Americas Corp.

### Nido Petroleum Ltd. (Nido)

Nido engages in the petroleum exploration and production business with an investment focus in Southeast Asia. It holds rights in producing oil fields, namely Galoc, Nido, and Matinloc in the Philippines with a current combined output of 3,500 barrels per day, along with rights in the fields under development and exploration, namely West Linapacan, in the Philippines, and rights in fields under exploration, namely SC6B, SC14D, SC54A, SC54B, SC58, and SC63 in the Philippines.

### Lithium Americas Corp. (LAC)

Lithium Americas Corp. (LAC) is listed on the Toronto Stock Exchange, Canada, and on the New York Stock Exchange, USA (since January 25, 2018), and engages in the lithium mining business to produce lithium carbonate and lithium hydroxide, which are essential raw materials for batteries for various products with robust trends, namely electric cars, energy storage systems, and mobile electronic appliances. LAC is developing two lithium mines in Argentina and the US. The Argentina project is under the development of Minera Exar S.A., where lithium carbonate production is expected in 2019 for a capacity of 25,000 tons per year, whereas the US lithium mining project is under development by Lithium Nevada Corp. In addition, an affiliated RheoMinerals Inc. (formerly Hectatone Inc.) has produced organoclay for exploration and production of petroleum with a maximum capacity of 10,000 tons per year since 2015.

## Transition and Milestone Development



### • March

- **Peak monthly capacity of 121.6 KBD: an all-time high**

The refinery business recorded the highest-ever average monthly production rate of 121,600 barrels per day since the commissioning of the Hydrocracking Unit. This resulted from the high gross refining margin, in line with the increase in the finished-product sales volume, and efficient refining planning and management.



- **Solar Power Plant Nagi in Okayama, Japan, starts commercial operation**

On March 2, 2017, the Nagi PV solar power plant in Okayama, Japan, with a 10.5-MW capacity (Install capacity of 14.4 MW), started COD commercial operation.

- **Three solar farms under solar cooperatives program come into contracted commercial operation**

Three ground-based solar farms from agricultural cooperatives programs, with a total capacity of 12 MW, were registered as Thailand's first commercial operation from cooperatives' solar farms. The total 12-MW capacity was from two plants in Phra Nakhon Si Ayutthaya, namely Bang Pa-in Solar Agricultural Cooperatives Project (5 MW), Ayutthaya Solar Agricultural Cooperatives Project (2 MW), and one in Ang Thong, namely Wiset Chaichan Agricultural Cooperatives Project (5 MW).



- **BBP Holdings Limited Established**

Subsidiary BBP Holdings Limited was established with a registered capital of Baht 700 million and is wholly owned by Bangchak, to conduct the bio-based business and serve Bangchak's restructuring.

### • April

- **Bangchak Petroleum renamed "Bangchak Corporation"**

Bangchak Petroleum Plc. changed its name to Bangchak Corporation Public Company Limited, as approved by the 2017 Annual General Meeting of Shareholders on April 5, 2017 and registered by the Department of Business Development, Ministry of Commerce, effective from April 7. The name change was designed to shape up Bangchak's image and make clear its business regime. Its businesses encompasses more than a refinery and oil product retailing, but covers



a value chain and supporting businesses which demand a high level of advanced technology and innovation.

### • May

- **BCPG purchases total interest in CapAsia ASEAN Wind Holdings Cooperatief U.A., with 40% shares of PetroWind Energy Inc.**

To expand its business in renewable energy in the region, BCPG wholly acquired CapAsia ASEAN Wind Holdings Cooperatief U.A., of the Netherlands, which held 40% shares in PetroWind Energy Inc., one of the major players in the wind power business in the Philippines. PetroWind owns a commercial 36-MW wind power project and a developing 14-MW project in Nabas, Visayas Island, the Philippines.



- **“Hi Premium Diesel S” unveiled**

Bangchak launched a new premium product called “Hi Premium Diesel S”, a high-level innovation to serve the demand for high-grade diesel.



- **Baimai Punsook Foundation founded**

Baimai Punsook Foundation was established to serve as a tool to drive projects and activities for sustainable community economic development.

### • July

- **BCPG invests in geothermal power plant in Indonesia through acquiring 33% of issued and paid-up shares of Star Energy Group Holdings**

BCPG Plc. entered into a shareholders’ agreement with Star Energy Investments Ltd. (SEIL) for the acquisition of 280,000 (33%) issued and paid-up shares in Star Energy Group Holdings Pte. Ltd. (SEGHPL). The acquisition, valued at \$355.69 million (Baht 11.95643 billion), entitled BCPG to an installed capacity of 181.5 MW of geothermal-based power in Indonesia. The transfer of shares was completed on July 26.

- **More new shares for more investment in LAC Acquired**

BCP Innovation Pte. Ltd. (BCPI), a Bangchak subsidiary, entered into an investment agreement with Lithium Americas Corp. (LAC) for additional investment in LAC. BCPI purchased 50 million additional newly issued shares at CAD



มูลนิธิใบไม้ปันสุข



(Canadian dollars) 0.85 per share, totaling CAD 42.50 million or Baht 1.09922 billion. BCPI therefore holds 16.1% of the total shares. (Later, some shareholders exercised their rights to transfer options to ordinary shares, making BCPI's shareholding 15.86% of total shares.)

- **MOU signed with AIT on technical cooperation on R&D to enhance environment supporting startup companies**



Bangchak signed an MOU with AIT on technical cooperation on research and development to enhance an environment that supports and accelerates startup companies to the commercial scale quickly with a knowledge base and innovative technology. Under the cooperation, Bangchak Initiative and Innovation Center (BiiC) was established as a technology business incubator, specifically in green energy engineering and technology, energy management, and bio-based technology. In addition, BCP provides master, doctoral, and postdoctoral scholarships and funds for innovative research related to green engineering and technology.

- **August**

- **Electricity generation and steam production commenced from GTG-3**



Bangchak began to operate electricity generation and steam production from GTG-3 plant, fueled by natural gas, with

a capacity of 12 MW and a steam capacity of 42 tons per hour. The operation significantly reduced both operational costs by shutting down boilers and the greenhouse gas (GHG) emissions from the refinery.

- **September**

- **Launch of Bangchak Initiative and Innovation Center as technology business incubator (BiiC)**

Bangchak unveiled Bangchak Initiative and Innovation Center (BiiC) to create a green ecosystem that promotes a variety of innovations, emphasizing green energy and bio-based technology, for business expansion (domestic and abroad). The success of the program will support the Thailand 4.0 economy and fulfill Bangchak's aspiration of being the Leading Asian Evolving Greenovation Group.



- **Subsidiary BCPG and War Veterans Organization of Thailand sign MOU on concession agreement for solar projects**

BCPG, a subsidiary of Bangchak, signed a memorandum of understanding on concession agreement with the War Veterans Organization of Thailand for two ground-based solar farm projects for public agencies and agricultural cooperative programs, with a total capacity of 9 MW.

- **October**

- **Amalgamation between BBP Holdings and KSLGI to form BBGI, Thailand's largest biofuel manufacturer and distributor**

Bangchak amalgamated its subsidiary called BBP Holdings Co., Ltd., and KSLGI Co., Ltd., a subsidiary of Khon Kaen Sugar Industry Public Company Limited, to form BBGI Co., Ltd., the largest biofuel manufacturer and distributor in Thailand. The amalgamation enhanced BBGI's potential and business advantage, while supporting raw materials and value chain products. Bangchak holds 60% of BBGI's shares.



- **BCPG joining hands with Sansiri to develop smart green communities**

Subsidiary BCPG signed a memorandum of understanding with Sansiri Public Company Limited to develop smart green



communities. BCPG planned to install solar energy systems in Sansiri projects whose residents can produce and use electricity from green energy by themselves. Moreover, the produced electricity can be traded internally in the projects by using Blockchain technology. The scope of cooperation also covers other properties, such as industrial plants, hotels, and department stores owned by Sansiri.

- **December**

- **BCPG joining hands with Power Ledger, Australia**

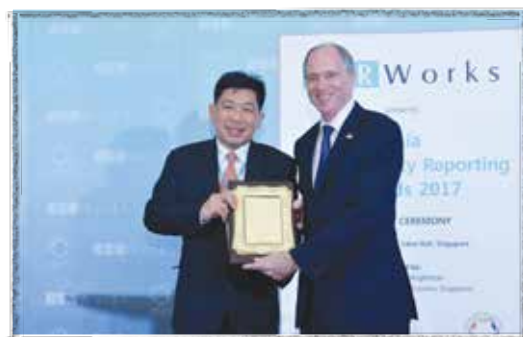
BCPG entered into a memorandum of understanding with Power Ledger, Australia, to use Blockchain technology as a platform for electricity trading via the internet, the first trade in the Southeast Asian region to do so.

- **Marketing Business Continues with No. 2 Market Share with Higher NPS**

The Marketing Business successfully raised its market share while maintaining Bangchak's No. 2 domestic ranking. This year Bangchak's average market share amounted to 15.4%, reaching 15.8% in November. Bangchak achieved 77.5% in the Net Promoter Score as a result of service station rebranding for sophistication, complete with various non-oil businesses to meet customers' needs.



## Awards of 2017



- **Recognition at the SET Sustainability Awards 2017 event, hosted by the Stock Exchange of Thailand:**

  - **Best Sustainability Award** for the third year running, in recognition of listed companies that are outstanding in sustainable business conduct, worthy of becoming role models for other listed companies.
  - **Recognition among 65 listed companies called THSI (Thailand Sustainability Investment)**, also for the third year running, for engagement in sustainable business with utmost regard for society and the environment, and for its management processes for sustainability of the corporation. The recognition aids investors' decisions by those that stress quality stocks and long-term returns.
  
- **Asia's Best Sustainability Report – Stand-alone Award:**

This ultimate award goes to Asian companies whose sustainability reports prove outstanding and show the report preparation process, reporting of performance outcomes and sustainability outcomes in all three aspects (economic, social, and environmental). At the Asia Sustainability Reporting Awards 2017 (ASRA) event, hosted by The British High Commission Singapore and CSRWorks International (Singapore), Bangchak also won acclaim for Asia's Best Materiality Report, Asia's Best Stakeholder Reporting, and Asia's Best Community Reporting.

- **Recognition at the 7<sup>th</sup> Asian Excellence Recognition Awards 2017 event, hosted by Corporate Governance Asia (Hong Kong):**

- **Best Investor Relations Company** for the sixth year running, in recognition of outstanding investor relations work, based on scores and views given by magazine readers, investors, and analysts, among others.
- **Best Environmental Responsibility** for the third year running, based on scores and views given by magazine readers, investors, and analysts, among others.
- **Asia's Best CEO (Investor Relations)** for the second consecutive year, in recognition of the top executives of the corporation, based on scores and views given by magazine readers, investors, and analysts, among others.



- **Recognition at The Asset Corporate Awards 2017 event, hosted by The Asset (Hong Kong):**

- **Platinum Award** for the fourth year running, in recognition of outstanding companies in corporate governance and socio-environmental responsibility.
- **Best CEO Award** in recognition of leaders with vision and the ability to drive their corporations.



- **Recognition at The 9<sup>th</sup> Annual Global CSR Summit & Awards 2017 event and The Global Good Governance Awards 2017 event (Malaysia):** Best CEO Award Platinum, Best Country CSR Excellence Award (Thailand), and Best Community Programme Award Gold. These accolades went to top executives and corporations committed to excellence in management and responsibility to communities and society. The events were hosted by The Pinnacle Group International.



- **Certificate of Leadership in Energy and Environmental Design (LEED), Platinum Level**, ranked No. 1 in Thailand for LEED for Commercial Interior (LEED CI) on the largest area. Bangchak's Head Office won two certificates: one for Bangchak Convention and Meeting Center on 2,193 square meters at the conference rooms on the 8th and 10th floors, and the other for Bangchak@Bangchak Head Office on 10,676 square meters, certified by the US Green Building Control (USGBC).



- **Most Sustainable Energy Company - Thailand** at the International Finance Magazine Awards 2017 (IFM) which recognizes individuals and organizations in international finance who made significant contributions to the industry. Bangchak received recognition for its commitment to renewable energy, exceptional innovation, performance, corporate governance and environmental responsibility, hosted by International Finance Magazine.



- **Recognition at the Thailand ICT Management Forum & Thailand ICT Excellence Awards 2017 event, hosted by the Ministry of Digital Economy and Society:**

- **Excellence Award (Innovation Project)** for a project on the management of service station forecourts (called Fuel Automation System), with the Point of Sale (POS) system applied with the Attendant RFID Tag and Internet EDC (IP-EDC) technology to also control the management of forecourts and service station attendants.



- **Excellence Award (Business Sustainability Project)** for a project to develop integrated purchase of tapioca (called SMART: Sustainable Management Agriculture Retail Trading System). The project integrates systems to keep data submission continuous, lower errors, and prevent fraud.

- **Green Industry Level 5: Green Network certificate for the second consecutive year.** Bangchak was among the 23 winners of this Level 5 recognition, the top Green Industry award in recognition of its green operations for sustainable development, its focus on continuous improvement and socio-environmental responsibility, and encouragement of business partners and allies to enter the green industry through its supply chain. Finally, the Department of Industrial Works recognized Bangchak's environmental activities conceived to promote good relations with communities and consumers.



- **Recognition at the Thailand Labour Management Excellence Awards 2017 event,** hosted by the Department of Labour Protection and Welfare, Ministry of Labour: Outstanding Model Operator (Safety, Occupational Health, and Work Environment) Award 2017, in recognition of workplaces with international-standard labour management systems.



- **Best Sustainability Report Award 2017 (Excellence), organized by CSR Club, Thai Listed Companies Association, SEC, and Thaipat Institute.** The award went to companies with

the recognition of Bangchak's valuing of quality reporting under the GRI standard, business integrity, and due regard for stakeholders, society, and the environment.

- **Bangchak earned an overall 'Excellent' score for eleven consecutive years,** based on the assessment outcomes of a survey on CG report of listed companies for 2017, organized by IOD,.
- **Bangchak scored an 'Excellent' 100% in all AGM criteria for nine years under the '2017 Annual General Meeting Assessment Project',** organized by the Thai Investors Association.
- **Distinction Winner Award 2017 (Silver Trophy, Energy Business)** in recognition of corporate websites' creativity for online communication, hosted by The Academy of Interactive and Visual Arts (AIVA, USA).

## Business Description

### Revenue Structure

The total revenue from sales and services reported in the 2017 financial statements was Baht 172.138 billion, comprising Baht 161.030 billion from Bangchak and the remaining from its subsidiaries including Baht 32.445 billion from Bangchak Green Net Co., Ltd. (with 49% shares held by Bangchak), Baht 3.322 billion from BCPG Public Co., Ltd. (with 70% shares held by Bangchak) and its subsidiaries, Baht 1.510 billion from Nido Petroleum Limited (a wholly-owned indirect subsidiary of Bangchak), Baht 420 million from Bangchak Retail Co., Ltd. (a wholly-owned subsidiary of Bangchak), Baht 12.509 billion from BCP Trading Pte., Ltd. (a wholly-owned subsidiary of Bangchak), and Baht 8.073 billion from BBGI Co., Ltd. (60% shares held by Bangchak) and its subsidiaries. Of this total revenue, Baht 47.171 billion was reported as connected transactions, transparently described as sales of refined petroleum products from Bangchak to Bangchak Green Net Co., Ltd., for further retail sale. The revenue structure categorized by product and service of Bangchak and its subsidiaries during 2015-2017 is described as follows:

Product/Service	Operated by	2017		2016		2015	
		Revenue (Baht Mill.)	%	Revenue (Baht Mill.)	%	Revenue (Baht Mill.)	%
Refined products <sup>1/</sup>	BCP and subsidiaries	167,296	95.3	141,257	96.8	147,797	97.3
Power Generation	Subsidiaries	4,316	2.5	3,084	2.1	3,010	2.0
Consumer products	Subsidiaries	526	0.3	364	0.3	333	0.2
Others <sup>2/</sup>	BCP and subsidiaries	3,311	1.9	1,195	0.8	733	0.5
<b>Total</b>		<b>175,449</b>	<b>100.0</b>	<b>145,900</b>	<b>100.0</b>	<b>151,873</b>	<b>100.0</b>

**Note:**

<sup>1/</sup> The shares of earnings from sales of oil products in the domestic market in 2017, 2016 and 2015 were 90.3%, 91.5% and 89.1%.

<sup>2/</sup> Other revenues, excluding those from sales and services, included those from financial investments, gains on procurement of crude oil purchase contracts, futures of oil products and currency exchange, forex gains, reversal of allowance for impairment loss accounts, share of profits from investments in associates and joint ventures, sales promotions and campaigns, land leases, service station rentals, and equipment rentals.

## Product and Service Features

Bangchak Corporation Public Company Limited is a Thai energy company that operates in tandem with socio-environmental responsibility. Its core business is petroleum refining to produce high-standard products from domestic and international sources. With a capacity of 120,000 barrels per day, Bangchak produces and distributes its products through more than 1,000 service stations nationwide. It has expanded its businesses to oil trading, green power, bio-based products, natural resources, and business development. Its ultimate goal is to enhance energy security for the country and expand investment to new businesses so that its business may be continued and sustained.



Refinery and Trading Business Group  
(with a capacity of 120,000 barrels per day)

### Marketing Business Group (with over 1,000 retail stations)



### Green-power Business



### Bio-Based Product Business



### Natural Resources and Business Development





## Refinery and Trading Business Group

Bangchak's refinery is categorized as a modern complex refinery with a maximum capacity of 120,000 barrels per day. It can produce a large volume of premium-value gasoline and diesel. Gasohol and diesel from Bangchak Refinery are certified as Euro 4 Standard-compliant by the government. Its refinery is the first in Asia that produced the eco-friendly gasohol E20 to meet the Euro 5 standard with less than 10 parts per million (ppm) of sulfur or five times as low as the Euro 4 standard. Bangchak also focuses on improving energy stability in its production processes by using electricity and steam from a cogeneration power plant, using more environmentally friendly natural gas in place of fuel oil and enhancing the efficiency of the refining process with the 3E Project and YES-R to increase its production capacity. To increase the capacity and process operation to maximize the benefit, the following additional efforts have been made.



- Improved the efficiency of managing crude oil supply, refining processes, storage, distribution and shipping tankers to enable the continuation of refinery operations. As a result, the average annual refining capacity in 2017 was 111,000 barrels per day. The average daily production was recorded at 121.64 KBD in March.
- Executed better planning and procurement process of crude oil to obtain appropriate GRMs. Effectively utilized the Roll Month agreement to reduce the costs of crude oil. As a result, the average annual refining margin was US\$ 6.38 per barrel.
- Started operating the third-unit at Combined-Cycle Power Plant (GTG-3) using natural gas as fuel. It is capable of 12 megawatts (MW) of electricity and 42 tons per hour of steam in order to provide stable and continuous production within the refinery, reduce the cost of electricity and steam, and reduce greenhouse gas (GHG) emissions.
- Continuously developed the oil trading business through BCP Trading Pte. Ltd. by focusing on the strategy of expanding out-out (overseas oil suppliers for overseas customers) transactions.
- Began storing crude oil on the Floating Storage Unit (FSU) to grow its reserve oil storage capacity.

## Marketing Business Group

This year 76% of the refined products were sold to consumers directly through Bangchak's service stations and networks. There are 1,114 Bangchak service stations in Thailand: 499 standard and 615 community service stations (as of December 2017). Most of the new service stations of 2017 are spacious and green stylish. **They come along with supplementary (non-oil) businesses that help increase its market share and maintain Bangchak's second place.** It also sells products to users in the industrial sector, transport sector, airlines, shipping, construction and the agricultural sector. Bangchak service stations emphasize high-performance renewable, eco-friendly gasohol and diesel. This year it developed and launched to market the "Hi Premium Diesel S" to meet the needs of customers who need high-quality diesel. This product features engine protection, high combustion efficiency, a longer engine life, and friendliness to the environment. In addition, service stations also provide value-added facilities. Bangchak service stations will be expanded to include more convenience stores, coffee shops, fresh-cooked fast food restaurants, car maintenance centers, and car wash services.



With regard to the convenience store business, Bangchak's convenience stores sell consumer products at the Lemon Green convenience stores and Big C Mini's located at 165 large service stations near communities. There are 33 service stations that accompany SPAR, a supermarket chain from the Netherlands under the concept of SPAR Fresh & Easy Food Market and Inthanin Coffee Shop. There are over 446 service stations including leading educational institutes and commercial centers where "Inthanin Coffee Shop" and "Inthanin Garden" coffee shops are located. They also house "Lemon Kitchen" fast-food restaurants and car maintenance centers under Wash Pro, Green Wash, and Green Tyre.

Bangchak recognizes social trending and lifestyle changes of modern Thais. Therefore, its service stations are developed under a **"Greenovative Experience"** model under the renewable, recycle, reuse, and reduce (4Rs) concept. These include Installation of a solar roof top to produce electricity, an EV charger station for electric vehicles, an automatic bottle recycling machine for recycling polyester fiber, rain water collection for water reuse for gardening, a healthy coffee shop using biodegradable coffee cups, use of organic coffee grown with wild and non-chemical methods, and use of energy-saving materials and increase of green areas.

In addition to fuel products, Bangchak produces and sells lubricants and special products such as transmission oil, brake fluids, and greases, under the "BCP Lubricants" brand, sold to the domestic market through the network of service stations, retails, plants, OEM markets, and international markets. This year Bangchak developed the "FURiO" premium-grade lubricant that can save on fuels, prevent corrosion, and protects the engine in all modes of operation.

## Bio-based Product Business

Aware of the importance of renewable energy to Thailand's energy security and the reduction of trade deficit arising from importing fuels, Bangchak has promoted ethanol and biodiesel by blending them with gasoline and diesel to produce gasohol 91 and gasohol 95, gasohol E20, gasohol E85 and Hi Diesel.

This year Bangchak has completed amalgamation between BBP Holdings Co., Ltd., a subsidiary of Bangchak, and KSLGI Co., Ltd., a subsidiary of Khon Kaen Sugar Industry Public Company Limited, to form BBGI Co., Ltd., which is 60% owned by Bangchak, operates the largest biofuel production and distribution business in Thailand. The total production capacity is more than 1,710,000 liters per day, divided into 900,000 liters of ethanol and 810,000 liters of biodiesel per day. Below are four BBGI subsidiaries:

- **Bangchak Biofuel Co., Ltd. (BBF)**, is 70% owned by BBGI. BBF is a key player in the biodiesel business by using palm oil as a main raw material. The total installed capacity is now 810,000 liters per day. BBF is currently under construction preparation for the prototype plant of high-value bio-based products derived from palm fatty acid distillates for high-quality biodiesel production. At the same time it has begun investigating a refined glycerin project to grow its product values.
- **Bangchak Bioethanol (Chachoengsao) Co., Ltd. (BBE)**, is 85% owned by BBGI. BBE produces ethanol derived from cassava as a main raw material, with a total ethanol capacity of 150,000 liters per day. It is located in Amphoe Phanom Sarakham, Chachoengsao.
- **Ubon Bio Ethanol Co., Ltd. (UBE)** is 21.28% owned by BBGI and is located in Amphoe Na Yia, Ubon Ratchathani. The ethanol production capacity is 400,000 liters per day. With raw-material options ranging from fresh cassava, cassava chips, to molasses, UBE can produce 700 tons per day of tapioca flour in addition to power generation from waste water derived from ethanol and dry tapioca flour processes.
- **KSL Green Innovation Pcl. (KGI)**, a wholly-owned subsidiary of BBGI, produces and sells ethanol derived from molasses. The total capacity is 350,000 liters per day.



## Green-power Business

Bangchak has invested in the green power business through the operations of BCPG Plc., a subsidiary of Bangchak to generate and distribute electricity from new types of renewable energy and clean energy. Last year BCPG had a total capacity of 585 MW both in Thailand and abroad. Of this, 394 MW is in operation, and 191 MW in progress. In Thailand, a total of 190 MW in solar farms, of which 182 MW is in operation, and 9 MW is in progress. In Japan, BCPG has a plan to install 192 MW solar farm, of which 40 MW is in operation, and 152 MW is in progress. With regard to wind energy, BCPG




has a plan to install 20 MW (equity), of which 14 MW is in operation, and 6 MW is in progress. A geothermal power plant is also BCPG's interest. It has planned to install 182 MW (equity). So far, 158 MW is in operation, and 24 MW is in progress.

### Natural Resources Business

Bangchak has established BCP Energy International Pte. Ltd. (BCPE) in Singapore to operate its international businesses involving energy, petrochemicals, and natural resources. It currently wholly owns Nido Petroleum Limited to focus on petroleum exploration and production primarily in Southeast Asia.

Bangchak established BCP Innovation Pte. Ltd. (BCPI) in Singapore to conduct businesses involving international innovation. BCPI acquired a 15.86% interest in Lithium Americas Corporation, a listed company on the Canadian Stock Exchange. Its business is lithium mining in Argentina and the United States to support the soaring demand for lithium batteries in renewable-energy power plants for the stability of the transmission system and the production of electricity from renewable energy, the use of batteries in electric cars, including various portable electronic devices.



 Bangchak Initiative and Innovation Center

### R&D and Innovation Business

Bangchak established **Bangchak Initiative and Innovation Center (BiIC)** to create a Green Ecosystem so that it may drive innovation by focusing on green energy and bio-based business. Research and development, management of technologies, and networking help leverage the expansion of the business (both domestic and abroad) in parallel with incubation of startup businesses under the Thailand 4.0 economy. Its ultimate goal is to join the Evolving Greenovation Group in Asia.

## Marketing and Competition

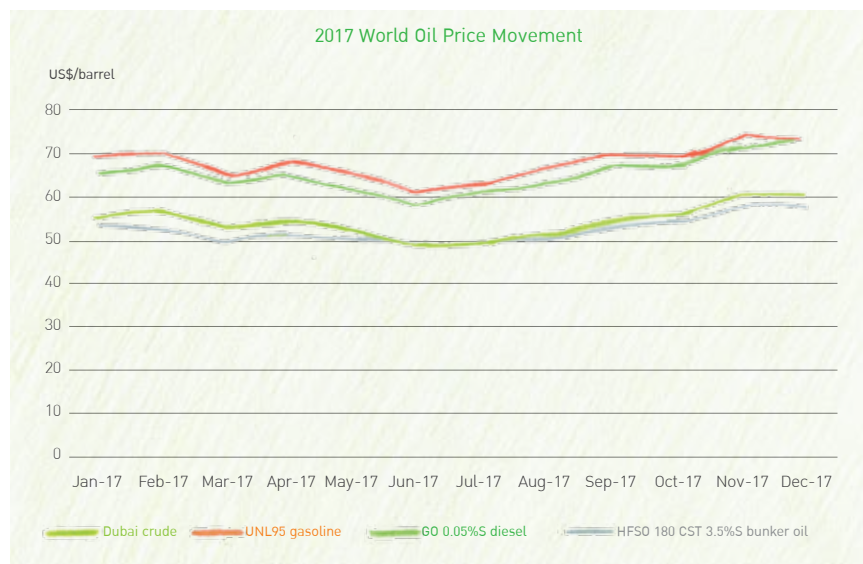
### 2017 Global Economic Overview

The world economic growth this year expanded beyond the original forecast, mainly as a result of a soaring consumer confidence indices in the US, Europe, China and Japan, as well as emerging Asian economies. Trade exports and imports of commodities for investment and industrial goods were also factors supporting the growth this year. IMF made the 2017 world economic growth forecast in its December 2017 report at 3.7%, rising to 3.9% in 2018. A 0.2% additional growth prediction in 2018 indicates economic recovery; however, it comes with risks. Political uncertainty in the US and economic impacts stemmed from Brexit on international trade and monetary transactions are the main ones. The lower-than-expected inflation figures in the advanced economies led IMF to believe that the economic recovery in this group was too slow, most likely from higher economic burdens from their growing aging populations and considerably higher public debts. Although the growth recorded by the developing nations was much higher, the rate was not all solid but relatively weak, as reflected by lower per-capita income and a possible economic bubble in China.

The East Asian and Pacific economy made a stronger move than originally predicted, at 5.6% this year and 5.5% in 2018, reported by the IMF. This impressive growth has been directly supported by China's 6.8% economic growth, driving the extraordinary growth for the entire region, including Thailand and Malaysia. Strong export and tourism were the main drivers for Thailand and Malaysia. Higher household consumption following rising labor income pushed for higher economic growth in Indonesia. Quick recovery of the agricultural sector from low productivity and of the manufacturing sector in Vietnam drove its economic growth beyond its neighbors. Through economic cooperation, the Southeast Asian region posted high growth this year. However, a certain set of risks are apparent in 2018, including political and economic uncertainties in the developed economies, possible economic contraction from very high private debts in China, and higher capital costs derived from higher interest rates for emerging economies heavily relying on loans. Trade protectionism and geopolitical troubles in the Korean Peninsula could trigger regional tension and slow down the world's economy at any time.

### 2017 Crude Oil Market Overview

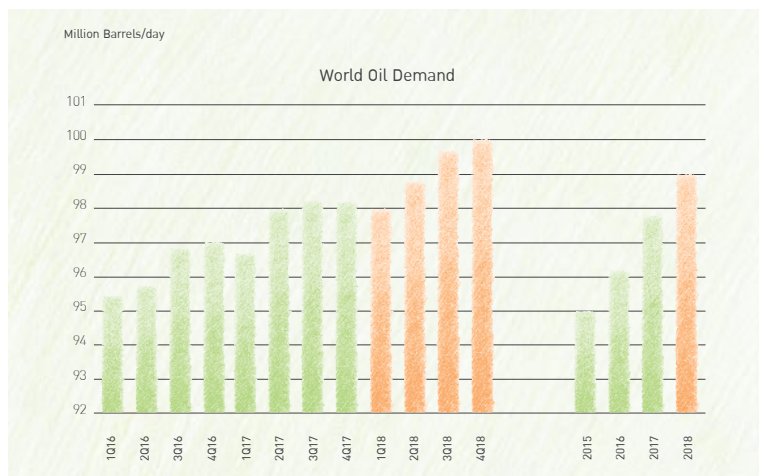
The average Dubai crude price this year stood at US\$53.14 per barrel, up by US\$11.71 per barrel or 28% from this year's average level of US\$41.43 per barrel. The price was high early in the year following the oil production cut agreement between OPEC and non-OPEC blocs, led by Russia for a six-month period to June. The total cut was 1.8 million barrels per day, designed to reduce oversupply in the global market. Before June, the agreement was



US\$/barrel

Product	2016	2017			YoY
	Average	Highest	Lowest	Average	%
Dubai crude	41.43	64.36	43.50	53.14	+28.26
UNL95 gasoline	56.26	74.45	56.36	67.99	+20.85
GO diesel	52.24	78.70	54.85	65.65	+25.67
HSFO bunker oil	36.47	60.07	44.65	50.81	+39.32

2018 Crude Oil Market Trend



Source : IEA (International Energy Agency)

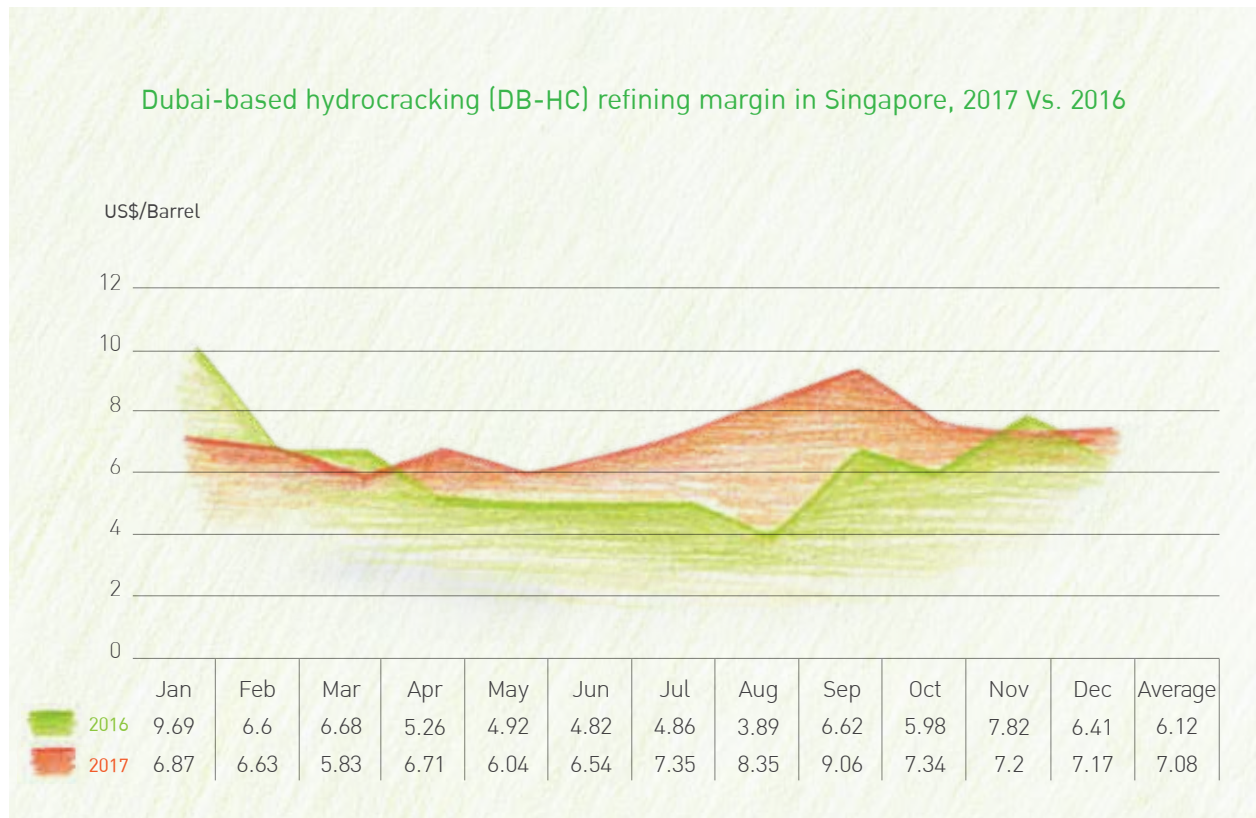
extended for another nine months to end in March 2018. The price dropped in the second quarter this year, following planned maintenance shutdowns at many refineries in Asia and other regions, and production increases from Libya and Nigeria-the OPEC members exempted from the production cut agreement due to internal political unrests. Because of the higher crude price, shale oil producers in the US resumed production, causing the world market to be in oversupply and pushing down the price. The market went into reverse in summer when

the global demand picked up. Moreover, Harvey and other hurricanes in the Gulf of Mexico generated impacts on oil production in the US. The oil producers convened in November 2017 and unanimously decided to extend the cut agreement to end in December 2018. All producers vowed to extend their internal cuts leading to a reduction of crude oil reserves worldwide and a more balance market.

The International Energy Agency (IEA) projected world oil demand to increase by 1.29 million barrels per day in 2018, as opposed to 1.53 and 1.34 million barrels per day this year and in 2016. The demand in Asia remains predominant relative to the rest of the world, especially India. Southeast Asia’s strong economic growth with infrastructure investment policies and rapid expansion are the main drivers.

Total crude oil production from the non-OPEC bloc tends to increase by 1.6 million barrels per day in 2018, against 600,000 barrels per day increase this year, primarily from the US, where extra production is set to rise by 1.1 million barrels per day in 2018 against 530,000 barrels per day in 2017. The extra production in the US comes from shale oil, more offshore platforms and higher production efficiency. Shale oil producers resumed their production following the world oil price rise. The extra production increase from non-OPEC and the US may push the market to oversupply. On the other hand, the Middle East tension and political uncertainty in various parts of the world will drive oil price volatility in 2018. Oil

producers will therefore reconvene in mid-2018 to decide how to balance the world oil demand-supply to maintain the price level. The production cut agreement may become less stringent in the latter half of 2018, keeping the Dubai crude oil price range of US\$55-70 per barrel.



Source : Reuters

The 2017 Dubai-based hydrocracking average refining margin in Singapore was US\$7.08 per barrel, an increase from US\$6.12 per barrel in 2016, reflecting higher margins between the Dubai crude price and prices of refined gasoline, diesel and fuel oil. The world oil demand was higher especially in Asia, while the extra supply from new refineries worldwide was lower. The US oil supply was suspended as many refineries were shut down during Hurricane Harvey. The Dubai-gasoline spread was driven mainly by demand growth in China and India, high growth of automotive sales for the middle incomers, and overall economic expansion. Likewise, the Dubai-diesel margin was driven by higher demand with the resumption of mining activities in China and Indonesia, overall increase of transport and logistics, and construction infrastructural work in India. The Dubai-fuel oil margin was supported by the falling supply of fuel oil following the production cut by OPEC, particularly on the heavy crude that was less price competitive than the light crude but yielded more fuel oil. Many more refineries in Russia and Asia modified with quality improvement units, resulting in less production of fuel oil, driving up refining margins throughout Asia.

Price spread	US\$/barrel				
	2016	2017			YoY
	Average	Highest	Lowest	Average	%
UNL95 - DB	14.83	20.53	10.49	14.85	+0.13%
GO - DB	10.80	16.18	9.86	12.51	+15.83%
HSFO - DB	-4.97	1.15	-5.09	- 2.33	+53.12%

The 2018 hydrocracking average refining margin in Singapore tends to lower slightly, as demand for products in Asia is likely lower following higher oil prices from the previous year. Moreover, the demand in China is likely to fall, as its economic structural focus is gearing toward the service sector. Supply from China is set to rise as more refineries have come on stream, leading to more exports of oil products from China. Imports of oil products to Vietnam will fall after the commissioning of a new refinery in that country, and the Asian economy is prone to the US international trade and economic policies.

### 2017 Thai Economic Overview

The Bank of Thailand projected economic growth this year at 3.9%, an increase from 3.2% in 2016. The higher economic growth was better than earlier predicted due to the recovery of the export and service sectors, growing domestic consumption and private investment expansion. Economic stimulation measures implemented by the government drove the national economy to grow beyond the original plan. Certain concerns still exist, however; income concentrated to some sectors and unfairly distributed, rise of household debts, and economic policy uncertainty, as well as trade barriers with the US, are the major economic risks hindering Thai economic growth.

The headline inflation reported by the Bank of Thailand was estimated to stand at 0.7% this year, an increase from 0.2% in the previous year. The increase was driven by the rising oil price, growth in consumption demand even at a relatively low level, and negative impacts of economic restructuring. All these factors helped retard the inflationary pressure.

So, the 2018 GDP forecast is now 3.9%, relatively stable from this year. The main driving force comes from exports, seen in advanced orders placed in all industrial sectors, demand for new products especially for organic and value-added processed agricultural products, and growing tourism industry, following higher consumer confidence and tax incentive measures stimulating more local travel. Domestic consumption is set to gradually grow in response to higher consumer confidence. The economic barriers include price volatility of agricultural products and steadily high household debts. Due to healthy market supply, the 2018 headline inflation is estimated to slightly grow to 1.1% following the higher oil price.

### Summary of Thai economy and inflation

Percent	2016*	2017	2018
Economic growth	3.2	3.9 (3.8)	3.9 (3.8)
Headline inflation	0.2	0.7 (0.6)	1.1 (1.2)
Core inflation	0.7	0.6 (0.6)	0.8 (0.9)

Note: \* actual data

( ) monetary policy report, September 2017

Source: Office of the National Economic and Social Development Board, Ministry of Commerce, and Bank of Thailand

Nevertheless, other considerations affect the Thai economic projection. Uncertainty on the international trade policy with the US, geopolitical risks among trade partners, and unexpectedly low domestic consumption resulting from uneven income distribution are the major concerns prohibiting the projected Thai economy growth.



## Domestic Oil Market Competition

The demand for fuels this year in Thailand grew by 2.96 million liters to 118.18 million liters per day, a 2.57% increase in line with the growing GNP. The growth was driven by state measures on economic stimulation, expansion of the service sector and the continued public investment from 2016, leading to economic expansion beyond the original plan, especially the export and service sectors. Demand for gasoline and diesel therefore continued to grow at 3.28% and 2.69% this year. The highest growth was recorded in the consumption of gasohol (3.99%), pushing the share of gasohol among the total fuels to a record high of 95%.

## Domestic demand for refined products

Product	Demand (Million liters/day)		
	2017	2016	Growth variation
Regular Gasoline	1.39	1.54	-9.50%
Gasohol	28.83	27.72	3.99%
Gasoline Group	30.22	29.26	3.28%
Diesel Group	63.73	62.06	2.69%
Jet fuel	18.47	17.72	4.25%
Fuel Oil	5.76	6.18	-6.83%
<b>Total</b>	<b>118.18</b>	<b>115.22</b>	<b>2.57%</b>

Source: Department of Energy Business

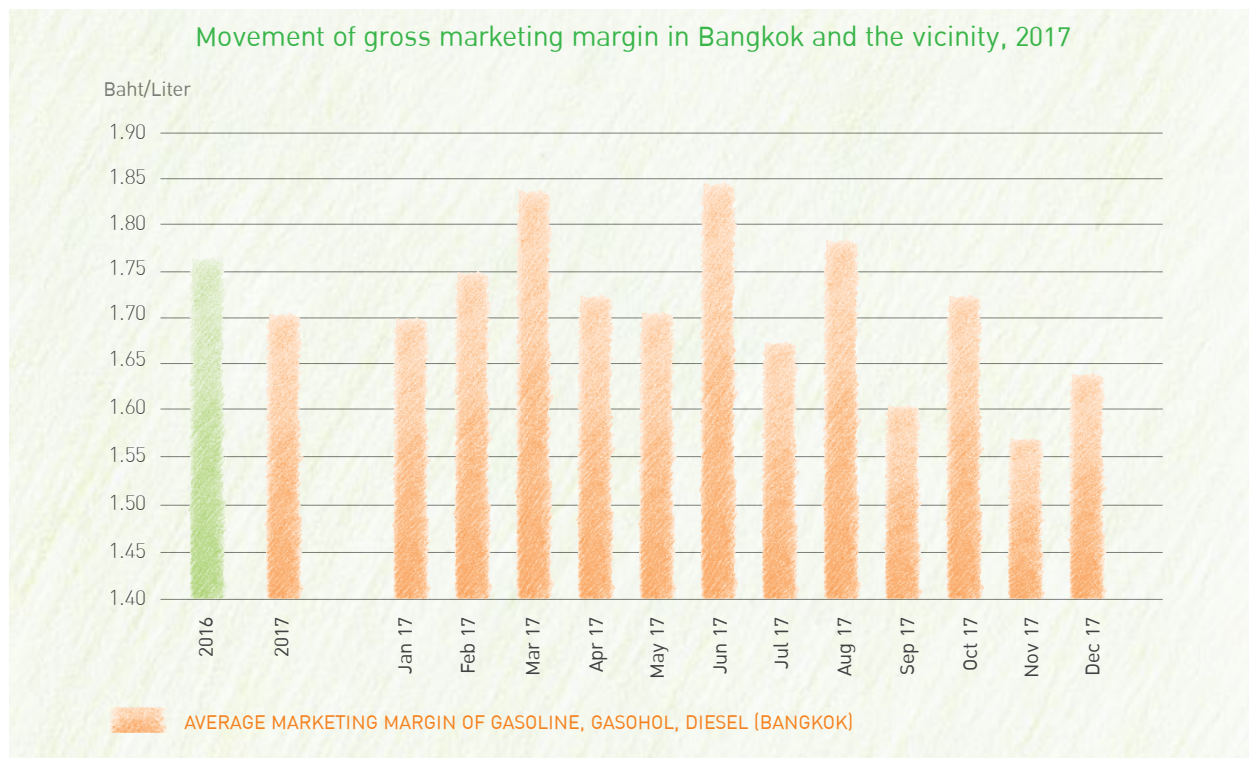
On the supply side, the 2017 total crude run average stood at 1,140 KBD, a slight rise by 4.69% from the 2016. All six domestic refineries were fully on production, including Thainoil, IRPC, PTT Global Chemical, Esso, Star Petroleum (SPRC) and Bangchak. The 2018 supply outlook is higher, since there is no planned maintenance shutdown.

## Average crude run by domestic refineries

Refinery	Crude run (thousand barrels per day, KBD)		
	2017	2016	Growth variation
Thaioil	351	337	+4.08%
IRPC	181	185	-2.42%
Esso	140	135	+3.62%
SPRC	166	173	-3.93%
PTT Global Chemical	191	157	+21.80%
Bangchak	111	101	10.03%
<b>Total</b>	<b>1,140</b>	<b>1,088</b>	<b>+4.69%</b>

Source: Energy Policy and Planning Office, Bangchak Corporation Plc.

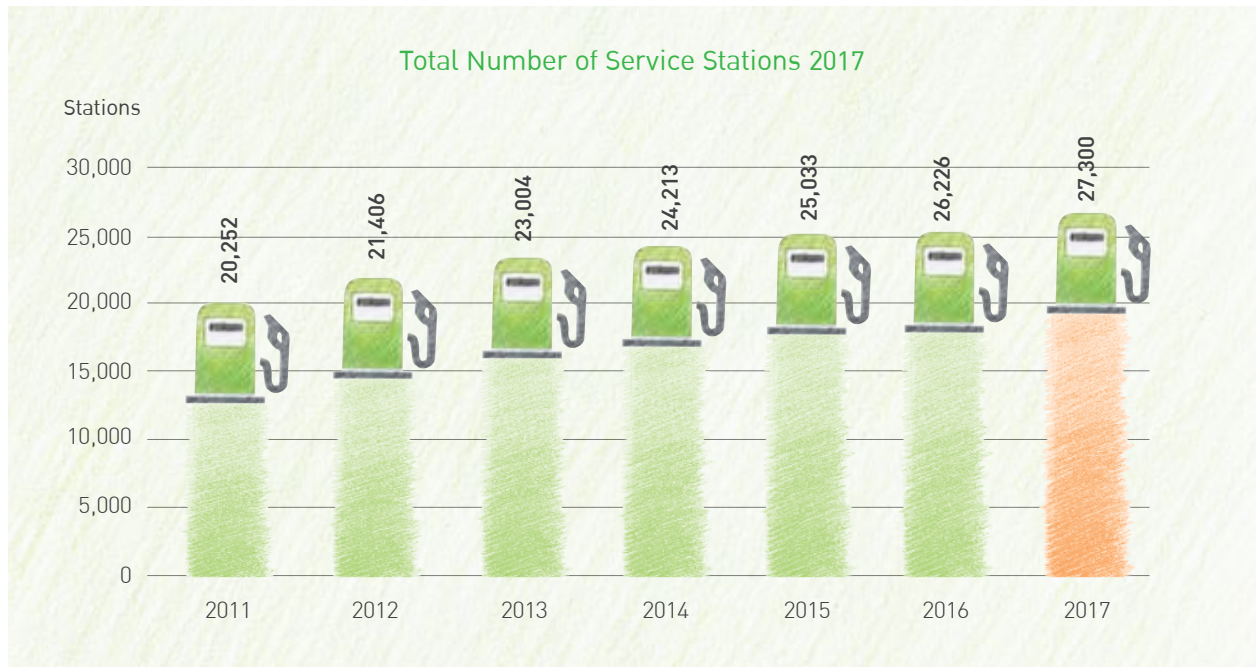
In the wake of the low-level oil price volatility in 2016, the price picked up at the year-end, driving traders to hike their retail prices to reflect the higher cost within the public policy framework. The 2017 gross marketing margin for Bangkok and its vicinity averaged Baht 1.71 per liter, a mild drop from 2016 of Baht 0.06 per liter. This included the dealer's margin and transport compensation. The gross marketing margin for 2018 is expected to be on a par with the 2017 level, given the fact that the domestic retail prices cannot be adjusted quickly in line with the rapid volatility of the world oil price.



Note: Gross marketing margin is inclusive of dealer's margin

Source: EPPO

The total number of service stations continues to rise. About 1,074 new service stations were added this year, roughly 6% from the total, making the total number stand at 27,300 at the year-end. Out of these new stations, 404 stations sold E20 gasohol and 194 stations sold E85 gasohol, leading to 3,707 stations serving gasohol E20 and 1,167 stations serving gasohol E85. Obviously, the higher demand and the number of service stations serving gasohol E20 and E85 were driven by higher number of car sales with E20- and E85-compatible engines.



Source: Department of Energy Business

Because of the higher number of service stations nationwide, retail market competition has intensified. The overall outlook is for these stations to become modernized to better serve consumers. Not only convenience has been focused, but non-oil businesses and services have been added to provide more alternatives to consumers and to improve retail business performance and competitiveness. Moreover, to accommodate AEDP's (Alternative Energy Development Plan) renewable and alternative energy plans, more and more service stations are providing choices of renewable energy to accommodate demand from modern vehicles. Finally, many Thai retail business operators have opted to expand their businesses to neighboring countries under the AEC (ASEAN Economic Community) scheme, where demand for petroleum products consumption and economic growth are phenomenal.

## Shareholder Structure

### Registered Capital and Paid-up Capital

The Company's registered capital amounted to Baht 1,376,923,157 of which Baht 1,376,923,157 was paid up. An equal number of common shares were issued at a par value of one Baht each.

Top 10 Major Shareholders (as of September 15, 2017)	Number of Shares	Shareholding (%)
1. Vayupak Fund 1	204,333,600	14.84
2. Social Security Office	187,148,897	13.59
3. Thai NVDR Co., Ltd.	138,066,757	10.03
4. Ministry of Finance	137,442,767	9.98
5. Krungsri Dividend Stock LTF	37,598,000	2.73
6. AIA TH-EQ4-P	30,000,069	2.18
7. STATE STREET BANK EUROPE LIMITED	25,767,176	1.87
8. Bangkok Life Assurance PCL	23,056,200	1.67
9. HSBC (SINGAPORE) NOMINEES PTE LTD	18,767,700	1.36
10. NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND CL AC	18,757,954	1.36
<b>Top 10 Total</b>	<b>820,939,120</b>	<b>59.61</b>
<b>Grand Total</b>	<b>1,376,923,157</b>	<b>100.00</b>

### Shareholders

**Shareholders through Thai NVDR Co., Ltd.** Who owns more than 0.50% of the paid-up BCP shares

Top Major Shareholders (as of September 15, 2017)	Number of Shares	Shareholding (%)
1. N.C.B.TRUST LIMITED-NORGES BANK 5	26,842,600	1.95
2. BNY MELLON NOMINEES LIMITED	14,494,155	1.05
3. STATE STREET BANK EUROPE LIMITED	10,827,955	0.79
4. RBC INVESTOR SERVICES BANK S.A.	8,403,400	0.61
5. STATE STREET BANK AND TRUST COMPANY	7,963,100	0.58
6. UBS AG LONDON BRANCH	7,749,000	0.56
<b>Total</b>	<b>76,280,210</b>	<b>5.54</b>

Source: <https://www.set.or.th/set/companyholder.do?symbol=BCP-R>

**Note:** Investors can examine updated shareholders' information at Bangchak's website before the AGM

## Dividend policy

The Company has the policy to pay out dividend to the shareholders at the rate of not less than 30 percent of net profit after deduction of allocation of legal reserve. However, this is subject to the economic situation, the Company's cash flow and investment plans of the Company and its subsidiaries according to the necessary, appropriation and other concerning as the Board of Directors' consideration.

### Dividend Payment History BCP

Year	2012	2013	2014	2015	2016	2017 (first half)
Earnings per share (Baht/share)	3.10	3.38	0.52	3.01	3.47	2.23
Annual dividend (Baht/share)	1.25	1.35	1.00	2.00	1.80	1.05
Dividend rate (%)	40	40	192	66	52	47

#### • Subsidiaries' dividend policies (only dividend-paying ones)

##### • Bangchak Green Net Co., Ltd.

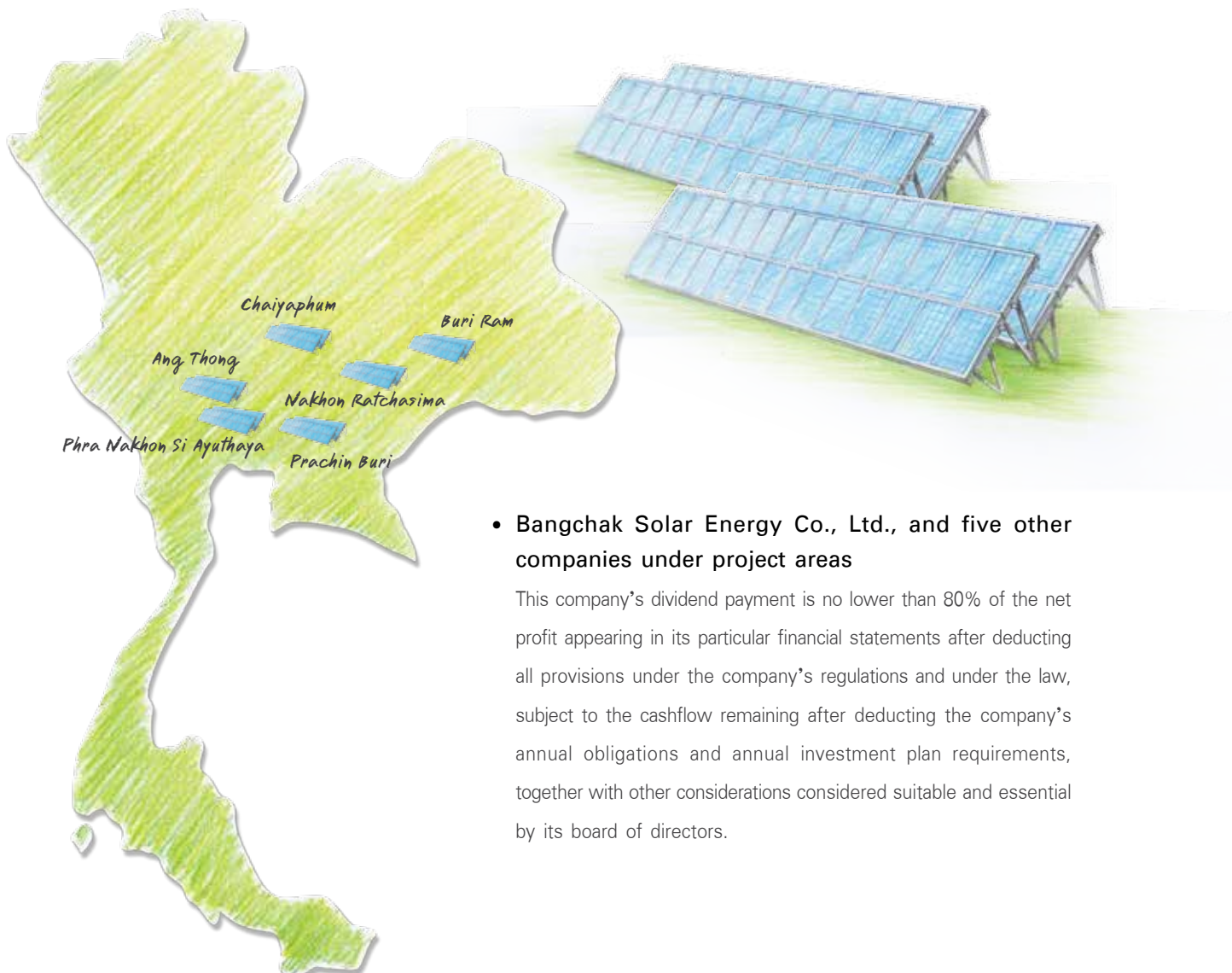
For a given fiscal year, the holders of preferred shares are entitled to annual dividends equivalent to the average daily interest rates for one-year fix deposits announced by Krungthai Bank Plc plus 3%. Dividends are paid in proportion to each paid-up share value when the dividends are paid out as stated in the resolution of the annual general meeting of shareholders (AGM). For a given year, if the company's profit is less than the dividends calculated for holders of preferred shares, all dividends are to be paid from such profit to holders of preferred shares only, and none is to be paid to holders of common shares. Any outstanding dividends for holders of preferred shares will be carried forward or accumulated to the following year along with those for the holders of common shares. For a given year, if the company's profit exceeds the dividends calculated for holders of preferred shares, the AGM will approve dividends for holders of common shares, case by case.

##### • Bangchak Biofuel Co., Ltd.

Dividend payment must have the approval of an AGM and will be made only when the company has allocated at least 5% of its net profit in a given year as provisional capital until the provisional capital reaches 10% of the registered capital. The Board may consider interim dividend payment to shareholders but not as long as it still has cumulative losses.

- **BCPG Plc.**

This company's dividend payment is no lower than 40% of its net profit according to separate financial statements after deduction of all reserved funds under its regulations and related laws. The Board of Directors' resolution on dividend payment will be raised for the approval of the shareholders at the AGM, except for interim dividend payment, which the Board authorized to approve and make a subsequent report to shareholders' meeting. Dividend payment is subject to each year's economic situation, the company's cash flow, and investment plans of Bangchak and affiliates. The Board, however, will also take into consideration other factors as seen appropriate.

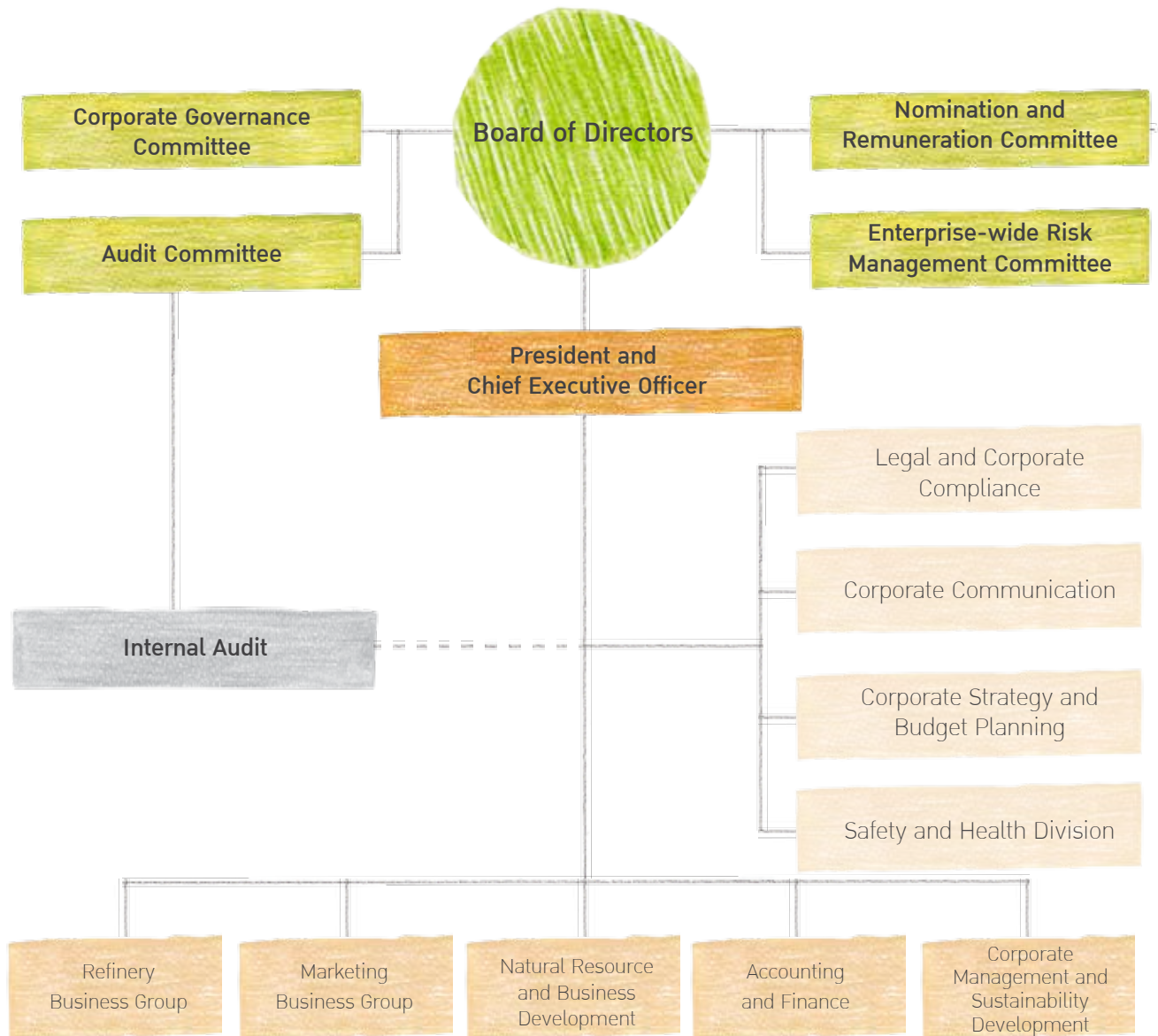


- **Bangchak Solar Energy Co., Ltd., and five other companies under project areas**

This company's dividend payment is no lower than 80% of the net profit appearing in its particular financial statements after deducting all provisions under the company's regulations and under the law, subject to the cashflow remaining after deducting the company's annual obligations and annual investment plan requirements, together with other considerations considered suitable and essential by its board of directors.

## Management Structure

The Board of Directors and the management perform in the best interests of Bangchak and its shareholders under a clear, balanced, and accountable management structure. The Board monitors and ensures that the management implements its policies, plans and strategies, and that there is clear distinction of roles and responsibilities between the Board and the management.



As of December 2017

**Note:**

The Audit Committee considers, appoints, transfers, dismisses, and undertakes annual evaluation of the Chief Audit Executive and review the independence of Internal Audit.

## 1. Board of Directors

There were 15 directors (As of 31 December 2017) as follows:

Name	Position	Appointment date
1. Mr. Pichai Chunhavajira	<ul style="list-style-type: none"> <li>Chairman (Independent director)</li> </ul>	24 April 2012 (Independent director since 1 June 2017)
2. Mr. Surin Chiravisit	<ul style="list-style-type: none"> <li>Vice Chairman (Independent director)</li> <li>Chairman of the Nomination and Remuneration Committee</li> <li>Member of the Enterprise-wide Risk Management Committee</li> </ul>	8 April 2010
3. Mr. Suthep Wongvorazathe	<ul style="list-style-type: none"> <li>Independent director</li> <li>Chairman of the Audit Committee</li> <li>Member and Secretary of the Nomination and Remuneration Committee</li> </ul>	30 October 2012
4. Pol.Lt.Gen. Chaiwat Chotima	<ul style="list-style-type: none"> <li>Independent director</li> <li>Member of the Audit Committee</li> <li>Member of the Nomination and Remuneration Committee</li> </ul>	9 April 2014
5. Gen. Apirat Kongsompong	<ul style="list-style-type: none"> <li>Independent director</li> <li>Member of the Nomination and Remuneration Committee</li> </ul>	26 September 2014
6. Adm. Sucheep Whoungmaitree	<ul style="list-style-type: none"> <li>Independent director</li> <li>Member of the Nomination and Remuneration Committee</li> </ul>	26 May 2015
7. Mr. Krisada Chinavicharana	<ul style="list-style-type: none"> <li>Independent director</li> <li>Member of the Audit Committee</li> </ul>	23 November 2015
8. Gen. Vitch Devahasdin	<ul style="list-style-type: none"> <li>Independent director</li> <li>Chairman of the Corporate Governance Committee</li> </ul>	5 April 2016
9. Mrs. Prisana Praharnkhasuk	<ul style="list-style-type: none"> <li>Independent director</li> <li>Member of the Audit Committee</li> </ul>	5 April 2016
10. Mr. Teerapong Wongsiwawilas	<ul style="list-style-type: none"> <li>Independent director</li> <li>Member of the Corporate Governance Committee</li> </ul>	26 January 2017 Replacing Prof. Dr. Chai-anan Samudavanija
11. Mr. Prasong Poontaneat	<ul style="list-style-type: none"> <li>Director (Representative of Ministry of Finance)</li> <li>Chairman of the Enterprise-wide Risk Management Committee</li> </ul>	24 April 2012
12. Mr. Visit Vongruamlarp	<ul style="list-style-type: none"> <li>Director (Representative of the Ministry of Finance)</li> <li>Member of the Enterprise-wide Risk Management Committee</li> </ul>	8 April 2015
13. Mr. Jarin Chakkaphark	<ul style="list-style-type: none"> <li>Director (Representative of Social Security Office)</li> <li>Member of the Corporate Governance Committee</li> </ul>	12 October 2017 Replacing M.L. Puntrik Smiti
14. Dr. Prasert Sinsukprasert	<ul style="list-style-type: none"> <li>Director</li> <li>Member of the Enterprise-wide Risk Management Committee</li> </ul>	5 April 2016
15. Mr. Chaiwat Kovavisarach	<ul style="list-style-type: none"> <li>President and Chief Executive Officer</li> <li>Member and Secretary of Corporate Governance Committee</li> <li>Member and Secretary of Enterprise-wide Risk Management Committee</li> <li>Secretary of the Board of directors</li> </ul>	30 October 2012



## Directors whose terms were completed and resigned directors in 2017

Name	Position	Appointment date
1. Prof. Dr. Chai-anan Samudavanija	<ul style="list-style-type: none"> <li>Vice Chairman (Independent director)</li> <li>Chairman of the Nomination and Remuneration Committee</li> </ul>	24 April 2003 (Resigned on 26 January 2017)
2. M.L. Puntrik Smiti	<ul style="list-style-type: none"> <li>Director (Representative of Social Security Office)</li> <li>Member of the Corporate Governance Committee</li> </ul>	27 October 2015 (Resigned on 10 October 2017)

The names and number of the authorized directors who have authority to sign on behalf of the Company are:

Mr. Pichai Chunhavajira jointly with Mr. Chaiwat Kovavisarach with affixation of the Company's seal or any one of these two directors signs jointly with Mr. Surin Chiravisit or Mr. Suthep Wongvorazathe or Pol.Lt.Gen. Chaiwat Chotima or Gen. Apirat Kongsompong or Mr. Visit Vongruamlarp or Adm. Sucheep Whoungmaitree or Mrs. Prisana Praharnkhasuk, being two persons, with affixation of the Company's seal.

## Board structure

- Board diversity prevails, equipped with a series of skills matching Bangchak's business strategies, which are identified through Board Skill Matrix preparation.
- The Board consists of 5-15 directors without gender discrimination. Today there are 15 of them, with one female member.
- Independent directors account for more than one-third of the Board. Today there are 10 of them, which exceeds half of the Board, thus conforming to good governance.
- The Chairman cannot be the same person as the President and Chief Executive Officer and does not belong to any Sub-Committee in view of clear-cut responsibilities and duties.

## Board Skills Matrix

Name/Specific Expertise	Oil business	Retail business	Energy business	International business	Accounting and finance	Internal control	Compliance	Organizational development and innovation	Society, environment, and safety	Risk and crisis management
1. Mr. Pichai Chunhavajira	X	X	X	X	X	X		X	X	X
2. Mr. Surin Chiravisit	X	X	X				X	X	X	X
3. Mr. Suthep Wongvorazathe	X	X	X	X	X	X				
4. Pol.Lt.Gen. Chaiwat Chotima	X	X	X			X			X	X
5. Gen. Apirat Kongsompong					X	X		X	X	X
6. Adm. Sucheep Whoungmaitree						X		X	X	X
7. Mr. Krisada Chinavicharana					X	X	X			X
8. Gen. Vitch Devahasdin						X		X	X	X
9. Mrs. Prisana Praharnkhasuk	X		X		X			X		
10. Mr. Teerapong Wongsiwawilas						X	X	X		X

Name/Specific Expertise	Oil business	Retail business	Energy business	International business	Accounting and finance	Internal control	Compliance	Organizational development and innovation	Society, environment, and safety	Risk and crisis management
11. Mr. Prasong Poontaneat	X	X	X		X		X	X		X
12. Mr. Visit Vongruamlarp		X	X		X	X				X
13. Mr. Jurin Chakkaphark						X		X	X	
14. Dr. Prasert Sinsukprasert	X	X	X							X
15. Mr. Chaiwat Kovavisarach	X	X	X	X	X	X		X		X
<b>Total</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>3</b>	<b>8</b>	<b>11</b>	<b>4</b>	<b>10</b>	<b>7</b>	<b>12</b>

## Independent Directors

There is a need to ensure that independent directors are critical to good governance, looking after the interests of Bangchak and its shareholders by imposing checks and balances on Board decision-making and commanding awareness of their duties with due regard for righteousness and free views from any party's influence. The Board therefore devised definitions and qualifications of independent directors in Section 3.1 of the corporate governance policy, with stricter shareholding requirements than those of SEC and SET, that is, 0.5% against the legal maximum of 1% of the total eligible voting shares of Bangchak, its parent company, subsidiaries, associates, major shareholder or controller, and independent directors' related parties.

## Appointment and Dismissal of Directors

- Shareholder's meetings elect Directors through majority voting with one shareholder holding one vote per share held and can elect Directors individually. The candidates with the most votes are to be appointed Directors up to the number open at the meeting. If more candidates receive equal votes than the number of Directors required, the Chairman of the meeting must cast a deciding vote.
- In every Annual General Meeting (AGM), one-third of the Directors must retire. If this number is not a multiple of three, then the number nearest to one-third. The names of the Directors to retire during the first and second year after the Company was registered are to be drawn by lots if not agreed otherwise. For subsequent years, those with the longest terms must retire. The retired Directors can be re-elected.
- Other than the completion of term, a Director may retire for to the following reasons:
  - death
  - resignation (effective from the date the Company receives the letter of resignation)
  - lack of qualifications according to the Public Company Limited Act and the Securities and Exchange Act
  - decision of the shareholders' meeting to resign according to the Public Company Limited Act
  - court order

4. In case a Director's position is vacant due to other reason than the completion of term, the Board of Directors is to elect a candidate with qualifications according to the Company's regulations in the next meeting except when the Director's term is to be completed in less than two months. At least, a three-quarter vote of the Directors present at the meeting is required. The elected Director holds the position until the completion of term of the Director they have replaced.

### Policy on Director Nomination (Disclosure 102-24)

“To nominate Directors, the Company focuses on people with knowledge, capability, experience, sound career profile, leadership, vision, morality, ethics and good attitude toward the organization, who can dedicate adequate time for the Company's benefit. Moreover, consideration was also given to Board diversity and Board skill matrix in order to nominate the directors's qualifications **by considering skills which have been missing and also appropriate qualifications in compliance with the structure of Directors and in line with the Company's business strategies. Bangchak will also use Director Pool from the Thai Institute of Directors (IOD) to nominate directors** through transparent procedures to bolster the confidence of shareholders.”

### Board Diversity

Nomination of directors takes into account diversity in several aspects, including educational background, career experience, skills, and expertise without any regard for gender, age, nationality, origin, religious belief, or other differences.

### Directors' Nomination

1. Bangchak allows minor shareholders to nominate directors by submitting their names to it
2. The Nomination and Remuneration Committee (NRC) reviews Board structure for suitability and Bangchak's strategic needs
3. NRC defines the competency and experience for directors to be nominated by using Director Qualifications and Skill Matrix so that they may match Bangchak's goals and strategies
4. NRC proceeds with nomination and tables qualified persons for directors in place of those whose terms expire or for additional directors, using IOD's Director Pool as part of the nomination process. NRC is also to nominate directors to its secretary.
5. NRC selects those qualified to be directors and tables their names for the Board's endorsement
6. The Board endorses the list of directors for subsequent approval by the AGM.

### Terms of Directorship

Directors do not hold more than three consecutive terms, meaning that they cannot serve for more than nine years (three years in each term) to allow the Company to find other qualified Directors for the maximum benefit of the Company. **“The appropriate term for directorship is no more than three consecutive terms (from 2008 onward)** except for when a director is deemed suitable to hold the position for a longer period. The Board will consider the independence and effectiveness of the director who is under consideration and defend their decision to the shareholders.”

### Roles, Duties, and Responsibilities of the Board of Directors

1. Carry out duties under laws, objectives and regulations of the Company as well as resolutions of shareholders' meetings with honesty, protect the Company's benefit and have accountability to the shareholders.

2. Lead the Company in business administration by defining and reviewing its vision, objectives, main goals, and business strategies, and by pursuing helpful information, while freely expressing views.
3. **Oversee the management's translation of strategic plans into operational plans, assess the outcomes and steer affiliates by requiring their management to report their performances and other key matters for the Board's acknowledgment every month.**
4. Manage business for sustainable value, which includes sound performance, creating value with long-term perspectives, ethical and responsible business that benefits or eases socio-environment impacts (Good Corporate Citizen), and resilience to changes.
5. Ensure that all Directors and employees are filled with duties of care and those of loyalty, and that they are engaged in transactions free of conflicts of interest.
6. Independent and non-executive Directors are prepared to express their opinions freely in formulating strategies, management, use of resources, appointment of Directors and business standard as well as to disagree with other Directors or the administration on conflicts that affect the equality of all shareholders.
7. Establish a corporate governance policy and code of conduct to guide Directors and employees, with an annual review and assessment.
8. Exemplify compliance with the corporate governance policy and code of conduct, together with the Stock Exchange of Thailand (SET)'s policy on good practices for Directors of listed companies.
9. Establish an effective and reliable accounting system, financial report, internal controls and internal audit.
10. Establish a system for risk management through appropriate and sufficient risk management guidelines and measures, with regular monitoring.
11. Establish a suitable, transparent, and fair executive recruitment system under which executive vice presidents upward must be appointed by the Board.
12. Establish a suitable executive compensation system to inspire them and benchmark them with prevailing industry practices, linking it with Key Performance Indicators (KPIs). Short-term compensation means monthly salaries and bonuses; long-term compensation is individually decided, including Employee Stock Option Program (ESOP) and Employee Joint Investment Program (EJIP).
13. Appoint a Company Secretary under securities and exchange laws to advise the Board on essential laws and regulations, handle document preparation for Board meetings, handle key Board documents and activities, coordinate compliance with Board resolutions, and disclose the Company Secretary's qualifications and experience in the annual report and on the Company's website.
14. Regularly and fully report to the shareholders the corporate status and its outlooks (positive and negative) with adequate rationales.
15. Assess and review the performances of itself and the President and Chief Executive Officer each year for improvement.
16. Report on one's own portfolio of securities, as well as those of their spouses and minor children not yet of legal age, in the Company and affiliated companies to the monthly Board of Directors' meeting and must report to the Company without delay in the following cases:
  - Directors or related person with vested interests in Bangchak's or its affiliates' management
  - Hold shares or debentures in the Company or the subsidiary companies.
17. Maintain the Company's inside information obtained from their job performance and refrain from exploiting such information for personal or other parties' gains. Undertake no securities transactions at least one month prior to announcement of financial statements and at least three days after such announcement.

18. Each Director cannot hold the position of Director in more than other two listed companies in the Stock Exchange of Thailand (SET), excluding Directors' current positions as of August 19, 2016, the policy-amending date.

### Roles and Responsibilities of the Chairman, leader of the Board

1. Steer, monitor, and ensure efficient performance of the Board in fulfilling the Company's objectives and main goals.
2. Ensure full participation by the Directors in advocating a corporate culture of ethics and good corporate governance.
3. Set Board meeting agenda in consultation with the President and Chief Executive Officer, with measures to ensure that essential matters are included.
4. Allocate adequate time for the management to table matters and for Directors to thoroughly discuss important matters
5. Promote Directors' exercising of full discretion, their attention to all matters brought to the meetings, and corporate governance matters.
6. Promote sound relations between the Board and the management. Support the management's management without interfering in day-to-day affairs.

### The Board is authorized to approve various matters, including:

- Vision, short-term and long-term strategic plans
- Annual plans and budgets
- Investment and operation of key projects for Bangchak and affiliates
- Management restructuring
- Dividend policy
- Performance assessment of itself and the President and Chief Executive Officer
- Decision on the President and Chief Executive Officer's compensation
- Appointment of Directors who resign during the year and that of sub-committees
- Designation of Directors authorized to sign and bind Bangchak
- Appointment of executive vice presidents upward
- Appointment of Directors serving on Bangchak's affiliates and setting of oversight guidelines for such companies.

### Board meetings

- Scheduled monthly meetings for the year are agreed in advance by the Board
- **Meetings among the non-management directors and the independent directors at least twice a year**, these preceded the Board meetings. The intention is to freely discuss general issues on management or corporate governance, with subsequent notification to the President and chief executive officer so that the management may take actions on such issues.
- Each Board meeting should be attended by at least three-quarters of all directors. Additionally, **at least three-fourths of all board members are needed to vote on an issue.**
- Each year, **directors should attend no less than 75% of all Board meetings.** (Directors should attend the meeting at least 9 of 12 times a year)

In 2017, the Board held 18 meetings (six extra meetings) and one annual seminar on corporate strategies with the management to revise the corporate vision and set goals every five years under Bangchak's vision, mission, and values, together with an assessment of business circumstances.

## New Directors' Orientation

Bangchak stages lectures and company visits and prepares a directors' manual for new directors to be informed of its business nature and approaches, relevant laws and regulations, corporate governance policy, and other essential information that will prove useful to their efficient performance. This year the following directors attended new directors' orientations:

- Mr. Teerapong Wongsiwawilas on 10 February 2017
- Mr. Jarin Chakkaphark on 19 October 2017

## Directors' Development

Bangchak encourages its Board to undergo additional study and training to enhance their knowledge of Board roles and duties in efficient management under corporate governance. To this end, it applied for IOD memberships on behalf of all directors to benefit from related intelligence and knowledge accrual. This year the following directors took advantage of such training and study visits:

- Lecture on Environmental Scanning and Implication to BCP and Oil Price Outlook during the seminar on the annual organizational strategies between 14-15 July 2017 to the Board
- Visit to lithium mine project, development of Startup business, including electric vehicle and battery business between 4-12 November 2017 in the US for the Board
- Training of Director Certification Program (246/2017) organized by IOD between 1 August -2 October 2017 to Mr. Teerapong Wongsiwawilas

As of today, three directors have attended IOD's Director Accreditation Program (DAP) and eleven have attended its Director Certification Program (DCP). Training details appear under "Board of Directors".

## Sub-Committees

The Board of Directors elected Sub-committees (or Committees) to facilitate the Company's business, undertaking with four sub-committees. The Committees can serve for three years in each term. Details about subcommittee charters appear in the corporate governance policy, publicized on Bangchak's website.

### 1. Audit Committee (AC)

The Audit Committee must be made up of independent directors. At least three independent directors form the Audit Committee, and at least one of them must be adequately knowledgeable or experienced in accounting, finance, or audit to review the credibility of financial statements.

Name	Position
1. Mr. Suthep Wongvorazathe	Chairman and Independent Director with expertise in accounting and finance
2. Mrs. Prisana Praharnkhasuk	Member and Independent Director with expertise in accounting and finance, and graduate accounting
3. Pol.Lt.Gen. Chaiwat Chotima	Member and Independent Director
4. Mr. Krisada Chinavicharana	Member and Independent Director
5. Executive Vice President, Internal Audit	Secretary

## Roles and Responsibilities

1. To ensure accuracy and adequacy of the Company's financial reporting according to Accounting Principles governed by laws.
2. To ensure that the Company has a suitable and efficient internal control system and internal audit and to ensure the efficiency and adequacy of the risk management system.
3. To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the exchange or laws relating to business of the Company.
4. To review a connected transaction or transaction that may lead to conflict of interest or acquisition and disposition of assets transaction to ensure compliance with the laws and regulations of the Stock Exchange of Thailand (SET), and that it is reasonable and brings the highest benefit to the Company.
5. To inspect and consider with the management on the defects that have been found and on the responses from the management.
6. To empower the auditing and investigating of all related parties under the authorization of the Audit Committee and also to authorize hiring of an expert so as to audit and investigate in compliance with the Company's regulations.
7. To prepare a report of the Audit Committee and disclose it in the annual report of the Company, and have such report signed by Chairman of the Audit Committee.
8. To consider, select, nominate the person who is independent to be the Company's auditor, recommend remuneration of the Company's auditor, recommend the removal of the Company's auditor and, at least once a year, attend the private meeting with an auditor without management.
9. To consider auditing scopes and plans of the external auditor and the Internal Audit Office so that they are contributory to each other and to reduce double operations as concerns financial auditing.
10. To approve the Charter, audit work plans, budget, training plans and manpower of the Internal Audit Office
11. To appoint, transfer, dismiss, and undertake annual evaluation of the Chief Audit Executive and review the independence of Internal Audit.
12. To review the efficiency and effectiveness of internal control and risk management focusing on the issue of information technology.
13. In performing the duty of the Audit Committee, if there is transaction or act which could extremely affect the Company's financial status and the Company's performance, namely
  - Transaction which lead to conflict of interest
  - Dishonest, extremely unusual or remiss internal control system
  - Breaking the securities and exchange law, regulations of the exchange or laws relating to business of the Company
 The Audit Committee has to report it to the Board of Directors so as to modify and revise within prescribed time. If the Audit Committee or executives does not modify and revise within the prescribed time, the Audit Committee is able to report this transaction or act to the Securities and Exchange Commission or the Stock Exchange of Thailand.
14. To perform any other act assigned by the Board of Directors with approval of the Audit Committee.

**The external auditor's employment contract may be revoked if it does not perform, neglects its duties, or is engaged in malfeasance.**

## 2. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee is made up of at least three persons, and more than half must be independent directors. At least one member must be knowledgeable or experienced in personnel management. The Chairman of the committee must be an independent director.

Name	Position
1. Mr. Surin Chiravisit	Chairman and Independent Director
2. Adm. Sucheep Whoungmaitree	Member and Independent Director
3. Gen. Apirat Kongsompong	Member and Independent Director
4. Pol. Lt. Gen. Chaiwat Chotima	Member and Independent Director
5. Mr. Suthep Wongvorazathe	Member and Secretary, Independent Director

### Roles and Responsibilities

1. Define qualifications needed for potential Directors and President & CEO.
2. Recommend qualified candidates for the positions of Directors and President & CEO to the Board of Directors.
3. Define criteria of remuneration for Directors and the President & CEO.
4. Submit the remuneration for Directors to the Board of Directors and then for the shareholders for approval.
5. Submit the remuneration for the President & CEO to the Board of Directors for approval.
6. Review and summarize the President & CEO Manager's succession plan every year and report it to the Board of Directors.
7. Perform other tasks as assigned by the Board of Directors

## 3. Enterprise-wide Risk Management Committee (ERMC)

The ERMC is made up of at least three members, at least one of whom must be knowledgeable in risk management. Qualified external parties can serve as members.

Name	Position
1. Mr. Prasong Poontaneat	Chairman and Non-executive Director
2. Mr. Surin Chiravisit	Member and Independent Director
3. Mr. Visit Vongruamlarp	Member and Non-executive Director
4. Dr. Prasert Sinsukprasert	Member and Non-executive Director
5. Mr. Chaiwat Kovavisarach	Member and Secretary, Executive Director

### Roles and Responsibilities

1. Set policy, strategies and objectives of the enterprise-wide risk management.
2. Develop enterprise-wide risk management system in view of continuous efficiency.
3. Promote enterprise-wide risk management at all levels of the organization.
4. Ensure that the Company has appropriate and efficient risk management.
5. The Chairman of the Enterprise-wide Risk Management Committee reports the findings to the Board of Directors' next meeting.
6. Perform other tasks as assigned by the Board of Directors



#### 4. Corporate Governance Committee (CGC)

The Corporate Governance Committee is made up of at least three directors, and at least one of whom must be knowledgeable in corporate governance practices by international standards. An independent director must serve as Chairman of this committee.

Name	Position
1. Gen. Vitch Devahasdin	Chairman and Independent Director
2. Mr. Teerapong Wongsiwawilas	Member and Independent Director
3. Mr. Jarin Chakkaphark	Member and Non-executive Director
4. Mr. Chaiwat Kovavisarach	Member and Secretary, Executive Director

#### Roles and Responsibilities

1. Recommend the implementation of corporate governance to the Board of Directors.
2. Monitor the work of the Committee and the management in compliance with the principles of corporate governance.
3. Review the implementation of corporate governance by comparing it with international standards and recommend it to the Board of Directors for continual follow-ups.
4. Provide the corporate governance policy to the Company's corporate governance working team.
5. Perform other tasks as assigned by the Board of Directors.

## Summary of Board and Sub-committees meeting attendance

Name	Meeting attendance / total (times)							Remarks
	Board of Directors			Sub-Committees				
	Meetings	Seminars	Total	AC	NRC	ERMC	CGC	
1. Mr. Pichai Chunhavajira <sup>1/</sup>	18/18	1/1	19/19	-	-	-	-	
2. Mr. Surin Chiravisit <sup>2/</sup>	18/18	1/1	19/19	-	5/5	5/5	-	
3. Mr. Suthep Wongvorazathe	18/18	1/1	19/19	13/13	5/5	-	-	
4. Gen. Vitch Devahasdin <sup>3/</sup>	16/18	0/1	16/19	-	2/2	-	3/3	
5. Adm.Sucheeep Whouangmaitree <sup>4/</sup>	16/18	1/1	17/19	-	5/5	-	-	
6. Gen. Apirat Kongsompong	12/18	0/1	12/19	-	4/5	-	-	
7. Pol. Lt. Gen. Chaiwat Chotima	18/18	1/1	19/19	12/13	5/5	-	-	
8. Mr. Krisada Chinavicharana	16/18	1/1	17/19	12/13	-	-	-	
9. Mrs. Prisana Praharnkhasuk	17/18	1/1	18/19	13/13	-	-	-	
10. Mr. Teerapong Wongsiwawilas <sup>5/</sup>	15/16	1/1	16/17	-	-	-	3/3	Appointed on 26 Jan. 2017
11. Mr. Jarin Chakkaphark <sup>6/</sup>	2/3	0/0	2/3	-	-	-	0/1	Appointed on 12 Oct. 2017
12. Mr. Prasong Poontaneat	18/18	1/1	19/19	-	-	7/8	-	
13. Mr. Visit Vongruamlarp	17/18	1/1	18/19	-	-	7/8	-	
14. Dr. Prasert Sinsukprasert	15/18	1/1	16/19	-	-	7/8	-	
15. Mr. Chaiwat Kovavisarach	18/18	1/1	19/19	-	-	8/8	3/3	

## Directors who completed their terms and resigned in 2017

1. Prof. Dr. Chai-anan Samudavanija	0/2	0/0	0/2	-	-	-	-	Resigned on 26 Jan. 2017
2. M.L. Puntrik Smiti	12/14	1/1	13/15	-	-	-	2/2	Resigned 10 Oct. 2017

## Note:

<sup>1/</sup> Chairman did not join any Sub-Committee as Member

<sup>2/</sup> Appointed as Chairman of NRC on 26 January 2017, and as Member of ERMC and dismissed from Chairman of CGC on 27 April 2017

<sup>3/</sup> Appointed as Chairman of CGC and dismissed as Member of NRC on 27 April 2017

<sup>4/</sup> Appointed as Member of NRC on 26 January 2017 and dismissed as Member of CGC on 27 April 2017

<sup>5/</sup> Appointed as Member of CGC on 27 April 2017

<sup>6/</sup> Appointed as Member of CGC on 31 October 2017

## Assessment of directors' performances

The Board completes business performance assessment forms at least once a year, which the Company Secretary will arrange for delivery and collection for making an executive summary or the results for presentation at a Board meeting. Directors jointly consider business performance and suggest improvements. Assessment scores are given in percent, with >85% = excellent, >75% = very good, >65% = good, >50% = fair, and ≤50 = need improvement. The assessment is summarized below:

### 1. Individual directors

- Self-assessment relies on three topics, namely responsibility for their roles, training and self-development, and conformance to the corporate governance policy. The overall summary of assessment findings showed an average score of 95.4%, regarded as excellent.
- Cross-assessment by group (3-4 unnamed directors assessing another director) relies on two topics, namely responsibility for their roles and directors' independence. The overall summary of assessment findings showed an average of 96.7%, regarded as excellent.

2. **Entire Board** relies on topics, namely Structure and Skills, Strategic Direction and Planning, Policy, Monitoring and Supervision, Accountability, CEO and Succession, Leadership and Teamwork, and Agendas, Papers, Meetings and Minutes. The overall summary of assessment findings showed an average score of 96.7%, regarded as excellent.

3. **Sub-committees** relies on responsibilities and meetings; the evaluations of all Committees were as follows:

- Audit Committee, the group evaluation had the average score of 97.0%, rated excellent.
- Nomination and Remuneration Committee, the group evaluation had the average score of 94.3%, rated excellent.
- Corporate Governance Committee, the group evaluation had the average score of 97.2%, rated excellent.
- Enterprise-wide Risk Management Committee, the group evaluation had the average score of 96.0%, rated excellent.

## Board Remuneration

- 1) The Board's remuneration comes in three forms: monthly (retainer) remuneration, meeting allowances, and bonus. Such remuneration, made comparable to those of the same industry, is linked to the performance of the Company and individual directors.
- 2) Directors with additional responsibilities, including subcommittee service, shall receive additional remuneration in proportion to such responsibilities.
- 3) In line with good corporate governance, the Board has instituted the reporting of individual directors' remuneration and the management's remuneration – which includes disclosure of the remuneration of directors or executives, or both, if they are appointed to other positions in subsidiaries – in the annual report.

## Policy on Director Remuneration

In setting directors' compensation, Bangchak takes into account suitability for duties, assigned responsibility, and parity with SET-listed industry and business peers of comparable sizes. Such compensation must be attractive enough to inspire quality performance to achieve Bangchak's goals and business directions under a transparent process to bolster shareholders' confidence.

**Director Remuneration** approved by 2017 AGM of 5 April 2017 are as follows:

### 1) Monthly remuneration and meeting allowance

The Board of Directors	Monthly Remuneration (Baht/person)	Meeting Allowance (Baht/person/time) (Only for attending directors)
The Board of Directors	30,000	30,000
The Sub-Committees		
1. The Audit Committee	10,000	15,000
2. The Nomination and Remuneration Committee	-	15,000
3. Enterprise-wide Risk Management Committee	-	15,000
4. Corporate Governance Committee	-	15,000
5. Other committees that may be appointed in the future by the Board as seen fit and necessary	-	15,000

The Chairman of the Board of Directors and the Chairman of the Sub-Committees shall receive monthly remuneration and meeting allowances higher than those of members by 25 percent, whilst the Vice Chairman of the Board of Directors shall receive monthly remuneration and meeting allowances higher than those of members by 12.5 percent respectively.

### 2) Bonuses for Directors

0.75 percent of the net profit, but not over 3,000,000 Baht/year per director. The calculated amounts are to reflect individual periods of service. Moreover, the Chairman and Vice Chairman shall receive the bonus higher than those of members by 25 percent and 12.5 percent respectively.

### 3) Other Remuneration

#### Group health insurance

IPD+OPD treatment with annual health insurance not exceeding 50,000 Baht (excluding VAT) per one director

### Directors' Other Expenses

#### 1) Other Essential Business Expenses

- Position car for the Chairman's business convenience
- Driver for the Vice Chairman's business convenience
- Credit card for the Chairman's business use (up to 500,000 Baht/month)
- Fleet card for each director's business use (up to 400 liters/month/director)

#### 2) Others

- Annual physical check-ups
- Directors' & Officers' liability insurance (limit of liability: 250 million Baht)

In 2017, the individual remuneration of Directors was as follows:

Name	Remuneration in Baht						
	BOARD	AC	NRC	ERMC	CGC	Bonus	Total
1. Mr. Pichai Chunhavajira	1,125,000	-	-	-	-	2,970,647.96	4,095,647.96
2. Mr. Surin Chiravisit	1,046,250	-	93,750	75,000	-	2,673,583.18	3,888,583.18
3. Mr. Suthep Wongvorazathe	930,000	393,750	75,000	-	-	2,376,518.37	3,775,268.37
4. Gen. Vitch Devahasdin	870,000	-	30,000	-	56,250	1,753,169.29	2,709,419.29
5. Adm. Sucheep Whoungmaitree	870,000	-	75,000	-	-	2,376,518.37	3,321,518.37
6. Gen. Apirat Kongsompong	690,000	-	60,000	-	-	2,376,518.37	3,126,518.37
7. Pol. Lt. Gen. Chaiwat Chotima	930,000	300,000	75,000	-	-	2,376,518.37	3,681,518.37
8. Mr. Krisada Chinavicharana	870,000	300,000	-	-	-	2,376,518.37	3,546,518.37
9. Mrs. Prisana Praharnkhasuk	900,000	315,000	-	-	-	1,753,169.29	2,968,169.29
10. Mr. Teerapong Wongsiwawilas <sup>1/</sup>	785,806	-	-	-	45,000	-	830,806.00
11. Mr. Jarin Chakkaphark <sup>2/</sup>	139,355	-	-	-	-	-	139,355.00
12. Mr. Prasong Poontaneat	930,000	-	-	131,250	-	2,376,518.37	3,437,768.37
13. Mr. Visit Vongruamlarp	900,000	-	-	105,000	-	2,376,518.37	3,381,518.37
14. Dr. Prasert Sinsukprasert	840,000	-	-	105,000	-	1,753,169.29	2,698,169.29
15. Mr. Chaiwat Kovavisarach	930,000	-	-	120,000	45,000	2,376,518.37	3,471,518.37
<b>TOTAL</b>	<b>12,756,411</b>	<b>1,308,750</b>	<b>408,750</b>	<b>536,250</b>	<b>146,250</b>	<b>29,915,885.97</b>	<b>45,072,296.97</b>

Directors whose terms were completed and resigned directors in 2017

1. Prof. Dr. Chai-anan Samudavanija <sup>3/</sup>	27,218	-	-	-	-	2,673,583.18	2,700,801.18
2. M.L. Puntrik Smiti <sup>4/</sup>	638,710	-	-	-	30,000	2,376,518.37	3,045,228.37
<b>TOTAL</b>	<b>665,928</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>5,050,101.55</b>	<b>5,746,029.55</b>

**Note:**

<sup>1/</sup> Appointed as Director on 26 January 2017

<sup>2/</sup> Appointed as Director on 12 October 2017

<sup>3/</sup> Resigned on 26 January 2017

<sup>4/</sup> Resigned on 10 October 2017 and transferred bonus to the Social Security Fund in compliance with the regulations of the Office of the Social Security Fund

Bonuses for directors whose terms were completed and who resigned in 2016 (performance in 2016 paid in 2017)

Names	Bonus (Baht)	Remarks
1. Asst. Prof. Dr. Anusorn Tamajai	623,349.07	} Completed term on 5 April 2016
2. Mr. Arunporn Limskul	623,349.07	
3. Dr. Vikrom Koopirochana	623,349.07	
<b>TOTAL</b>	<b>1,870,047.21</b>	

## Comparison of Remuneration of Directors in 2016 and 2017

Remuneration	2016		2017	
	Directors	Baht	Directors	Baht
Monthly remuneration and meeting allowance	15	15,290,000	15	15,852,339.00
Bonus	15	30,197,982	15	36,836,034.73
TOTAL		45,487,982		52,688,373.73

### Note:

Bonus for 2016 performance under the resolution of the 2016 AGM, held on 5 April 2016 (0.75 percent of the net profit, but not over 3,000,000 Baht/year per director. The calculated amounts are to reflect individual periods of service. Moreover, the Chairman and Vice Chairman shall receive the bonus higher than those of members by 25 percent and 12.5 percent respectively).

## Directors' Remuneration due to Directorship of subsidiaries, associates, and joint ventures in 2017

Company	Name	Total remuneration in 2017 (Baht)					
		Monthly remuneration	Meeting allowance	Bonus	Sub-Committee remuneration	ESOP [Capital Gain]	Net total
BCPG	Mr. Pichai Chunhavajira	450,000.00	450,000.00	1,419,778.00	-	264,375.00	2,584,153.00
	Mr. Chaiwat Kovavisarach	405,000.00	438,750.00	405,000.00*	243,750.00	171,279.22	1,663,779.22
BBGI	Mr. Pichai Chunhavajira	75,000.00	50,000.00	-	-	-	125,000.00
	Mr. Surin Chiravisit	60,000.00	40,000.00	-	-	-	100,000.00
	Mr. Chaiwat Kovavisarach	60,000.00	40,000.00	-	-	-	100,000.00
NIDO	Mr. Chaiwat Kovavisarach	81,382.98	-	-	-	-	2,115,957.48
		AUD (per annum)					

### Notes:

- BCPG: BCPG Public Company Limited
- BBGI: BBGI Company Limited
- NIDO: Nido Petroleum Limited
- Exchange rate AUD\$ 1 equivalent to approximately Baht 26
- \* Mr. Chaiwat Kovavisarach's director remuneration paid by BCPG as from October 2016, after BCPG listings on SET, is under the regulation on the appointment of a director who is the Company's representative.

## 2. Executive Management

The Board has set the roles and duties of the management in Bangchak's day-to-day business management in line with the company's policies, plans, goals, regulations, and rules, as well as Board resolutions, within the approved budget. To this end, they are to conform strictly with integrity and care to maintain Bangchak's and its shareholders' interests to the best of their ability under corporate governance. They are to report updates on conformance to such resolutions together with key performance outcomes to the Board at least monthly. Today the management consists of 13 persons, No. 1 through No. 8 of whom are regarded as executives under SEC's definition (As of December 2017):

Name	Position
1. Mr. Chaiwat Kovavisarach	President and Chief Executive Officer
2. Mr. Pongchai Chaichirawiwat	Chief Operation Officer & Senior Executive Vice President, Refinery Business Group
3. Mr. Somchai Tejavanija	Chief Marketing Officer & Senior Executive Vice President, Marketing Business Group
4. Mr. Yodphot Wongrukmit	Senior Executive Vice President, Corporate Management and Sustainability Development
5. Mr. Bundit Sapianchai	Senior Executive Vice President
6. Mr. Surachai Kositsareewong	Senior Executive Vice President, Accounting and Finance
7. Mr. Kiatchai Maitriwong	Senior Executive Vice President
8. Mr. Chalermchai Udomranu	Senior Executive Vice President, Refinery Business Unit
9. Mr. Pichit Wongrujiravanich	Executive Vice President, Internal Audit
10. Mr. Dhanajit Makarananda	Executive Vice President
11. Mr. Chokchai Atsawarangsali	Executive Vice President, Marketing Business and Oil Terminal
12. Mr. Viboon Wongsakul	Executive Vice President, appointed to Bangchak Retail Company Limited
13. Mr. Pativat Tivasasit *	Executive Vice President, Refinery Manufacturing Business

*\*Appointed as senior executive vice president, effective 1 June 2017*

## Succession Planning and Management Development

Under the Board's policy on the President and Chief Executive Officer's nomination, as long as he or she is suitable, an external or internal person may enter the selection process under Bangchak's given circumstances. Suitable persons are selected by NRC, which defines the nomination criteria and method.

To optimize benefit in the selection of the President and Chief Executive Officer, the Board assigns the management to appoint a "Personnel Development and Administration Panel" (PDA) to oversee training and competency development of senior executives. Also, the Board has laid down additional development guidelines for rotation of duties of senior management team members to promote all-round understanding, experience, and preparedness for corporate administration. Any executive from Senior Vice President and Chief Executive Officer upward may apply for nomination as President and Chief Executive Officer if they command the required qualifications.

## Procedure

1. Define management positions requiring succession planning (President and chief executive officer and all senior executive vice presidents)
2. NRC defines the required competency and experience for each position
3. NRC specifies the qualified executives to succeed each position
4. Assign the President and chief executive officer to assess the performance and competency of qualified executives matching the required competencies needed so as to develop individual development plans (IDPs) to close the competency gaps
5. Assign PDA to look after the training and competency development of qualified executives
6. The President and chief executive officer institutes rotation of duties of qualified executives and lets senior executive vice presidents attend Board meetings so that they may understand and gain experience to be prepared for corporate administration as a whole
7. The President and chief executive officer periodically reports to NRC the performances and development outcomes under IDPs of qualified executives
8. Each year, NRC revises and summarizes succession planning outcomes for the President and chief executive officer and senior executive vice presidents for the Board's acknowledgment.

## Nomination and Appointment of the President and Chief Executive Officer

NRC nominates and reviews the qualifications of senior executives and others under NRC-set guidelines for the Board to appoint as President and chief executive officer. These include the legally required director qualifications and those required by Bangchak's regulations, together with essential skills and experience in Bangchak's best interests and alignment with Bangchak's business directions. The Board appointed Mr. Chaiwat Kovavisarach President and chief executive officer, effective from January 1, 2015, on account of his knowledge of investment in new businesses abroad and his sound financial knowledge, both of which align with Bangchak's business directions.

## Performance Appraisals of the President and Chief Executive Officer, and Senior Executives

Bangchak measures performance outcomes as KPIs (key performance indexes), including its own performance, common practices of peer listed companies of comparable sizes, roles and responsibilities, executive development, and overall economic circumstances. The President and chief executive officer must present his performance in various aspects, including the management of the refinery and marketing business units, business development, and organizational development, while discussing current management outcomes covering successes and obstacles, including the ability to expand business opportunities and competition, social and environmental policies, together with responses to public policies. NRC is to decide on the President and chief executive officer's compensation, which is then forwarded to the Board for approval. The President and chief executive officer earns benefits as the top management executive in addition to the compensation as a director.



## Remuneration of Executives

- 1) Executives shall receive short-term remunerations, i.e. salary and bonus, and long-term ones - including employee stock option program (ESOP) and employee joint investment program (EJIP) - which the Board will consider on a case by case basis. These payments serve to motivate executives, are on par with the industry practice, and correlate to each person's key performance index (KPI).
- 2) Executives who serve as a director in a joint venture will be compensated according to the Company's regulations on the appointment of directors of joint ventures. As for the President and chief executive officer who is tasked with additional roles and responsibilities, as a subcommittee member for instance, will be paid according to the Board's decision based on merit of that task or responsibility.
- 3) The Board has ordered a report on the remuneration of executives-including the disclosure of payments made to executives who are appointed a role in a subsidiary - to be included in the Company's annual report in compliance with the Corporate Governance Policy.

## Remuneration for Executives as defined by the SEC (President & Chief Executive Officer and Senior Executive Vice Presidents)

Remuneration	2016		2017	
	Persons	Baht	Persons	Baht
Salary	9	48,969,437.00	8	54,032,508.00
Bonus & Retirement pay	9	39,037,293.00	8	41,185,847.00
Provident fund	9	4,214,016.00	8	4,983,264.00
<b>Total</b>	<b>9</b>	<b>92,220,746.00</b>	<b>8</b>	<b>100,201,619.00</b>

### 3. Directors and executives assigned to other companies

The Board appoints representative directors of subsidiaries, associates, and joint ventures under **the guidelines for appointment of representative directors in joint ventures**. To this end, the President and Chief Executive Officer selects fully qualified persons under such guidelines for the Board's appointment. Each subsequent change is to be reported by the President and chief executive officer for the Board's acknowledgment. Today, the following directors and executives are assigned as directors of subsidiaries, associates, and joint ventures:

## Directors and executives assigned to other companies

Name	Subsidiary Companies													Associated Companies										Joint Ventures		Others												
	Thailand													Singapore			Japan		Australia	Netherlands	Thailand					Singapore	Philippines	Thailand	Canada	Thailand								
	BCPG	BBI	BCR	BGN	BSE	BSE- PRI	BSE- CPM1	BSE- BRM	BSE- BRM1	BSE- NMA	BBP1	BBP2	BBF	BBE (CCO)	BCPT	BCPI	BCPE	BSE Energy Holdings	Huang Ming Japan	BCPG Japan	BCPG Engineering	Nido	BCPG Wind Cooperatief	Bongkot Marine	Aom Suk	UBE	UBG	UAE	NPE	Star Energy Group	Petro Wind Energy	FPT	LAC	Foundation				
Directors	1. Mr. Pichai Chunhavajira	●	●	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	2. Mr. Surin Chiravisit	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	3. Mr. Chaiwat Kovavisarach	○	/	●	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	/	-	●		
Executives	4. Mr. Pongchai Chaichirawiwat	-	-	/	-	-	-	-	-	-	-	-	●	-	/	-	-	-	-	-	-	-	-	●	-	-	-	-	-	-	-	-	-	/	-	-		
	5. Mr. Somchai Tejavanija	-	-	/	/	-	-	-	-	-	-	-	-	-	-	/	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	6. Mr. Yodphot Wongrukmit	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	○		
	7. Mr. Bundit Sapianchai	★	-	-	-	●	●	●	●	●	-	-	-	-	-	-	-	-	/	-	-	-	/	-	-	-	-	-	-	/	/	-	-	-	-	-		
	8. Mr. Surachai Kositsareewong	-	-	-	-	-	-	-	-	-	-	-	/	/	/	/	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	9. Mr. Kiatchai Maitriwong	-	★	-	-	-	-	-	-	-	-	-	/	/	-	-	-	-	-	-	-	-	-	-	-	○	○	○	○	-	-	-	-	-	-	/	-	
	10. Mr. Dhanajit Makarananda	-	-	-	-	-	-	-	-	-	-	-	★	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	11. Mr. Chokchai Atsawarangsarit	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	
	12. Mr. Viboon Wongsakul	-	-	★	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	13. Mr. Watcharapong Saisuk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	14. Miss Revadee Pompatkul	-	-	-	-	/	/	/	/	/	/	/	-	-	-	-	-	/	-	/	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-
	15. Miss Naree Chiamwatanasuk	-	-	-	★	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	16. Mrs. Chongprode Kochaphum	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-
	17. Mr. Chumpol Samolrek	-	-	-	-	-	-	-	-	-	-	-	-	★	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	18. Miss Sasamon Suputhamongkol	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-

● = Chairman    ○ = Vice Chairman    ★ = Managing Director/President/Chief Executive officer    / = Director

As of December 31, 2017

## Subsidiary Companies

1. BCPG Plc (BCPG)
2. BBGI Co., Ltd. (BBGI)
3. Bangchak Retail Co., Ltd. (BCR)
4. Bangchak Green Net Co., Ltd. (BGN)
5. Bangchak Solar Energy Co., Ltd. (BSE)
6. Bangchak Solar Energy (Prachinburi) Co., Ltd. (BSE-PRI)
7. Bangchak Solar Energy (Chaiyaphum 1) Co., Ltd. (BSE-CPM1)
8. Bangchak Solar Energy (Buriram) Co., Ltd. (BSE-BRM)
9. Bangchak Solar Energy (Buriram 1) Co., Ltd. (BSE-BRM1)
10. Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd. (BSE-NMA)
11. BCPG Biopower 1 Co., Ltd. (BBP1)
12. BCPG Biopower 2 Co., Ltd. (BBP2)
13. Bangchak Biofuel Co., Ltd. (BBF)
14. Bangchak Bioethanol (Chachoengsao) Co., Ltd. (BBE-CCO)
15. BCP Trading Pte. Ltd. (BCPT)
16. BCP Innovation Pte.Ltd. (BCPI)
17. BSE Energy Holdings Pte. Ltd. (BSE Energy Holdings)
18. Huang Ming Japan Company Limited (Huang Ming Japan)
19. BCPG Japan Corporation (BCPG Japan)

20. BCPG Engineering Company (BCPG Engineering)
21. Nido Petroleum Limited (NIDO)
22. BCPG Wind Cooperatief U.A (BCPG Wind Cooperatief)

## Associated Companies

1. Bongkot Marine Services Co., Ltd.
2. AomSuk Social Enterprise Co., Ltd. (AomSuk)
3. Ubon Bio Ethanol Co., Ltd. (UBE)
4. Ubon Bio Gas Co., Ltd. (UBG)
5. Ubon Agricultural Energy Co., Ltd. (UAE)
6. NP Bio Energy Co., Ltd. (NPE)
7. Star Energy Group Holdings Pte. Ltd. (Star Energy Group)
8. PetroWind Energy Inc. (PetroWind Energy)

## Joint Ventures

1. Fuel Pipeline Transportation Co., Ltd. (FPT)
2. Lithium Americas Corp. (LAC)

## Others

1. Happiness Sharing Foundation (Foundation)

## 4. Company Secretary

Under the Securities and Exchange law (Articles 89/15 and 89/16), Board Meeting No. 6/2009 appointed Ms. Pakawadee Janrayapes, Senior Vice President, Corporate Compliance (appointed as Executive Vice President of Sustainability Development and Corporate Compliance, effective from January 1, 2018), as Company Secretary, effective from July 1, 2009. Her profile is as follows:

### Ms. Pakawadee Junrayapes

- Age 56
- Education / Training
  - Master of Law, Ramkhamhaeng University
  - Bachelor of Law, Thammasat University
  - Thai Barrister at law, The Institute of Legal Education Thai Bar Association Under The Royal Patronage
  - Certificate in Business Law, Thammasat University
  - Certificate in English for Specific Careers (Law), Sukhothai Thammathirat Open University
  - Executive Development Program (EDP 2012), Ministry of Finance
  - Company Secretary Program (CSP34/2010), Thai Institute of Directors (IOD)
  - Director Certification Program (DCP142/2010), Thai Institute of Directors (IOD)
  - Successful Formulation and Execution of Strategy (SFE16/2012), Thai Institute of Directors (IOD)
  - Anti-Corruption: The Practical Guide (ACPG2/2013) Thai Institute of Directors (IOD)
  - Thailand and the ASEAN Economic Community, Class 4/2013, King Prajadhipok's Institute
  - Advances for Corporate Secretaries, Class 2/2017, Thai Listed Companies Association (TLCA)
  - Certificate of Top Management (2017), Company cooperate with Thailand Management Association (TMA) and Duke Corporate Education (DUKE)

- Experience
  - Bangchak Corporation Public Company Limited
  - 2015-2017 : Senior Vice President, Legal and Corporate Compliance, and Company Secretary
  - 2011-2015 : Vice President, the Secretary to The Board of the Directors Office, and Company Secretary
  - 2009-2011 : Senior Manager, the Secretary to The Board of the Directors Office, and Company Secretary
  - 2007-2009 : Senior Manager, Legal Office
  - Others
  - 2006-2008 : Personal Specialist of National Legislative Assembly Member and Sub-Committee on Energy
- Other directorship positions / Other positions at present
  - Other listed companies
    - None -
  - Non-listed companies
    - None -
- Shareholding in the Company: 13,000 shares or 0.000944% (As of September 15, 2017)
- Familial relationship between directors and executives: None
- Criminal records on violation of securities and futures contract laws: None

## Roles and Responsibilities

- Prepare and maintain key documents, including the Board roster, meeting notices, minutes of Board meetings and shareholders' meetings, annual reports, and reports of vested interests
- Schedule Board meetings and shareholders' meetings under the law and company regulations. Coordinate conformance to the resolutions of Board and shareholders' meetings
- Advise and support the performance of directors and the management under the law and relevant regulations
- Coordinate between the Chairman and the President and chief executive officer together with his management team, which includes coordination between Bangchak and its shareholders
- Encourage the directors, management, and employees to conform to corporate governance
- Perform other lawful tasks and Board-assigned tasks.

## 5. Personnel

On December 31, 2017, the Company had a total headcount of 1,240:

Employee	Persons
The President and Chief Executive Officer (Legal and Corporate Compliance, Corporate Communication, Corporate Strategy and Budget Planning, Internal Audit, Safety and Health Division)	78
Refinery Trading Business Group	567
Marketing Business Group	358
Natural Resource and Business Development	18
Accounting and Finance	78
Corporate Management and Sustainability Development	141

## Significant changes in number employee for the past three years

None (Total employee in year 2015 were 1,129 persons, which increased slightly to 1,240 persons in year 2017)

## Remuneration of employee

Bangchak's policy provides for suitable compensation to employees in line with their performance outcomes. For the short term, this compensation is the bonus, in turn linked to company performance. For the long term, this compensation means the provident fund, a form of welfare that gives employees financial guarantee.

Employee receive remuneration in the form of salary; shift, night shift, overtime, and upcountry pay; operation at the refinery; and discipline remuneration. Employees have the right to apply for membership of "Bangchak Corporation Public Company Limited Provident Fund" by choosing the accumulated at a rate of five or ten or fifteen percent of the salary and the Company will pay the same rate but not over ten percent to the Fund. In 2017 the Company paid remuneration to the personnel in the form of salary, shift, night shift, overtime, upcountry, refinery stand-by pay, discipline pay, special bonus and other welfare, with a total of 1,808.79 million Baht. **The remuneration for President&CEO and Senior executive vice presidents upward is 5.54% of total remuneration of employee.**

## Personnel Development

Bangchak focuses on continuing personnel development for greater operating capability matching corporate goals, policies, and directions - apart from international competitiveness to accommodate the growth of AEC (ASEAN Economic Community). To this end, it appointed a "Personnel Development and Administration Panel" (PDA) to endorse personnel development, define guidelines for personnel administration, define an approach for corporate culture development, and forge a sound employee attitude so that the efficiency of Bangchak's corporate administration may be on a par with business peers and in keeping with its business status and goals.

**This year a variety of training courses were staged, averaging 45.1 hours/person/year.** These include staff's environmental capability development in courses dealing with **environmental management, a workshop on eco-efficiency assessment of the Refinery Business Group products through the application of the life-cycle assessment approach, preparation of water footprints, environmental expense accounting, and training on chemicals and chemical refilling instruments at the chemical system and chemical-refilling instruments at the physical & chemical treatment system for operators attached to the water pollutant treatment system.** (Training details are included in the Sustainability Report under the "Employee Stewardship" and "Water Pollution")

## Board of Directors



### Mr. Pichai Chunchavajira Chairman and Director with Authorized Signature (Independent Director)

(Started on April 24, 2012 and independent director since June 1, 2017)

Age 68

#### Education / Training

- B.A. (Accounting), Thammasat University
- M.B.A. (Business Administration), Indiana University of Pennsylvania, USA
- Honorary Ph.D. (Accounting), Thammasat University
- Honorary Ph.D. (Financial Management), Mahasarakham University
- Honorary Ph.D. (Financial Management), Sripatum University
- Public and Private Joint Program, Class 13, National Defence College
- Certified Auditor
- Director Accreditation Program (DAP49/2006), Thai Institute of Directors (IOD)
- Director Certification Program (DCP143/2011), Thai Institute of Directors (IOD)
- Capital Market Academy, Class 5

#### Experience (5 years past experiences)

- 2014 – 2017 : Member of Board, Bank of Thailand
- 2001 – 2013 : Director, PTT Exploration and Production Public Company Limited
- 2010 - 2012 : Chairman, Thaioil Public Company Limited
- 2008 - 2012 : Chairman, Thaioil Ethanol Company Limited
- 2009 - 2011 : Director, PTT Public Company Limited
- : Director, IRPC Public Company Limited
- 2005 - 2011 : Director, Thai Airway International Public Company Limited
- 2000 - 2011 : Director, Thaioil Power Company Limited
- 1998 - 2011 : Director, The Bangchak Petroleum Public Company Limited

#### Other directorship positions / other positions at present

- Other listed companies
  - Chairman, BCPG Public Company Limited
- Non-listed companies
  - Chairman, BBGI Co.,Ltd.
  - President, Thailand Boxing Association

**Shareholding in the Company:** None (both directly and indirectly held)  
(As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



### Mr. Surin Chiravit Vice Chairman (Independent Director) and Director with Authorized Signature (Started on April 8, 2010) Chairman of the Nomination and Remuneration Committee

Age 70

#### Education / Training

- LL.M., Chulalongkorn University
- LL.B., Ramkhamhaeng University
- B.Ed., Srinakharinwirot University
- Investigation of the criminal case program, Batch#44, The Royal Thailand Police
- Senior Administrator Program, Batch#29, Ministry of Interior
- Senior Executive Program, Batch#21, Office of The Civil Service Commission
- The National Defence Course, Class 40, National Defence College
- Politics and Government in Democracy for Executives, Class 6, King Prajadhipok's Institute
- Director Certification Program (DCP136/2010), Thai Institute of Directors (IOD)
- How to Develop a Risk Management Plan (HRP1/2012), Thai Institute of Directors (IOD)
- Successful Formulation and Execution of Strategy (SFE17/2013), Thai Institute of Directors (IOD)
- Role of the Nomination and Governance Committee (RNG4/2013), Thai Institute of Directors (IOD)
- Advanced Security Management Program, Class 5, The Association National Defence College of Thailand under the Royal Patronage of His Majesty the King.
- Public-private social peace and order management training course, Class 2, Royal Thai Police

#### Experience (5 years past experiences)

- 2006 – Retirement : Secretary General, Social Security Office
- 2005 : Deputy Permanent Secretary, Ministry of Labor, Office of the Permanent Secretary for Ministry of Labor

#### Other directorship positions / other positions at present

- Other listed companies
  - Senior Consultant, Amata Corporation Public Company Limited
- Non-listed companies
  - Director, BBGI Co.,Ltd.
  - Director, National Reform Society

**Shareholding in the Company:** None (both directly and indirectly held)  
(As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Mr. Suthep Wongvorazathe**  
**Independent Director and Director with Authorized Signature**

[Started on October 30, 2012]

**Chairman of the Audit Committee**

**Age 69**

**Education / Training**

- Master of Business Administration, University of Wisconsin, USA
- Bachelor of Business Administration, University of Wisconsin, USA
- Director Accreditation Program (DAP48/2005), Thai Institute of Directors (IOD)

**Experience (5 years past experiences)**

- 2003 – 2016 : Chairman of Audit Committee and Independent director, Chumporn Palm Oil Industry Public Company Limited
- 2010 – 2011 : Chairman of the Executive Board, Export-Import Bank of Thailand
- 2009 – 2011 : Director, Board of Investment of Thailand

**Other directorship positions / other positions at present**

- Other listed companies
  - Chairman, Khonburi Sugar Public Company Limited
  - Chairman, Seamico Securities Public Limited Company
  - Chairman, M.K. Real Estate Development Public Company Limited
- Non-listed companies
  - Director, Asia Kangnam Company Limited
  - Chairman of management committee, KT ZMICO Securities Company Limited
  - Director, New Corp Company Limited
  - Director, Buntudthong Pattana Company Limited
  - Director, HSH-Siam Chaophraya Holdings Company Limited
  - Director, The Mall Group Company Limited
  - Director, The Mall Shopping Complex Company Limited

**Shareholding in the Company:** None (both directly and indirectly held)  
 (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Gen. Vitch Devahasdin**  
**Independent Director**

[Started on April 5, 2016]

**Chairman of the Corporate Governance Committee**

**Age 67**

**Education / Training**

- Bachelor of Business Administration Major Management Sripatum University
- Chulachomkiao Royal Military Academy, Class 22
- Armed Forces Academies Preparatory School, Class 11
- Vajiravudh College

**Experience (5 years past experiences)**

- 2014 - Present : Member, the National Legislative Assembly
- 2010 - Present : Honorary Secretary, Royal Turf Club of Thailand under the Royal Patronage
  - : Director, Five Provinces Bordering Forest Preservation Foundation
- 2015 : Petroleum Committee, Department of Mineral Fuels, Ministry of Energy
- 2010 : Director, Industrial Estate Authority of Thailand
  - : Judge, Military Supreme Court
  - : Royal Guard on Special Assignments
  - : Chairman of the Advisory Board

**Other directorship positions / other positions at present**

- Other listed companies
  - None -
- Non-listed companies
  - Member, the National Legislative Assembly
  - Honorary Secretary, Royal Turf Club of Thailand under the Royal Patronage
  - Director, Five Provinces Bordering Forest Preservation Foundation

**Shareholding in the Company:** None (both directly and indirectly held)  
 (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Adm. Sucheep Whoungmaitree**  
**Independent Director and Director with Authorized Signature**

[Started on May 26, 2015]

**Age 60**

**Education / Training**

- Naval Academy, Class 17
- General Line Officer School (Chief of Navy Cadet)
- Line Officers School
- Naval Command & Staff College
- Naval War College
- The National Defence College
- Electronics Warfare Course and Military Instructor Course, USA
- Field artillery battalion Course and Target Search programs, USA
- Director Certification Program (DCP221/2016), Thai Institute of Directors (IOD)

**Experience (5 years past experiences)**

- 2016 - Present : Commander-in-Chief, Royal Thai Fleet
- 2015 : Deputy Chief of Staff, Royal Thai Navy
- 2014 : Commander, First Naval Area Command
- 2013 : Commander, Patrol Squadron
- 2011 : Academic Dean, Academic Branch Royal Thai Naval Academy

**Other directorship positions / other positions at present**

- Other listed companies
  - None -
- Non-listed companies
  - Commander-in-Chief, Royal Thai Fleet
  - Member of the National Legislative Assembly

**Shareholding in the Company:** None (both directly and indirectly held)  
 (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Gen. Apirat Kongsompong**  
**Independent Director and Director with Authorized Signature**

[Started on September 26, 2014]

**Age 57**

**Education / Training**

- Master Degree, Master of Business Administration (MBA), Southeastern University, USA
- Bachelor Degree, Chulachomkiao Royal Military Academy, Year 1985
- Army Command and General Staff College, Course 47, Year 2006
- Army Command and General Staff College, Course 73, Year 1995
- Army Aviation Cadet Course, Class 25, Year 1991
- Infantry Officer Advance Course, FT.Benning, USA , Year 1989
- American Language Course, Lackland, USAF BASE, USA, Year 1988

**Experience (5 years past experiences)**

- 2017 - Present : Assistant Commander in Chief, Royal Thai Army
- 2016 : 1<sup>st</sup> Army Area Commander
- 2015 : 1<sup>st</sup> Corps Commander
- 2014 : 1<sup>st</sup> Army Area Deputy Commander  
: Commanding General, the 1<sup>st</sup> Division, The King's Guard
- 2013 : Commanding General, 15<sup>th</sup> Military Circle
- 2012 : Commanding General, 11<sup>th</sup> Infantry Division
- 2011 : Deputy Commanding General, The 1<sup>st</sup> Division, The King's Guard

**Other directorship positions / other positions at present**

- Other listed companies
  - None -
- Non-listed companies
  - Assistant Commander in Chief, Royal Thai Army
  - Members for the National Legislative Assembly
  - Chairman, the Government Lottery Office

**Shareholding in the Company:** None (both directly and indirectly held)  
 (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None





**Pol.Lt.Gen. Chaiwat Chotima**  
**Independent Director and Director with Authorized Signature**

[Started on April 9, 2014]

**Age 65**

**Education / Training**

- M.Pol.Sc, Eastern New Mexico University, USA
- B.Pol.Sc, Thammasat University
- Top Executive program, Capital Market Academy, Class 15
- Advance Security Management Program (3/2011), National Defence College
- The Joint State - Private Sector Course (19/2006), National Defence College
- Advanced Police Administration Program, Class 17, Institute of Police Administration Development
- Conference concerning Narcotics and launder money Control in others countries i.e. USA, UK, Canada, Germany, Australia, Japan, Hong Kong etc
- Director Certification Program (DCP194/2014) Thai Institute of Directors (IOD)
- Financial Statements for Directors (FSD26/2014) Thai Institute of Directors (IOD)
- Executive Program, Class 7, Thailand Energy Academy

**Experience (5 years past experiences)**

- 2011 : Commissioner , Narcotics Suppression Bureau
- 2010 : Inspector-General (Inspection Division 8)

**Other directorship positions / other positions at present**

- Other listed companies
  - None -
- Non-listed companies
  - Secretary General, Thailand Boxing Association
  - Director, College of Innovation, Thammasat University

**Shareholding in the Company:** None (both directly and indirectly held)  
 (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Mr. Krisada Chinavicharana**  
**Independent Director**

[Started on November 23, 2015]

**Age 54**

**Education / Training**

- Master of Business Administration, M.B.A., USA
- LL.B., Chulalongkorn University
- Diploma, National Defence College class 54
- Director Certification Program (DCP186/2014) Thai Institute of Directors (IOD)
- Senior Executive Development Program, Year 2010, Office of the Civil Service Commission (OCSC)
- Civil Service Executive Program (Class 56), Office of the Civil Service Commission (OCSC)
- Financial Instrument and Markets 2004, Harvard Business School

**Experience (5 years past experiences)**

- 2014 – 2017 : Director General, Fiscal Policy Office
  - 2012 : Financial Policy Advisor, Fiscal Policy Office, Ministry of Finance
  - 2009 : Deputy Director-General, Fiscal Policy Office, Ministry of Finance
  - Board of Directors, Krungthai Bank Public Company Limited
  - Board of Directors, of Electricity Generating Authority of Thailand (EGAT)
  - Board of Directors, Aeronautical Radio of Thailand Ltd.
  - Board of Directors, Bangkok Commercial Asset Management Company Limited
  - Board of Directors, Islamic Bank of Thailand
- Other directorship positions / other positions at present**
- Other listed companies
    - None -
  - Non-listed companies
    - Director-General, The Excise Department
    - Board Member, The Bank of Thailand
    - Member of National Reform Steering Assembly

**Shareholding in the Company:** None (both directly and indirectly held)  
 (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Mrs. Prisana Praharnkhasuk**  
Independent Director and Director with Authorized Signature

(Started on April 5, 2016)

**Age 63**

**Education / Training**

- M.B.A. Tarleton State University, USA
- B.B.A. (Accounting) Krirk University
- B.B.A. Chulalongkorn University
- Certificate of Insurance, College of Insurance, London
- Sasin Senior Executive Program (SEP13), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Certificate of Completion CFO Certification Program, Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- Certificate of NIDA-Wharton Executive Leadership Program, Wharton University of Pennsylvania
- Director Certification Program (DCP119/2009), Thai Institute of Directors (IOD)
- The Board's Role in Mergers and Acquisitions (M&A1/2011), Thai Institute of Directors (IOD)
- Capital Market Academy, Class 14, Capital Market Academy
- PTT Executive Leadership Development, GE Crotonville, USA
- Financial and Fiscal Management Program for Senior Executive, Class 1

**Experience (5 years past experiences)**

- 2014 - 2015 : Executive Vice President, Finance and Accounting, Thai Oil Public Company Limited
- 2009 - 2011 : Executive Vice President, Corporate Accounting, PTT Public Company Limited

**Other directorship positions / other positions at present**

- Other listed companies
  - Director, TOA Paint (Thailand) Public Company Limited
- Non-listed companies
  - Director, Siam Solar Power Company Limited
  - Member in 10<sup>th</sup> Workmen's Compensation Fund Committee
  - Director, Thai Credit Guarantee Corporation
  - Director, Industrial Estate Authority of Thailand
  - Director, SIAMESE Company Limited

**Shareholding in the Company:** None (both directly and indirectly held)  
(As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract**

**laws:** None



**Mr. Teerapong Wongsiwawilas**  
Independent Director

(Started on January 26, 2017)

**Age 53**

**Education / Training**

- Bachelor of Laws, Thammasat University
- Diploma, National Defence College, The National Defence Course, Class 57
- Certificate, Public Law and Management, King Prajadhipok's Institute, Class 12
- Senior Executive Program, Class 8, The office of the Civil Service commission
- Director Certification Program (DCP246/2017), Thai Institute of Directors (IOD)

**Experience (5 years past experiences)**

- 2017 - Present : Secretary-General to the Cabinet
- 2015 : Deputy Secretaries-General to the Cabinet
- 2014 : Advisor of the Secretariat of the Cabinet
- 2013 : Director of Bureau of Cabinet Submission Analysis
- 2009 : Director of Bureau of Strategic Development and Special Policy Monitoring

**Other directorship positions / other positions at present**

- Other listed companies
  - None-
- Non-listed companies
  - Secretary-General to the Cabinet
  - Member, Judicial Administration Commission
  - Member, National Legislative Assembly Coordination Committee
  - Member, Committee on Inspection of Draft Law and Subordinate Legislation for Submission to the Cabinet
  - Qualified members, Science and Technology Development Board

**Shareholding in the Company:** None (both directly and indirectly held)  
(As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract**

**laws:** None



### Mr. Jarin Chakkaphark

#### Director

[Started on October 12, 2017]

**Age 58**

#### Education / Training

- Honorary Doctorate in Buddhist Studies, Mahachulalongkornrajavidyalaya University
- Master of Public Administration, National Institute of Development Administration
- Bachelor of Arts in Political Science (Government), Chulalongkorn University
- Top Administrator Program, Class 38
- Diploma, National Defence College, Class 2007, The National Defence Course
- Anti - Corruption Strategic Management Course for Senior Executive, Class 1/2010, Office of The National Anti-Corruption Commission
- Director Certification Program (DCP176/2013), Thai Institute of Directors (IOD)
- Rule of Law for Democracy, Class 2/2014, Office of The Constitutional Court

#### Experience (5 years past experiences)

- 2017 - Present : Permanent Secretary, Ministry of Labour
- 2015 : General Director, Department of Local Administration (DLA)
- 2012 : Deputy Permanent Secretary, Ministry of Interior

#### Other directorship positions / other positions at present

- Other listed companies
  - None -
- Non-listed companies
  - Permanent Secretary, Ministry of Labour

**Shareholding in the Company:** None (both directly and indirectly held)  
(As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



### Mr. Prasong Poontaneat

#### Director (Started on April 24, 2012)

#### Chairman of the Enterprise-wide Risk Management Committee

**Age 58**

#### Education / Training

- Ph.D. in Public Administration, Management for Development College, Thaksin University
- Master of Business Administration (Organization Management), Dhurakij Pundit University
- Bachelor of Business Administration in Accounting, Rajamangala University of Technology
- Bachelor of Laws, Sukhothai Thammathirat Open University
- Director Certification Program (DCP76/2006), Thai Institute of Directors (IOD)
- Top Administrator Program, Class 49, Interior College, Prince Damrong Rajanupab Institute of Research and Development
- Senior Police Officers Course (Class 18), Police College
- Leader Program, Class 14, Capital Market Academy, The Stock Exchange of Thailand
- Leader Program, Class 2, Energy Academy, Thailand Energy Academy
- Diploma, National Defence Course (Class 52/2009), National Defence College

#### Experience (5 years past experiences)

- 2014 - Present : Director General, Revenue Department
- 2011 - 2014 : Director General, State Enterprise Policy Office
- 2010 - 2011 : Director General, Thailand Customs Department

#### Other directorship positions / other positions at present

- Other listed companies
  - Chairman, Airports of Thailand Public Company Limited
- Non-listed companies
  - Director General, Revenue Department
  - Member of University Council, Mahasarakham University
  - Qualified Member, Anti-Money Laundering Office

**Shareholding in the Company:** None (both directly and indirectly held)  
(As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Mr. Visit Vongruamlarp**  
**Director and Director with Authorized Signature**

[Started on April 8, 2015]

**Age 68**

**Education / Training**

- Bachelor of Accounting, Thammasat University
- Corporate Governance Program for Director and Senior Management of State Enterprises and Public Organizations, Class 1, King Prajadhipok's Institute
- Directors Accreditation Program (DAP14/2004) Thai Institute of Directors (IOD)
- Directors Certification Program (DCP44/2004) Thai Institute of Directors (IOD)
- Improving the Quality of Financial Reporting (QFR1/2006) Thai Institute of Directors (IOD)
- Executive Development Program, Canada
- Implementation of Small and Medium Industrial Promotion Programs, Philippines
- Project Implementation and Supervision program, Malaysia
- Workshop on Implementation Finance, Philippines

**Experience (5 years past experiences)**

- 2008 - 2016 : Director and Chairman of Audit Committee, The Property Management Office, Thammasat University
- 2014 - 2015 : Chairman of Audit Committee, Thammasat University Hospital
- 2007 - 2015 : Director of Audit Committee, D.T.C. Industries Public Company Limited

**Other directorship positions / other positions at present**

- Other listed companies
  - Director, AIRA Factoring Public Company Limited
- Non-listed companies
  - Director, Don Muang Tollway Public Company Limited
  - Director, The Property and Sports Management Office, Thammasat University

**Shareholding in the Company:** 10,000 shares or 0.000726% directly held (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Dr. Prasert Sinsukprasert**  
**Director**

[Started on April 5, 2016]

**Age 51**

**Education / Training**

- Bachelor of Engineering (Civil), Chulalongkorn University
- Master of Energy Engineering ,George Washington University
- Doctor of Philosophy (Ph.D.) in Energy Management and Policy, University of Pennsylvania

**Experience (5 years past experiences)**

- 2017 - Present : Inspector General, Office of the Permanent Secretary, Ministry of Energy
- 2014 - 2017 : Deputy Director General ,Energy Policy and Planning Office, Ministry of Energy
- 2013 : Director, International Energy Cooperation Office, Ministry of Energy
- 2009 : Director, Planning Division, Department of Alternative Energy Development and Efficiency, Ministry of Energy

**Other directorship positions / other positions at present**

- Other listed companies
  - None -
- Non-listed companies
  - Inspector General, Office of the Permanent Secretary, Ministry of Energy

**Shareholding in the Company:** None (both directly and indirectly held) (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Mr. Chaiwat Kovavisarach**  
**President and Chief Executive Officer**  
**Director with Authorized Signature**

[Started on October 30, 2012 and served as the President since January 1, 2015]

**Age 51**

**Education / Training**

- M.Eng., Asian Institute of Technology (AIT)
- M.B.A., Thammasat University
- B.Eng. (Honor), King Mongkut's Institute of Technology Ladkrabang (KMITL)
- Investment Banking, Kellogg Business School, Northwestern University
- Director Certification Program (DCP168/2013), Thai Institute of Directors (IOD)
- Role of the Nomination and Governance Committee (RNG4/2013), Thai Institute of Directors (IOD)
- Certificate, National Defence Course (NDC 58), The National Defence College Association of Thailand
- Certificate, Thailand Energy Academy (TEA 10)

**Experience (5 years past experiences)**

**Bangchak Corporation Public Company Limited**

- 2015 - Present : President and Chief Executive Officer

**Others**

- 2007 - 2014 : Advisor, Avantgarde Capital Company Limited

**Other directorship positions / other positions at present**

- Other listed companies
  - Vice Chairman, BCPG Public Company Limited
  - Director, Lithium Americas Corp.
- Non-listed companies
  - Chairman, Bangchak Retail Company Limited
  - Chairman, Happiness Sharing Foundation
  - Director, BBGI Company Limited
  - Director, Nido Petroleum Ltd.
  - Director, Asia Insurance 1950 Public Company Limited
  - Director and member, Government Pension Fund
  - Director, Suan Kulab Witthayalai Alumnus Association Under the Royal Patronage of H.M. the King
  - Vice President of the Activity Relationship, AIT Alumni Association (Thailand)
  - Director, Prachabodee Social Enterprise Foundation

**Shareholding in the Company:** 850,000 shares or 0.061732% directly held (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None

## Executive Management



**Mr. Chaiwat Kovavisarach**  
**President and Chief Executive Officer**  
**Director with Authorized Signature**

[Started on October 30, 2012 and served as the President since January 1, 2015]

**Age 51**

**Education / Training**

- M.Eng., Asian Institute of Technology (AIT)
- M.B.A., Thammasat University
- B.Eng. (Honor), King Mongkut's Institute of Technology Ladkrabang (KMITL)
- Investment Banking, Kellogg Business School, Northwestern University
- Director Certification Program (DCP168/2013), Thai Institute of Directors (IOD)
- Role of the Nomination and Governance Committee (RNG4/2013), Thai Institute of Directors (IOD)
- Certificate, National Defence Course (NDC 58), The National Defence College Association of Thailand
- Certificate, Thailand Energy Academy (TEA 10)

**Experience (5 years past experiences)**

**Bangchak Corporation Public Company Limited**

- 2015 - Present : President and Chief Executive Officer

**Others**

- 2007 - 2014 : Advisor, Avantgarde Capital Company Limited

**Other directorship positions / other positions at present**

- Other listed companies
  - Vice Chairman, BCPG Public Company Limited
  - Director, Lithium Americas Corp.
- Non-listed companies
  - Chairman, Bangchak Retail Company Limited
  - Chairman, Happiness Sharing Foundation
  - Director, BBGI Company Limited
  - Director, Nido Petroleum Ltd.
  - Director, Asia Insurance 1950 Public Company Limited
  - Director and member, Government Pension Fund
  - Director, Suan Kulab Witthayalai Alumnus Association Under the Royal Patronage of H.M. the King
  - Vice President of the Activity Relationship, AIT Alumni Association (Thailand)
  - Director, Prachabodee Social Enterprise Foundation

**Shareholding in the Company:** 850,000 shares or 0.061732% directly held (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Mr. Pongchai Chaichirawiwat**  
**Chief Operation Officer & Senior Executive Vice President,**  
**Refinery Business Group**

**Age 57**

**Education / Training**

- MBA, Thammasat University
- Master's degree in engineering, Asian Institute of Technology (AIT), Thailand
- Bachelor's degree in engineering, Chulalongkorn University
- Advanced Certificate Course in Public Administration and Law for Executives
- (PLM.13/2014) King Prajadhipok's Institute
- NIDA-Wharton Executive Leadership Program (7/2014), NIDA-Business School, Center for Business Innovation
- TLCA Leadership Development Program (LDP0/2013), Thai Listed Companies Association
- Diploma, Senior Executive Program (SEP25/2012), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Director Certification Program (DCP154/2011), Thai Institute of Directors (IOD)
- Executive Development Program (EDP6/2010), Thai Listed Companies Association

**Experience**

**Bangchak Corporation Public Company Limited**

- 2017 : Chief Operation Officer and Senior Executive Vice President, Refinery Business Group
- 2016 : Chief Marketing Officer and Senior Executive Vice President, Marketing Business Group
- 2015 : Senior Executive Vice President, Marketing Business Unit
- 2014 : Senior Executive Vice President, Marketing Business
- 2011 : Executive Vice President, Renewable Energy Business, and Managing Director appointed to Bangchak Biofuel Company Limited
- 2008 : Senior Vice President (Managing Director appointed to Bangchak Biofuel Company Limited)



### Mr. Somchai Tejavaniya

Chief Marketing Officer & Senior Executive Vice President,  
Marketing Business Group

Age 55

#### Education / Training

- MBA, Thammasat University
- B.ENG (Engineering), Kasetsart University
- Energy Leadership Development for Senior Managers (Class 4), Ministry of Energy
- Executive Development Program (Class 6), Thai Listed Companies Association
- Director Certification Program (DCP157/2012), Thai Institute of Directors (IOD)
- Advanced Certificate Course in Public Administration and Law for Executives, King Prajadhipok's Institute
- Thammasat Leadership Program (Class 4), Thammasat University
- Advanced Security Management Program (ASMP6), The National Defence College Association of Thailand
- Executive Management with Business Development and Investment (IBID3), Institute of Business and Industrial Development
- Successful Formulation & Execution of Strategy (SFE28/2016), Thai Institute of Directors (IOD)

#### Experience

##### Bangchak Corporation Public Company Limited

- 2017 - Present : Chief Marketing Officer and Senior Executive Vice President, Marketing Business Group
- 2016 : Senior Executive Vice President, Natural Resources and Business Development
- 2015 : Senior Executive Vice President, Corporate Strategy and Business Development
- 2013 : Executive Vice President, Business Development and Strategy
- 2011 : Executive Vice President, Marketing Business, responsible for Retail Marketing, and Acting Vice President, Marketing Business Strategy and Planning
- 2010 : Senior Vice President, Marketing Business Strategy and Planning, Marketing Business
- 2008 : Senior Vice President-Retail Marketing

#### Other directorship positions / Other positions at present

- Other listed companies
  - None -
- Non-listed companies
  - Director, BCP Energy International Pte. Ltd.
  - Director, BCP Innovation Pte. Ltd
  - Director, Bangchak Gree Net Company Limited
  - Director, Bangchak Retail Company Limited

**Shareholding in the Company:** 28,522 shares or 0.002071% directly held (As of December 31, 2017)

**Familial relationship between directors and executives:** None  
**Criminal records on violation of securities and futures contract laws:** None

#### Other directorship positions / Other positions at present

- Other listed companies
  - None -
- Non-listed companies
  - Chairman, Bangchak Biofuel Company Limited
  - Chairman, Bongkot Marine Services Company Limited
  - Director, Bangchak Retail Company Limited
  - Director, BCP Trading Pte. Ltd.
  - Director, Fuel Pipeline Transportation Company Limited

**Shareholding in the Company:** 64,332 shares (44,332 shares; spouse 20,000 shares) or 0.004672% (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



## Mr. Yodphot Wongrukmit

Senior Executive Vice President, Corporate Management and Sustainability Development

Age 58

### Education / Training

- MBA, MTSU, USA
- BA (Economics) (2<sup>nd</sup> Class Honors), University of the Thai Chamber of Commerce
- Graduate Diploma Top Executive Program in Commerce and Trade (TEPCoT) (Class 10/2017)
- Graduate Diploma in Capital Market Academy (CMA21/2015)
- Diploma in Leadership Succession Program (LSP2/2014), IRDP
- Graduate Diploma National Defence College (NDC2554)
- NIDA-Wharton Executive Leadership Program (6/2010)
- Graduate Diploma in Public Law and Management (9/2010), King Prajadhipok's Institute
- JCCP "Advanced Marketing" (Japan)
- Director Certification Program (DCP111/2008), Thai Institute of Directors (IOD)
- Successful Formulation & Execution of Strategy (SFE13/2011), Thai Institute of Directors (IOD)
- Anti-Corruption for Executive Program (ACEP6/2013), Thai Institute of Directors (IOD)
- The Leadership GRID

### Experience

#### Bangchak Corporation Public Company Limited

- 2016 - Present : Senior Executive Vice President, Corporate Management and Sustainability Development
- 2013 : Senior Executive Vice President, Corporate Administration and Information Technology
- 2012 : Senior Executive Vice President, Marketing Business
- 2011 : Acting Senior Executive Vice President, Marketing Business
- 2008 : Executive Vice President, Marketing Business
- 2007 : Executive Vice President, Retail Marketing

### Other directorship positions / Other positions at present

- Other listed companies
  - None -
- Non-listed companies
  - Director, Bangchak Green Net Company Limited
  - Director, Provincial Electricity Authority
  - Vice Chairman, Happiness Sharing Foundation
  - Member, Products Show and Business Matching Committee, The Thai Chamber of Commerce and Board of Trade of Thailand
  - Director, Master of Science Program in Corporate Governance (MSCG) Faculty of Commerce and Accountancy, Chulalongkorn University

**Shareholding in the Company:** 44,096 shares or 0.003203% directly held (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None





**Mr. Bundit Sapianchai**  
Senior Executive Vice President

Age 53

**Education / Training**

- Honorary Doctorate of Electrical Engineering, Rajamagala University of Technology Krungthep, Thailand
- Master of Engineering, Asian Institute of Technology (AIT), Thailand
- Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Director Accredited Program (DAP28/2004), Thai Institute of Directors (IOD)
- Director Certification Program (DCP53/2005), Thai Institute of Directors (IOD)
- Advanced Diploma, Public Administration and Public Law (Class 10), King Prajadhipok's Institute
- Diploma, The joint State-Private Sector Course, National Defence College (Class 25)
- Certificate, Program for Senior Executives Class 20 (CMA 20), Capital Market Academy, Stock Exchange of Thailand

**Experience**

**Bangchak Corporation Public Company Limited**

- 2015 - Present : Senior Executive Vice President
- 2013 : Senior Executive Vice President, Renewable Energy Business
- 2012 : Senior Executive Vice President, Business Development and Strategy
- 1998 : Executive Vice President, Corporate Business Development

**Others**

- 2004 – 2008 : Executive Vice President, Finance and Strategy, NFC Fertilizer Public Company Limited
- 1997 : Business Director, Air Liquid (Thailand) Company Limited
- 1994 : Marketing Director, PTT Petrochemical Company Limited
- 1988 : Commercial Manager, National Petrochemical Public Company Limited

**Other directorship positions / Other positions at present**

- Other listed companies
  - President, BCPG Public Company Limited
- Non-listed companies
  - Chairman, Bangchak Solar Energy Company Limited
  - Chairman, Bangchak Solar Energy (Prachinburi) Company Limited
  - Chairman, Bangchak Solar Energy (Chaiyaphum 1) Company Limited
  - Chairman, Bangchak Solar Energy (Buriram) Company Limited
  - Chairman, Bangchak Solar Energy (Buriram 1) Company Limited
  - Chairman, Bangchak Solar Energy (Nakhonratchasima) Company Limited
  - Director, Huang Ming Japan Company Limited
  - Director, BCPG Wind Cooperatief U.A.
  - Director, Star Energy Group Holdings Pte. Ltd.
  - Director, PetroWind Energy Inc

**Shareholding in the Company:** 31,895 shares or 0.002316% directly held (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures**

**contract laws:** None



**Mr. Surachai Kositsareewong**  
**Senior Executive Vice President, Accounting and Finance**

Age 55

**Education / Training**

- Master of Business Administration, Steton School of Economics and Business Administration Mercer University, USA
- BA, Faculty of Commerce and Accounting, Chulalongkorn University
- Director Certification Program (DCP152/2011), Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP49/2006), Thai Institute of Directors (IOD)
- Audit Committee Program (ACP16/2007), Thai Institute of Directors (IOD)
- CFO Certification Program, Federation of accounting professions
- The Training Program on Structured Notes, Thailand Securities Institute
- Frontiers in Infrastructure Finance Distance Learning Course, The World Bank Institute
- Energy Training Program, AON
- Executive Development Program (EDP), Fiscal Policy Research Institute
- Intermediate Certificate Course in Good Governance for Middle Level Executives (#12) Public Director Institute
- Diploma, National Defence College, The National Defence Course Class 2013
- CEDI BABSON Entrepreneurial Leadership Program, Babson College Wellesley, Massachusetts, USA
- Graduate Diploma in Capital Market Academy (CMA23/2016)

**Experience**

**Bangchak Corporation Public Company Limited**

- 2015 - Present : Senior Executive Vice President, Accounting and Finance
- 2013 : Senior Executive Vice President, Accounting and Finance
- 2012 : Acting Senior Executive Vice President, Accounting and Finance
- 2009 : Executive Vice President, Accounting and Finance

**Others**

- 2012 - 2014 : Director, MCOT Public Company Limited
- 2012 - 2014 : Director, Government Saving Bank
- 2007- 2009 : Vice President (Administration) and Chief Finance Officer, Dhanarak Asset Development Company Limited
- 2004 - 2007 : Independent director and audit committee member, Wyncoast Industrial Park Public Company Limited
- 1998 - 2004 : Vice president, Treasury Department, Small and Medium Enterprise Development Bank of Thailand

**Other directorship positions / Other positions at present**

- Other listed companies
  - None-
- Non-listed companies
  - Director, Bangchak Biofuel Company Limited
  - Director, Bangchak Bioethanol (Chachoengsao) Company Limited
  - Director, BCP Energy International Pte. Ltd.
  - Director, BCP Innovation Pte.Ltd.
  - Director, BCP Trading Pte.Ltd
  - Commissioner of the Arbitration Committee
  - Commissioner, The Electronic Transactions Commission

**Shareholding in the Company:** None (both directly and indirectly held) (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Mr. Kiatchai Maitriwong**  
Senior Executive Vice President

Age 58

**Education / Training**

- MBA, Thammasat University
- BS (Chemical engineering), Chulalongkorn University
- Advanced Certificate Course in Public Administration and law for Executives (PLM 11), King Prajadhipok's Institute
- Director Certification Program (DCP150/2011), IOD
- Executive Development Program (EDP), Fiscal Policy Research Institute Foundation
- Executive Development Program (TLCA EDP 10), Thai Listed Companies Association
- Oil Price Risk Management, Morgan Stanley (USA)
- Energy Leadership Development for Senior Managers Class 4, Ministry of Energy
- Anti-Corruption for Executive Program (ACEP6/2013), Thai Institute of Directors (IOD)
- Management Development Program 2013 Class 18, Thailand Management Association
- Leadership Succession Program LSP Class 3, IRDP
- Strategic CFO in Capital Markets Program Class 1, Thailand Securities Institute (TSI)
- Advanced Management Programme AMP Class 105, INSEAD (Fontainebleau, France)
- Advanced Security Management Program Class 7, The Association National Defence College of Thailand under the Royal Patronage of His Majesty the King
- Executive Management with Business Development and Investment Class 4, Institute of Business and Industrial Development

**Experience**

**Bangchak Corporation Public Company Limited**

- 2017 : Senior Executive Vice President
- 2016 : Senior Executive Vice President, Bio Based Products Business Unit
- 2015 : Senior Executive Vice President, Renewable Energy Business Unit
- 2014 : Acting Senior Petroleum Refining Executive, Refinery Business
- 2010 : Executive Vice President, Corporate Administration and Information Technology
- 2009 : Senior Advisor
- 2008 : Advisor
- 2007 : Senior Vice President, Planning and Supply

**Others**

- Advisor, Thai Ethanol Manufacturing Association
- Advisor in Chemical Engineering, The Engineering Institute of Thailand under H.M. the King's Patronage
- Special instructor for refining and supply businesses, Petroleum Institute of Thailand
- Ethanol and Biodiesel Price Structure Improvement Guideline Taskforce

**Other directorship positions / Other positions at present**

- Other listed companies
  - None -
- Non-listed companies
  - Chief Executive Officer, BBGI Company Limited
  - Director, Bangchak Biofuel Company Limited
  - Director, Bangchak Bioethanol (Chachoengsao) Company Limited
  - Vice Chairman, Ubon Bio Ethanol Company Limited
  - Vice Chairman, Ubon Agricultural Energy Company Limited
  - Vice Chairman, Ubon Bio Gas Company Limited
  - Vice Chairman, NP Bio Energy Company Limited
  - Director, Happiness Sharing Foundation

**Shareholding in the Company:** 11 shares or 0.000001% directly held (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None



**Mr. Chalermchai Udomranu**  
Senior Executive Vice President, Refinery Business Unit

Age 56

**Education / Training**

- MBA, Thammasat University
- B. Engineering (Electrical), Chulalongkorn University
- Anti-Corruption for Executive Program (ACEP6/2013), Thai Institute of Directors (IOD)
- Director Certification Program (DCP170/2013), Thai Institute of Directors (IOD)
- Sasin Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Advanced Certificate Course in Public Administration and Law for Executives, King Prajadhipok's Institute
- Leadership Succession Program (LSP6), Institute of Research and Development for Public Enterprises (IRDP)

**Experience**

**Bangchak Corporation Public Company Limited**

- 2016 - Present : Senior Executive Vice President, Refinery Business Unit
- 2015 : Executive Vice President, Refinery Manufacturing Business
- 2012 : Executive Vice President, Refinery Business
- 2011 : Senior Vice President, Refinery Operation, Refinery Business
- 2009 : Vice President, Refinery Operation, Refinery Business
- 2005 : Vice President, Refinery Project
- 2003 : Senior Manager, Refinery Project
- 2001 : Senior Manager, Technical Service Division
- 2000 : Senior Manager, Maintenance Service Division
- 1997 : Manager, Maintenance Service Division

**Other directorship positions / Other positions at present**

- Other listed companies
  - None-
- Non-listed companies
  - None-

**Shareholding in the Company:** 1,865 shares or 0.000135% directly held (As of December 31, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None

**Mr. Pichit Wongrujiravanich**  
Executive Vice President, Internal Audit

Age 57

**Education / Training**

- M.S. (Accounting), Thammasat University
- B.A. (Accounting), Thammasat University
- Higher Certificate in Auditing, Thammasat University
- Certified Public Accountant, license no. 3766
- Director Accreditation Program (DAP89/2011), Thai Institute of Directors (IOD)
- Audit Committee Program (ACP39/2012), Thai Institute of Directors (IOD)
- Anti-Corruption for Executive Program (ACEP5/2013), Thai Institute of Directors (IOD)
- Executive Development Program (EDP12), Thai Listed Companies Association.
- Director Certification Program (DCP198/2014), Thai Institute of Directors (IOD)
- Leadership Succession Program (LSP7), Institute of Research and Development for Public Enterprises (IRDP)

**Experience**

**Bangchak Corporation Public Company Limited**

- 2015 - Present : Executive Vice President, Internal Audit
- 2011 : Senior Vice President, Internal Control Office
- 2005 : Vice President, Internal Control Office

**Others**

- 1992 : Assistant to Executive Director, Yontrakit Group

**Other directorship positions / Other positions at present**

- Other listed companies
  - None -
- Non-listed companies
  - None -

**Shareholding in the Company:** 11,071 shares or 0.000804% (As of September 15, 2017)

**Familial relationship between directors and executives:** None

**Criminal records on violation of securities and futures contract laws:** None

**Mr. Dhanajit Makarananda****Executive Vice President**

Age 58

**Education / Training**

- Master of Science in Chemical Engineering, The University of Southwestern Louisiana
- B.Sc. (Chemical technology), Chulalongkorn University
- Energy Leadership Development for Senior Managers (Class 5), Ministry of Energy
- Executive Development Program (EDP) 2013, Fiscal Policy Research Institute Foundation
- Senior Executive Program (SEP) 2014, Sasin Graduate Institute of Business Administration
- Advanced Certificate Course in Public Administration and Law for Executives 2015, King Prajadhipok's Institute

**Experience****Bangchak Corporation Public Company Limited**

- 2017 - Present : Executive Vice President
- 2016 : Executive Vice President, Bioenergy and Energy Crop Business
- 2015 : Executive Vice President, Refinery Project Development
- 2015 : Executive Vice President, Associated Company Business, Renewable Energy Business
- 2014 : Senior Vice President, Associated Company Business, Renewable Energy Business
- 2013 : Senior Vice President, Refinery Technique, Refinery Business
- 2012 : Senior Vice President, Refinery Engineering, Refinery Business
- 2011 : Vice President, Refinery Engineering, Refinery Business
- 2009 : Vice President, Refinery Technique, Refinery Business

**Other directorship positions / Other positions at present**

- Other listed companies
  - None -
- Non-listed companies
  - Deputy Managing Director, Biodiesel Unit, BBGI Company Limited
  - Managing Director, Bangchak Biofuel Company Limited

Shareholding in the Company: None (As of September 15, 2017)

Familial relationship between directors and executives: None

Criminal records on violation of securities and futures contract laws: None

**Mr. Chokchai Atsawangsalit****Executive Vice President, Marketing Business and Oil Terminal**

Age 49

**Education / Training**

- M.B.A, Kasetsart University
- B.S. (Engineering), Chulalongkorn University
- Company Secretary Program (CSP14/2005), Thai Institute of Directors (IOD)
- Effective Minute Taking (EMT2/2006), Thai Institute of Directors (IOD)
- Corporate Governance and Social Responsibility (CSR1/2007), Thai Institute of Directors (IOD)
- Director Certification Program (DCP108/2008), Thai Institute of Directors (IOD)
- Current Issue Seminar (R-CIS1/2009), Thai Institute of Directors (IOD)
- Successful Formulation & Execution of Strategy (SFE3/2009), Thai Institute of Directors (IOD)
- TCLA Executive Development Program (EDP), Thai Listed Companies Association
- Energy Leadership Development for Senior Managers, Class 6, Ministry of Energy
- Executive Development Program 2011, Minister of Finance
- Senior Executive Program (SEP-26), The Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Certificate Course in Thai - Asean Economic Community, Class 3, King Prajadhipok's Institute
- Diploma courses in Public Economics Management for Executives Class 13, King Prajadhipok's Institute
- Leadership Succession Program Class 5, IRDP
- Leading in a Disruptive World Stanford University Executive Program, SEAC

**Experience****Bangchak Corporation Public Company Limited**

- 2015 - Present : Executive Vice President, Marketing Business and Oil Terminal
- 2015 : Executive Vice President, Exploration and Production, Corporate Strategy and Business Development
- 2014 : Senior Vice President, Exploration and Production, Corporate Strategy and Business Development
- 2012 : Senior Vice President, Business Development, Corporate Business Development
- 2009 : Vice President, Business Development, Corporate Business Development
- 2007 : Vice President, Company Secretariat, and Company Secretary

**Other directorship positions / Other positions at present**

- Other listed companies
  - None -
- Non-listed companies
  - Director, Bangchak Green Net Company Limited
  - Director, Happiness Sharing Foundation

Shareholding in the Company: 300 shares or 0.000021% (As of September 15, 2017)

Familial relationship between directors and executives: None

Criminal records on violation of securities and futures contract laws: None

## Mr. Viboon Wongsakul

Executive Vice President, Retail Business and Marketing Support

Age 50

### Education / Training

- Master of Business Administrative – Marketing, University of Wisconsin-Whitewater, USA
- Bachelor of Business Administrative – Finance & Banking, Chulalongkorn University, Bangkok
- Stanford University, Leading in a Disruptive World, USA
- Babson University, Entrepreneurial Leadership Program, Boston, USA
- Harvard Business School, Leadership Development Program
- IMD Business School, Strategic Marketing in Action Program, Switzerland
- Sasin Business School, Senior Executive Program (SEP)
- Insead University, Enterprise Leadership Program

### Experience

#### Bangchak Corporation Public Company Limited

- 2015 - Present : Executive Vice President, Retail Business and Marketing Support
- 2015 : Executive Vice President, Marketing Business

#### Others

- 2013 : Vice President, Retail Business Department, PTT Public Company Limited
- 2007 : Deputy Managing Director, Marketing & Retail Business Support Department, PTT Retail Management Company Limited
- 2006 : Assistant Director Dry Food Merchandise & Buying, Big-C Supercenter Public Company Limited
- 1990 : Regional Manager – Asia Pacific Non-Oil Alliances, ExxonMobil Fuels Marketing Business  
: C-Store Manager, Retail Marketing and Investment Retail Strategist, Network Planning, Capital/Opex and Feasibility, ESSO Thailand  
: International Marketing, Motorola Inc., Chicago USA

#### Other directorship positions / Other positions at present

- Other listed companies
  - None -
- Non-listed companies
  - Managing Director, Bangchak Retail Company Limited

Shareholding in the Company: None (As of September 15, 2017)

Familial relationship between directors and executives: None

Criminal records on violation of securities and futures contract laws: None

## Mr. Pativat Tivasasit

Executive Vice President, Refinery Manufacturing Business

Age 56

### Education / Training

- B.Sc. (Chemical Technology), Chulalongkorn University

### Experience

#### Bangchak Corporation Public Company Limited

- 2017 - Present : Executive Vice President, Refinery Manufacturing Business
- 2016 : Acting Executive Vice President, Refinery Manufacturing Business
- 2015 : Senior Vice President, Refinery Operation
- 2014 : Vice President, Refinery Operation
- 2012 : Vice President, Safety Health and Environment
- 2009 : Senior Manager, Process Division 2
- 2006 : Senior Manager, Commissioning Project

#### Other directorship positions / Other positions at present

- Other listed companies
  - None -
- Non-listed companies
  - None -

Shareholding in the Company: None (As of September 15, 2017)

Familial relationship between directors and executives: None

Criminal records on violation of securities and futures contract laws: None

## Corporate Governance

### 1. Corporate governance and Anti-corruption

- **Policy:** Since 2003, the Board of Directors has required a written corporate governance policy, which is to be revised annually. This year, Bangchak issued Revision 14 of the policy by adding directors' roles, including the application of innovation and technology to resource allocation, matters for joint execution with the management and for sole execution, and board diversity.
- **Training and Publicity:**
  - Arranged for all employees to acknowledge and take the annual test on the Corporate Governance and Anti-Corruption Policy. They are required to pass certain criteria to ensure proper understanding. The test may be done on the e-HR system or the online knowledge management system ("We Share") (Nov.1-17, 2017)
  - A talk on corporate governance as part of the orientation for new directors. (Feb.10, 2017 and Oct.19, 2017)
  - A talk on corporate governance as part of the orientation for new employees. (Mar.23, 2017)

**A**ccountability

**R**esponsibility

**T**ransparency

**E**quitable Treatment

**V**ision to Create Long Term Value

**E**thics

- For the thirteenth year in a row, staged the 2017 CG Day activities under the “In H.M. the Late King’s Footsteps: Following Dharma Principles” theme. Discussing H.M. the late King Bhumibol’s adopted 10 Dharma principles for day-to-day work was Dr. Sumet Tantivejkul, Chaipattana Foundation Secretary-General (Dec.1, 2017)
- For the Fourth year in a row, staged a 2017 business partners' seminar, educating them about the policy formulation and measures against corruption so as to support their roles as allies of the Thai private sector on anti-corruption. (Feb.28, 2017, May.26, 2017 and Jun.9, 2017)
- Notified stakeholders on Bangchak’s “No Gift” policy for the New Year and any other occasion so as to elevate good corporate governance and set a standard for conducting business with all related parties fairly.



- **Risk Management:** Bangchak instituted internal control, risk management, and internal audit systems for key business functions, such as procurement and accounting. Bangchak also closely monitored the progress of risk management plan on a regular basis.

Bangchak values good corporate governance and anti-corruption alike. To this end, it has enlisted in the league of the UN Global Compact and become one of the first 22 companies to gain membership certification for CAC (Thai Private Sector Collective Action Coalition against Corruption). In 2016, Bangchak won first recertification since 2013.

## 2. Committees

The Board appointed a number of committees, namely the Audit Committee, Nominating and Remuneration Committee, Corporate Governance Committee, and Enterprise-wide Risk Management Committee, to support its oversight of Bangchak. Details of these committees appear under “Management Structure”.

## 3. Nomination and appointment of directors and the top executive

Today, Bangchak has 15 directors, 10 of whom are independent ones. Eight are SEC-defined executives, with the President&CEO serving as the top executive. Appointment of directors and the President must be reviewed by the Nomination and Remuneration Committee. Bangchak has made it possible for directors and shareholders to play a part in nominating qualified directors, in addition to using the Director Pool of Thai IOD. Details of the qualifications of independent directors and the nomination and appointment of directors and the President appear under “Management Structure”.



#### 4. Oversight of subsidiaries, associates, and joint-venture companies

Bangchak runs its businesses through subsidiaries, associates, and joint-venture companies, as detailed under “Shareholding Structure”. The Board commands a mechanism for supervising the management and the responsibility of subsidiaries, associates, and joint-venture companies to safeguard the interests of Bangchak’s investment capital, including

- Secondment of executives by the Board to serve as directors and executives in those companies proportionate to its own shareholding. Details appear under “Management Structure”.
- Definition of an oversight approach for joint-venture companies for representative directors to uphold so that the businesses of subsidiaries, associates, and joint-venture companies may be uniform and in line with Bangchak’s policy approach and relevant legislation. Voting or actions on important matters must secure prior approval from the President & CEO, Board, or shareholders, depending on the case.
- Institution of a corporate governance policy and a suitable, watertight internal control system in each of the subsidiaries.
- Supervision of disclosure of these companies’ financial status and performance outcomes, as well as engagement in key transactions, must be properly done in line with Bangchak’s criteria.

#### 5. Monitoring the Use of Inside Information

The Company has a policy detailing the accepted practices of director, executive and employees and forbidding the disclosure of important secret information to the public for personal or other gains, as well as policies on the buying and selling of Company shares as follows:

1. Directors and executives, as well as spouses and minor children, including connected persons, according to Article 258 of the Securities and Exchange Act of 1992 must notify and distribute information about shares held, as well as reporting any changes to SEC every time they buy, sell, transfer, or receive shares within three days of the change to comply with Article 59 or face punishment according to Clause 275 of the Securities and Exchange Act of 1992.
2. Notify the Directors and executives of the financial information which affects the price of shares. Avoid buying or selling Company shares one month prior to the disclosure of information and three days after disclosure, as well as not disclosing information to others before it is made available to the public.

The Company also has penalties against employees who use the Company’s inside information for personal gains, ranging from a warning to termination of employment.

#### 6. Remuneration for the External Auditor

##### 1) Audit Fee

The Company and its subsidiaries have paid audit fees as follows:

- The Company’s External Auditor (Mr. Charoen Phosamritlert or Mr. Waiyawat Kosamarnchaiyakij or Mr. Natthaphong Tantichattanon) in the last year
  - none -
- The Audit Company (KPMG Phoomchai Audit Ltd.), persons and businesses related to the external auditor and the Audit Company in the last year totaled 2,007,940 Baht

##### 2) Other fees

- none -

## 7. Compliance with corporate governance for listed companies

The Stock Exchange of Thailand (SET) established “The Principles of Good Corporate Governance for Listed Companies 2012”. The Securities and Exchange Commission (SEC) issued its “Corporate Governance for listed companies 2017”, with effect from March 2017, which contains eight major practical guidelines. This year Bangchak continued its compliance with these principles by following these five aspects:

### 1) Shareholders’ rights

The Board of Directors has defined a policy on shareholders’ rights in Section 3.3 of the corporate governance policy, as implemented below.

- A Record Date for the AGM was set so that shareholders may have enough time to review meeting notices and various data ahead of the meeting.
- Informed the shareholders about two months ahead of the meeting so that they may schedule meeting attendance, which exceeds what is required by law.
- Included the Board’s opinion for each agenda item and attached the annual report and the proxy form, which contains an explanation of proxy-supporting documents together with meeting notices.
- Allowed the shareholders to submit queries needing Bangchak’s explanation on certain points of the agenda for the AGM ahead of the meeting since September 1, 2017.
- Facilitated and promoted attendance by institutional investors by assigning Investor Relations staff to contact them about agenda issues and collect advance proxy forms.
- Facilitated shareholders on the meeting date:
  - Reserved adequate parking spaces and arranged shuttle buses for them at the BTS Bangna Station in case they were traveling on their own.
  - Adopted the Barcode system for registration and vote-tallying for efficiency and speed.
  - Applied the shareholders’ meeting software to registration and vote-tallying for efficiency and transparency.
  - Supplied duty stamps for proxy assignment free of charge.
  - Prepared stickers for those that had already registered for getting in and out of the meeting room without rechecking.
- Before the meeting, the company secretary clarified the method for voting and vote-tallying for each agenda item, as well as requesting a shareholders’ representative to witness vote-tallying.
- During the meeting, allowed the shareholders equal rights for expressing views and posing questions, and recorded key concerns and views in the minutes.
- After the meeting:
  - Publicized the resolutions and vote tallies on each agenda item through SET’s channels and Bangchak’s website by the evening of the meeting date.
  - Publicized the minutes through SET’s channels and Bangchak’s website, and delivered to the shareholders that expressed views at the meeting.

At the 2017 AGM, **Bangchak invited Mr. Visith Uevirojnangkoorn, an independent legal counselor, to serve as an independent inspector to validate the votes and ensure transparency and compliance with the law and the Company’s article of association.** This included examination of documents of shareholders or their proxies with the right to attend the meeting, quorum, stakeholders whose voting right was not exercised, and whether the voting process followed the Company’s article of association or what was announced by the chair of the meeting, as well as collection of ballots, verification of meeting resolutions, as well as ballot casting. One person representing the shareholders witnessed vote counting at the AGM.

## 2) Equitable Treatment of Shareholders

The Board of Directors has defined a policy on equitable treatment of shareholders in the corporate governance policy, as implemented below.

- Publicized meeting documents on its website 33 days ahead of the meeting and delivered them to the shareholders 21 days ahead of the meeting.
- Allowed the shareholders to propose additional AGM agenda items and nominate directors from September 1 to December 31. Bangchak disclosed the criteria and methods at its website and informed the shareholders through SET's channels. The Board's policy is against adding agenda items without prior notice, particularly crucial items for which the shareholders need time to study before making a decision.
- Supported the shareholders' use of proxy forms to steer voting at the meeting (Form B) and nominated nine independent directors as proxy alternatives at the meeting.
- Used ballots on every agenda item, particularly that dealing with directors' election where individual directors were voted on. To this end, the votes equaled the number of shares held for the election of one director.
- Required that directors with vested interests should have no votes and stay outside the meeting on such agenda item, as mentioned in the corporate governance policy.
- Defined practices for employees on the maintaining of Bangchak's confidential information and avoidance of benefit-seeking for themselves by exploiting such confidential information, as mentioned in the corporate governance policy.

## 3) Roles of stakeholders

In the corporate governance policy, the Board defined a policy for its roles toward the stakeholders. In the corporate governance system, several key groups of stakeholders are found, including customers, employees, business partners, shareholders, investors, creditors, and residents of neighboring areas, society, and the environment. Bangchak values the importance of the rights of all groups, which includes actions violating their rights and intellectual properties. Below are the policy and practices (detailed under "Sustainability Report"):

### Employees

Bangchak realized that staff is a vital element for business progress. Bangchak, therefore, has in place Individual Development Plans (IDPs) to raise staff knowledge and caliber. Additionally, staff are given competitive and fair compensation, depending on the overall performance of the company, in the short term and the long term. In this regard, an annual salary survey is carried out with other companies in the same industry. The Balanced Scorecard is used to assess individual staff performance against their respective KPIs established. Bangchak, moreover, provided staff welfare exceeding what was required by law, which included the provident fund, medical welfare, shuttle-bus service, staff relations activities, as well as an employee club with various recreational activities.

### Customers and Society

The Company is dedicated to improving the quality of products and services for maximum customers' satisfaction. The policy aims to deliver quality goods which meets or exceeds the customer's demands under fair conditions. Bangchak's policy is also to deliver products of desired quality or of quality beyond customers' expectations under fair, responsible treatment of customers, and aims to give adequate, accurate and timely information about the products and services. The Company does not exaggerate or mislead the customer about the quality, quantity or other terms and conditions of the products or services. Company employees protect the customer's secrets and do not use them for personal gains.

### Business Partners

- Bangchak has a supplier code of conduct and a policy to select and treat business partners with fairness. Company regulations have been drawn up to govern procurement, supply and distribution of petroleum and petroleum products to ensure that business conducted with partners is managed properly and with responsibility for business partners while mutual benefit can be reaped. Additionally, Bangchak has produced a “Business Contact” manual and drawn up a “Dealer/Station Operator Policy” for distribution to business contacts and dealers/station operators so that they may have proper understanding and strictly comply with Bangchak’s corporate governance and business ethics. They will also firmly adhere to contract provisions. Whenever any condition cannot be complied with, Bangchak urgently informs the business partner(s) in advance to jointly solve problems.
- To select a business partner, Bangchak invites those who are qualified to register with it. Qualified companies are allowed to make offers to compete with others in the same business. The procurement committee then proceeds with the selection, taking into account both price and technical aspects.

### Lenders

Bangchak treats lenders fairly, responsibly, and transparently and seeks to fulfill all its contractual and financial obligations especially guarantee condition, capital management and payment. It does not engage in dishonest practices and does not conceal information which may cause losses for the lender. If the Company cannot fulfill one or more of its obligations, it seeks to notify the lender so that a resolution can be agreed upon together.

### Competitors

The Company conducts business with ethics, transparency, and engages in fair competition with its competitors under the guidance of fair competition. It does not seek to find information about Competitors through dishonest or inappropriate means, for example, bribing a competitor’s employees. The Company does not engage in slander or discrediting its competitors.

### Shareholders

The Company is determined to follow the principles of corporate governance and is focused on creating a business which has financial stability and sustainability to maximize the value of shares for the benefit of the shareholders.

### Communities surrounding the refinery, society, and the environment

Bangchak conducts its business with adherence to environmental management standards, such as ISO 14000. The Company considers health and safety and the environment an integral part of the business, and has a written guideline on health, safety and the environment for the Directors, Executives, and employees to uphold. This includes promotion of efficient resource consumption and employee training on occupational health, safety, environmental, and energy matters under the “Develop sustainable business, while safeguarding the environment and society” corporate culture.

The Company produces “Krob Krua Bai Mai” (Leaf Family) newsletter and “Rob Rua Bangchak” (Bangchak Neighbors) magazine for distribution every other month to allow the community to know the goings-on of the Company as well as receiving interesting information, such as how to save energy, how to ensure safety in daily life, and health tips and how to protect the environment. This is another way for the Company to communicate with and take care of communities around its refinery.

### Consumption of resources

The Company continually raises the efficiency of resource (energy, water and chemical) consumption, suiting the size of the business and efficiently managing waste and use it to its full potential.

### Sanctity of intellectual properties

Bangchak declared its policy on intellectual property management in 2015 to define clear guidelines for the prevention and sanctity of intellectual properties. Compliance with this policy is the direct responsibility of the executives, employees, affiliates, and contractors working on behalf of Bangchak.

### Whistleblowing and complaint-filing channels

Bangchak's Board of Directors has laid down measures regarding whistleblowing or concerns about any wrongdoing or misconduct that may lead to fraud involving people in the organization, be they staff or stakeholders. Whistleblowing can also be applied to suspicious financial statements or a lax internal control system. Bangchak has a mechanism to protect staff or whistleblowers by establishing a confidential database accessible only by authorized persons. This is to encourage cooperation from stakeholders in better protecting its interests. If a concern about wrongdoing is raised, a committee comprising members of units relevant to the issue will be set up to launch an investigation, the result of which is forwarded to the whistleblower through:

E-mails:	ico@bangchak.co.th
Letters:	Internal Audit Bangchak Corporation Public Company Limited 2098 M Tower Building, 8 <sup>th</sup> Floor, Sukhumvit Rd., Phra Khanong Tai, Phra Khanong, Bangkok 10260 Tel: 0 2335 4566

During 2017, one case dealing with tanker transport. Bangchak strictly prevented and examined this fraud case.

### Contact channels

The Board of Directors	Tel: 0 2335 4638 Fax: 0 2016 3982 E-mail: bcpsecretary@bangchak.co.th
Company Secretary	Tel: 0 2335 4050 Fax: 0 2016 3982 E-mail: pakawadee@bangchak.co.th
Investor Relations	Tel: 0 2335 4583 Fax: 0 2335 8000 E-mail: ir@bangchak.co.th

## 4) Information disclosure and transparency

The Board of Directors has defined a policy on information disclosure and transparency in the corporate governance policy, as implemented below.

- Disclosed performance outcomes, company information, and outlooks to analysts and investors (domestic and international) every quarter.
- Distributed key company data and documents, including the memorandum of association, certification, and regulations beyond the corporate governance policy on its website.
- Investor Relations coordinated with analysts, investors, and other parties that need financial data, performance outcomes, company status, and transactions affecting Bangchak.
- Publicized Bangchak's key information regularly through SET's channels, annual information disclosure forms, annual report, and its website in Thai and English.

## 5) Board responsibilities

In the corporate governance policy, the Board defined a policy for the roles, duties, and responsibilities of the Board. Details appear under “Management Structure”, and below are Bangchak’s actions taken this year:

- Held an annual corporate strategy seminar with the management to review the vision and set corporate goals.
- Staged a meeting of the independent directors in March and August and a meeting of the non-management directors in April and November.
- Organized a study visit on geothermal businesses in New Zealand to apply to Bangchak’s business development.
- Developed performance assessment forms for the Board: individual (self-assessment and cross-assessment), group, and committee.
- Revised and defined Bangchak’s annual vision, missions, strategies, business plan goals, and budgets every year to maximize value to businesses and for shareholders’ security. In addition, the Board endorses key strategies and policies, particularly financial KPIs (key performance indicators) and work plans. Endorsement of KPIs and metric-setting is done early in the year, with periodic tracking.
- Monitored management performance and ensured strategic implementation. Required that progress updates and company performance should be reported each month to Board meetings.
- Instituted an effective internal control system, internal audit, and risk management measures together with regular tracking at Board meetings.
- Established the Compliance unit to monitor all functions to ensure complete compliance, including preparation of legal assessment for Bangchak units, oversight of license renewals with an alert system for responsible superiors and subordinates, and legal education through channels like Outlook, intercom, and annual law training.

The Board of Directors is determined to manage businesses in compliance with good governance so that Bangchak’s businesses may become transparent, efficient, and responsible to all stakeholders. **The Board recognizes its duties under the new CG Code’s guidelines, to apply each Principle and Sub-Principle by means that are suitable for the company’s business. Such application review takes place at least annually.** Below are the aspects not yet applied, which will in time be adapted as seen fit.

CG Code Principle	Justification or Alternative Measure
<ul style="list-style-type: none"> <li>• The board should comprise at least 5 directors and should not be more than 12 directors. (Guideline 3.1.2)</li> </ul>	<p>Bangchak values corporate governance in parallel with the recruitment of competent people to manage businesses. It recognizes the necessity and benefit of recruiting additional such directors. Today the Board consists of 15 directors.</p>
<ul style="list-style-type: none"> <li>• Each director should attend not less than 75 percent of all board meetings in any whole Financial reporting year. (Guideline 3.5.5)</li> </ul>	<p>Bangchak instituted an electronic meeting system to facilitate directors that cannot attend meetings in person, which has provided it with helpful comments from those directors.</p>

## 8. Conflicts of Interest

Under the corporate governance policy, the guidelines for directors, management and employees stipulated that they must refrain from any act posing potential conflicts of interest with the Company, i.e. any act potentially depriving the Company of its interests or its fair share of interests, including competing with the Company, incurring personal gains from private business dealing with the Company, abuse of Company information for personal gain and holding shares in the Company's business competitors.

The Company, in order to prevent potential conflicts of interest, has set the following forms:

- **CG Commitment and Conflict of Interests Disclosure Form**

To comply with the policy on corporate governance, which forbids directors, management and employees to commit any act which might deprive the Company of its interests, the Company has prepared the above-mentioned form to ensure that all employee acknowledge the CG policy and fill any acts or activities that might be in conflict with the Company's business interests and deliver it to Internal Control through their supervisors through the e-HR.

- **Report of Directors and Management's Stake Form**

The Securities and Exchange Act stipulates that directors and the management are to report to the Company his/her or connected persons' stakes connected with the business operations of the Company or its subsidiaries. The Company has therefore prepared the above-mentioned form for its directors and management to fill out and report any change to the Company. The Corporate Secretary will forward a copy of the form to the Chairman of the Audit Committee to ensure that the directors and management perform their duties with integrity.

- **Report on connected transactions form**

To ensure that transactions between the Company and any related parties or businesses are transparent and comply with SET's rules and regulations, the Company has defined a policy and guidelines on connected transactions and prepared the above-mentioned form for responsible employees to fill out and forward it to the Secretary to the Board Directors Division with a copy to Internal Audit for acknowledgment.

## 9. Investor Relations

The Company realizes that its information, both financial and non-financial, affect the decision-making process for investors and stakeholders. Therefore the management values accurate and full disclosure in a regular and timely manner, in accordance with SEC and SET regulations. The Investor Relations department acts as a center for giving out important information to investors. Bangchak allowed all information to be equally publicized, whether financial reports, performance outcomes and business outlooks, data affecting Bangchak stock prices, or quality-assured data disclosed to investors and stakeholders. Directly and indirectly, Bangchak presented its performance outcomes and company information, summarized below:

- Direct: Bangchak staged meetings between its executives and shareholders, stock analysts, investors, and employees via regular activities to present performance outcomes through analyst meetings, roadshows, conference calls, participation in conferences (domestic and abroad), participation in meetings with minor investors at the "Opportunity Day" or at "SET in the City", hosted by SET, or company visits by shareholders to enable them to appreciate company businesses more. In addition, institutional investors (domestic and international) and stock analysts may make appointments with executives to inquire about company data through company visits.
- Indirect: Bangchak provided assorted data, performance outcomes, financial statements, and other information given to SET. Other data were presented through meeting documents, video and audio recordings, and E-Newsletters, as well as other reports submitted to SET on the Company's website [www.bangchak.co.th](http://www.bangchak.co.th), where interested parties can read and download this information. The Investor's Relations page contains information in Thai and English which is updated frequently.

## Report of the Audit Committee

### To the Shareholders

The Board of Directors appointed the Audit Committee, headed by Mr. Suthep Wongvorazathe, with Mrs. Prisana Praharnkhasuk, Pol.Lt.Gen. Chaiwat Chotima, and Mr. Krisada Chinavicharana as members.

In 2017, the committee held 13 meetings, ten of which with senior management. When meeting with senior management, executives with vested interests stayed away from the meetings. The following captures the meeting attendances.

Name	Attendance / Total
Mr. Suthep Wongvorazathe	13 / 13
Mrs. Prisana Praharnkhasuk	13 / 13
Pol.Lt.Gen. Chaiwat Chotima	12 / 13
Mr. Krisada Chinavicharana	12 / 13

The committee also held one meeting with the Enterprise-wide Risk Management Committee.

The committee deliberated various matters, summarized below:

1. Reviewed quarterly and annual financial statements, as well as related financial reports, including adequate and timely disclosure of information, compliance with generally accepted accounting principles, accounting standards, and significant changes in accounting policies, together with connected transactions among shareholders and subsidiaries or related companies. The committee also arranged meetings with Bangchak's legal officers for an update on significant court litigation cases against Bangchak, the outcomes of which could significantly affect its businesses.



2. Reviewed to ensure that the Company
  - Had instituted a proper, transparent and efficient internal control and internal audit system by monitoring the performance of the internal control office to ensure independence and efficiency.
  - Awareness of the need to raise work efficiency and lower process losses of oil
  - Support was given to Internal Audit to
    - Organize “Information System Security” training for Bangchak employees and those serving its affiliates
    - Join a project on standard certification for management system assessors of IT security management (ISO 27007) and business continuity management (ISO 22301) and counsel the management on internal control.
3. Reviewed the Company’s compliance with all accounting standards in effect, laws, SET regulations and laws relevant to its business in a complete and accurate manner and in line with corporate governance principles. The committee’s emphasis was that the Company would exceed such standards. This year the Audit Committee reviewed the asset acquisition process by BCPG Plc, a subsidiary, for the geothermal power generation plant project in Indonesia.
4. Selected, nominated and proposed compensation for KPMG Phoomchai Audit Ltd. as the external auditor for 2017 and staged quarterly meetings between the committee and the external auditor to discuss concerns arising from each audit and find prompt solutions to significant ones.
5. Reviewed the adequacy of Bangchak’s risk management processes and undertook risk-based inspection. This year a meeting was held to share ideas with the Enterprisewide Risk Management Committee (ERMC) to raise the efficiency and effectiveness of subsidiary governance for a uniform direction. To this end, a recommendation was to appoint a strategic planning committee to promote affiliates’ business process synergy. This committee would define work plans and provide advice on how to administer and control affiliates in assorted aspects under the same standard. A focus was to be put on collaboration between the ERMC and the Audit Committee to minimize the impacts of corporate risks.
6. Actively encouraged and ensured compliance with safety standards and stewardship of the refinery surroundings and nearby communities.
7. Revised the Audit Committee Charter in line with the criteria and terms of the Office of the Securities and Exchange Committee (SEC) and SET and the Corporate Governance Policy to ensure confidence of shareholders, business partners, customers and other stakeholders that the Company’s business follows such terms and the code of conduct to maintain an efficient internal control system.
8. Reviewed the policy and operating manual of the internal control office to cover the roles and responsibilities of the Audit Committee and the internal control office for use as a practical guideline.
9. Supported the upgrading of internal auditors on a par with international standards.

Having monitored the Company's performance in 2017 under the scope of authority and assigned responsibility, the Audit Committee approved the way the Company had prepared its financial statements, regarding it as accurate in significant details under generally accepted accounting principles. Connected transactions or items of potential conflicts of interest were adequately disclosed. The Company's internal controls and a risk management process are compatible with its business circumstances, with accurate and complete compliance with the law, SET regulations, and relevant laws.

(Signed) *Suthep Wongvorazathe*  
(Mr. *Suthep Wongvorazathe*)  
Chairman, Audit Committee  
March 23, 2018

## Report of the Corporate Governance Committee

### To the Shareholders

The Board of Directors appointed the Corporate Governance Committee, headed by General Vitch Devahasdin, with Mr. Teerapong Wongsiwawilas, Mr. Jarin Chakkaphark and Mr. Chaiwat Kovavisarach serving as members.

In 2017, the committee held a total of three meetings to monitor performance under the plan for developing good corporate governance practices. Below are the essences of the meetings:

#### 1. Rights of Shareholders

- Publicized information concerning the Annual General Meeting of the Shareholders (AGM) on the Company website 33 days ahead of the meeting and mailed the documents to the shareholders 21 days ahead of the meeting.
- Provided a registration stop at the AGM compatible with the number of attending shareholders to speed up registration.
- Allowed shareholders to post questions in advance, to be addressed at the AGM, from September 1, 2017, onward.

#### 2. Equitable Treatment of Shareholders

- Allowed the shareholders to propose AGM agenda items and nominate directors between September 1 and December 31, 2017.
- Proposed nine independent directors to whom the shareholders could assign proxies for the AGM.
- Report the securities portfolios and changes of the Board and the executives to the Board at their meeting every month.

#### 3. Roles of stakeholders

- Tracked whistleblowers' reports or complaints filed through Internal Control. This year a total of one complaints were filed on tanker transport. Bangchak strictly prevented and examined this fraud case.

#### 4. Disclosure of information and transparency

- Conducted quarterly presentations of Bangchak's performance, data, and outlooks to analysts, local investors, and foreign investors

#### 5. Responsibility of the committee

- Held the annual strategic seminar with the management to revise the corporate vision and set corporate goals.
- Staged meetings among independent directors in March and August, and ones among non-executive directors in April and November in order for them to debate their concerns.

#### 6. Corporate governance policy

- Amended the policy (revision 14) by adding directors' roles, including the application of innovation and technology to resource allocation, matters for joint execution with the management and for sole execution, and board diversity.
- Ensured all employees' responses in acknowledging and completing the annual questionnaire on the CG policy through the e-HR and knowledge management systems to assess their understanding.

#### 7. Publicity of corporate governance

Directors and the management were invited speakers on the policy and experience of corporate governance management. The Company also welcomed visiting public and private agencies, together with educational institutions, to its premises to share experiences and observe its corporate governance practices.

## 8. Public relations to promote the corporate governance culture

- Provided corporate governance training as part of the orientation curriculum for new directors.
- Provided corporate governance training as part of the orientation curriculum for new employees.
- Staged the 2017 CG Day activities under the “In HM the Late King’s Footsteps: Following Dharma Principles” theme. Discussing HM the late King Bhumibol’s adopted 10 Dharma principles for day-to-day work was Dr. Sumet Tantivejkul, Chaipattana Foundation Secretary-General

## 9. Anti-corruption

- Staged the annual business partner seminars and two seminars this year to prepare them for the CAC certification process. The purposes were to encourage their business conduct in line with Bangchak’s code of conduct, foster growth in tandem with sustainability, and encourage business partners to become CAC allies and certified members, as Bangchak has been in its fourth straight year.
- Issued letters to stakeholders about Bangchak’s No-Gift Policy for festive periods and other occasions in an effort to step up corporate governance and lay down a solid foundation for fair treatment to all.

As a result of its valuing of corporate governance, this year the Company continuous won corporate governance awards.

- **Regional awards, including**

Platinum Award, organized by The Asset magazine (Hong Kong-based), in recognition of Bangchak’s overall outstanding performance (corporate governance and socio-environmental responsibility), for the four consecutive year.

- **National awards, including**

Best Sustainability Award for the third year running, in recognition of listed companies that are outstanding in sustainable business conduct, worthy of becoming role models for other listed companies

(Signed) *Gen. Vitch Devahasdin*

**(Gen. Vitch Devahasdin)**

Chairman

Corporate Governance Committee

December 15, 2017

## Report of the Nomination and Remuneration Committee

### To the Shareholders

At Meeting No. 7/2017, the Board of Directors appointed the current Nomination and Remuneration Committee, chaired by Mr. Surin Chiravisit, with Adm. Sucheep Whoungmaitree, Gen. Apirat Kongsompong, and Pol.Lt.Gen. Chaiwat Chotima as members. Mr. Suthep Wongvorazethe served as its member and secretary. To make their performance truly independent, all members are independent directors.

This year, the committee met five times, as summarized below:

Director nomination: The committee nominated directors to fill vacancies caused by retiring directors and those that left their posts before term expiry. Due regard was given to knowledge and competency, experience, sound career records, leadership, vision, righteousness, ethics, good attitude toward Bangchak, and the ability to dedicate enough time for their duties, all of which benefit Bangchak's businesses. It also took into account board diversity and developed a board skill matrix to decide the qualifications to be sought after, with consideration given to missing skills and suitable qualifications to complement Bangchak's Board composition and Board structure under Bangchak's business strategies. The IOD's Director Pool served in the nomination process for new directors. The current Board consists of 15 directors, 10 of whom are independent, four are non-management, and one is the President&CEO, serving as the sole management director. Their profiles appear under "Board of Directors".

In determining compensation for the Board directors and the President&CEO, the committee took into account commensuration with duties and assigned responsibilities in connection with Bangchak's performance outcomes as well as individual performances, all these to be comparable to peer SET-listed companies in similar industries and businesses. Such compensation must be enough to induce their quality and job performances to achieve Bangchak's defined goals and business directions. Compensation details appear under "Management Structure".

This committee performed its duties independently under good corporate governance to ensure that the nomination and compensation processes are transparent, while fostering confidence among the shareholders and stakeholders.

(Signed) *Surin Chiravisit*

(Mr. Surin Chiravisit)

Chairman

Nomination and Remuneration Committee

December 15, 2017

## Report of the Enterprise-wide Risk Management Committee

### To the Shareholders

Bangchak values corporate governance, especially concerning risk management practices. To ensure that it can manage any uncertainty affecting business to remain efficient with suitable impacts, the Enterprise-wide Risk Management Committee (ERMC) performs its Board-assigned duties by the criterion of enterprise-wide risk management.

This year the committee held eight meetings with the management and Internal Audit and two meetings with the Audit Committee, as highlighted below.

- **Supervised and reviewed corporate policies and managed key risks:** Key risks consisted of strategic, operational, financial, and reputation risks. These risks could arise from aspects of safety and occupational health, impacts on the environment, society, and communities together with compliance with the law. In addition, this year Bangchak applied the key risk indicators (KRIs) to its monitoring and surveillance processes concerning risk occurrence before their modification and development into additional risk management plans to mitigate impacts on corporate goals. The committee advocated surveillance of public policy changes that may affect business and pay attention to risk management by Bangchak Group companies so that they may proceed suitably with manageable key risk control so as to jointly achieve goals.
- **Provided investment recommendations:** ERMC provided recommendations and observations about the preparation of risk management plans of every investment project. Significant projects must submit such plans to ERMC for endorsement before seeking Board approval to ensure that a given business commands suitable risk management practices and stands a chance of achieving goals.
- **Supported Business Continuity Management (BCM):** ERMC monitored BCM tasks and supported Bangchak's preparedness of strategies, processes, personnel, and resources for alignment with the ISO 22301:2012 standard and extension of the BCM scope to affiliates. To this end, Bangchak took part in training on crisis communication plan preparation and joined in affiliates' emergency drills so that the entire group may command efficient BCMs and ensure that all can continue to operate under various crises or return to business in a prompt, secure, and sustainable way.

The Enterprise-wide Risk Management Committee is committed to ensuring that Bangchak commands proper governance and manages risks suitably. As a result of such actions, it is confident that Bangchak can proceed efficiently to achieve all corporate goals.

(Signed) *Prasong Poontaneat*  
(Mr. Prasong Poontaneat)

Chairman

Enterprise-wide Risk Management Committee

December 14, 2017

## Changes in the Securities Portfolios of Directors and Executives

The Company has notified all Board of Directors and Executive members of the Securities and Exchange Commission (SEC) announcement, calling on them to report their portfolios, including those of their spouses and minor children, to SEC within 30 days of their appointment to the Board and the management rank, and to do so with each change in portfolio within 3 business days.

Each month the portfolios and changes of the Board and the executives are reported to the Board at their meeting. These portfolios were as follows.

Name		Shares as of Year-end 2016	Shares as of Year-end 2017	Increase (Decrease)
<b>Board of Directors</b>				
1.	Mr. Pichai Chunhavajira	-	-	-
2.	Mr. Surin Chiravisit	-	-	-
3.	Mr. Suthep Wongvorazathe	-	-	-
4.	Gen. Vitch Devahasdin	-	-	-
5.	Adm. Sucheep Whoungmaitree	-	-	-
6.	Gen. Apirat Kongsompong	-	-	-
7.	Pol.Lt.Gen. Chaiwat Chotima	-	-	-
8.	Mr. Krisada Chinavicharana	-	-	-
9.	Mrs. Prisana Praharnkhasuk	-	-	-
10.	Mr. Teerapong Wongsiwawilas <sup>1/</sup>	-	-	-
11.	Mr. Jarin Chakkaphark <sup>2/</sup>	-	-	-
12.	Mr. Prasong Poontaneat	-	-	-
13.	Mr. Visit Vongruamlarp	10,000	10,000	-
14.	Dr. Prasert Sinsukprasert	-	-	-
15.	Mr. Chaiwat Kovavisarach	630,000	850,000	220,000
<b>Executive Management</b>				
1.	Mr. Pongchai Chaichirawiwat	53,332	64,332	11,000
	- Mr. Pongchai Chaichirawiwat	44,332	44,332	-
	- Mrs. Siriwan Chaichirawiwat (Spouse)	9,000	20,000	11,000
2.	Mr. Somchai Tejavanija	28,522	28,522	-
3.	Mr. Yodphot Wongrukmit	44,096	44,096	-
4.	Mr. Bundit Sapianchai	31,895	31,895	-
5.	Mr. Surachai Kositsareewong	-	-	-
6.	Mr. Kiatchai Maitriwong	11	11	-
7.	Mr. Chalermchai Udomranu	1,865	1,865	-

Note: Directors and executives do not have any indirect shareholding (except the executive no.1).

<sup>1/</sup> Appointed to the Board on January 26, 2017

<sup>2/</sup> Appointed to the Board on October 12, 2017

## Bangchak and Sustainability

This was Bangchak’s major stride illustrating its commitment to business growth under its **Evolving Greenovation** vision. In other words, Bangchak is committed to investing in the business of innovation and a variety of green energy to diversify risks common to the petroleum business and establish income security. This move is derived from the Sufficiency

Economy philosophy, based on prudence, sufficiency, sensibility, and immunity applied to the corporation, which simultaneously values business value and socio-environmental virtue. Bangchak leverages a **Security, Stability, and Sustainability strategic** platform, driven with its 4 Green strategies while integrating goals, plans, and performance reporting that are compatible with SDGs (sustainable development goals), of which Bangchak has selected nine.



### 4 Green Strategies



- Green Business
- Green Production
- Greenovative Experience
- Green Society

In an effort to improve Bangchak’s long-term performance, it recognizes the value of human resource management system improvement and overall corporate management system so as to pursue a High-Performance Organization. To this end, its business embraces nine aspects under a three-year improvement plan. For the first year, it will tackle three aspects while cultivating the new “I AM BCP” values and improving business processes year-round to get the corporation and its personnel ready for change and future corporate growth, while being able to address all stakeholders’ needs.

For additional information, please study the sustainability report for this first year of preparation compliance with the GRI Standards at [www.bangchak.co.th](http://www.bangchak.co.th).



## Internal Control

Relentlessly Bangchak Corporation Plc. values an effective internal control system under the internal control scope of The Committee of Sponsoring Organizations of the Treadway Commission (COSO). This year it commissioned EY Corporate Services Ltd., to assess its internal control system before presenting its recommendations to the Board of Directors and the management for improvement of effectiveness.

Reviewing the recommendations, the Board provided its views on the adequacy and suitability of the internal control system. Below is a summary of assessment findings.

### 1. Control environment

The Company's organizational environment and structure favor implementation of the internal control system. This year, Bangchak made a change to the organizational structure, adding Legal and Corporate Compliance to centralize compliance with laws, regulations, and rules of assorted agencies in a clear and tangibly measured way to guide employees' work. Its business goals are deliberated by the Board in a clear and measurable way for use as concrete guidelines for employees. Employee incentives or compensation has undergone a critical analysis for sensibility. A proper organizational structure favors efficient business execution by the management. The management also consistently values business integrity and ethics.

Bangchak has stressed to employees the issues of fraud risk and conflicts of interest by improving how information on employees' conflicts of interest is given through the e-HR system for greater convenience and information timeliness.

Bangchak staged CG Day 2017 activities under the "In H.M. the Late King's Footsteps: Following Dharma Principles" theme to stimulate awareness of a sustainable corporate governance culture and organized the 2017 business partner seminar (in its fourth consecutive year) to educate and encourage business partners to join CAC in combating corruption, underscoring Bangchak's unwavering commitment to anti-corruption.

Bangchak underwent assessment before earning awards from external agencies, including Best Sustainability Awards 2017, which represented further recognition of corporate governance reports and social responsibility. Its award on the sustainability report, termed Excellence, reflected efforts to integrate business sustainability and conformance to good governance.

### 2. Risk assessment

The Company has appointed the Enterprise-wide Risk Management Committee (ERMC) to define policies, strategies and enterprise-wide risk management goals; evolve such a management system for continual efficiency; support and actively encourage cooperation in risk management at all levels; and ensure suitable and efficient risk management. The company took into consideration risks associated with new ventures to bolster confidence that such businesses are viable and achieve goals. It also evolved a risk management process by integrating the approaches under ISO 31000 (which accounts for company-wide risk management) to achieve operating objectives and align with international standards. In addition, this year Bangchak applied the key risk indicators (KRIs) to its monitoring and surveillance processes concerning risk occurrence to

modify and develop into additional risk management plans, mitigate impacts on corporate goals, and pay attention to risk management by Bangchak Group companies so that they may proceed suitably with manageable key risk control so as to jointly achieve goals.

Stringent and consistent is the Company's valuing of a sound environmental and safety management system to its neighboring communities. It appointed an Organizational Development Committee and BCM Taskforce, charged with system preparation to handle risks and potential crises; defined strategies to keep the company running even during emergencies; appointed a task force to draft business continuity management procedures to make plans comprehensive, ring-fence crises and situations, and enable Bangchak's business to proceed uninterrupted in emergencies and mitigate potential. Bangchak is the first domestic refinery to win ISO 22301:2012 certification (business continuity management) and undergo constant surveillance surveys from the accreditor.

### 3. Control activities

The Company's control activities rely on key performance indicators (KPIs) as a planning and control tool, with segregation of responsibilities for checks and balances. This year, for business suitability, Bangchak revised and redefined the authority and approval authority for various levels. Checks and balances were enforced by units and panels specifically appointed, including the Internal Audit, the Investment Committee, and the Enterprise-wide Risk Management Committee.

Authority, responsibility and approval of expenditure are defined in writing, along with preparation of documents that favor segmentation and identification of responsible parties should things go wrong. Custodianship and stewardship of Company properties to prevent losses or abuses have been instituted. The Company transactions with long-term obligations are properly monitored for contractual compliance. Measures are in place to prevent self-gains of Company opportunities or benefits. This year, through seminars, Bangchak educated its executives, staff, and affiliates on the "SEC's Do's and Don't's for Using Inside Information and Responsibility under Thai Laws" topic to ensure common understanding of inside information, including cautionary measures and legal responsibility.

Procedures are in place to ensure that the Company observes the law and relevant regulations. Now in place is control self-assessment (CSA) at business levels, section levels, and work process levels throughout the company, as is an annual assessment of performance.

Bangchak's strict, suitable measures govern engagement in transactions with major shareholders, directors, among others, to prevent unlawful transfers of benefits; for instance, such transactions must first secure approval by disinterested parties, transaction data must be disclosed under SEC rules, and data on related parties or businesses under accounting standards must be disclosed.

Bangchak reviewed and modified its policy and requirements of IT system security under the ISO 27001 information security management standard and constantly informed its staff about pertinent risks and prevention of threats to the IT system and information system application standard.

In addition, a process monitored subsidiaries' performances and formulated their corporate governance policies along with their security, safety, occupational health, environment, and energy policies.

#### 4. Information and communication

Bangchak developed its information system to accommodate businesses covering refinery administration, marketing, finance and accounting administration, and HR administration in line with the IT Digital Roadmap. Specifically, it relentlessly applied digital technology in business support, including formulation of a Preventive Maintenance on Mobile Devices and Warehouse Optimization System for refinery engineers that need essential data to efficiently and safely provide equipment maintenance under the policy on the security of IT systems and standard on the use of information systems and networks. Evidence of its successes consisted of the certification of ISO/IEC 27001 and ISO/IEC 27031 concerning IT system security and certification of ISO/IEC 20000-1:2001. In place is the SAP Enterprise Resource Planning (ERP) SAP ECC 6.0, which is state-of-the-art on a par with other countries, systems. What is more, Bangchak commands plans to develop data management, data analysis, and Big Data management systems to more efficiently leverage assorted data across the corporation, whether for analytical purposes or for business applications.

Bangchak employs several communication channels within the company, including the Intranet, e-mails, and intercom, depending on the contents. In its external communication, its website is readily accessible, its menu can be viewed on mobile devices, and it can provide more efficient data. In fact, this website has won a Distinction Winner Award 2017 (Silver Trophy), presented to entities originating creative online communication.

Bangchak Puts in place channels for whistleblowing or complaint-making about fraud involving people in the organization, be they staff or stakeholders through telephone and e-mail. If a concern about wrongdoing is raised, a committee comprising members of units relevant to the issue will be set up to launch an investigation.

#### 5. Monitoring and assessment

The Company commands a performance tracking system by having a committee regularly compare performance results against goals, so that factors potentially impacting performance can lead to strategic plan adjustment and goal achievement. An internal audit unit, reporting to the Audit Committee, reviews compliance with the company's formulated internal control system. In addition, the Legal and Corporate Compliance is assigned to coordinate the assessment, the execution of the internal control system, and coordination and encouragement of various units to conform to the internal control system in an efficient and continual manner.

## Risk management

Amid rapid changes in the current business environment, the risk management process is crucial for the formulation of plans to systematically tackle business uncertainties. Besides applying the international COSO ERM and ISO 31000 standards at the operational, business/functional group and divisional levels, Bangchak has integrated these standards into its work processes and the formulation of risk management for every investment project. By structuring its management of risks to cover all business groups, requiring them to observe a standardized risk management system, Bangchak ensures that the company and its affiliates will fully achieve their long-term and short-term goals in line with the sustainable approach for business, environmental, and social development.

### Risk management structure

The Board, executives, and all units are involved in the management of risks. The Enterprise-wide Risk Management Committee (ERM), appointed by the Board, assures that Bangchak has in place an efficient system that can appropriately manage all risks, and promotes the corporate culture of risk management to foster, among all executives and employees, awareness of potential impacts from risks. The Risk Management Sub-Committee (RMC), comprising senior executives of business groups, functional groups and divisions, monitors the performance of enterprise-wide risk management, develops risk management system covering all business groups, and appoints the Price and Finance Risk Management Committee (PRMC) to regularly oversee and manage risks arising from the volatility of prices and exchange rates.

### Risk management outcomes

This year Bangchak examined internal and external factors threatening its business operations, covering the volatility of oil prices and exchange rates, business competition, economic conditions, public policies, megatrends, data from The Global Risks Report 2017, published by the World Economic Forum, and the growth of relevant technologies and innovations, which include alternative-energy and energy storage-related technologies, and the progress of Electric Vehicle (EV) development. Bangchak also considered the needs and expectations of its stakeholders in analyzing impacts and future trends for the formulation of its risk management plans and identification of business opportunities.

In enhancing the assessment efficiency of risk factors and their causes, while facilitating the planning of appropriate risk management approaches, Bangchak's risk-related management fall into the following elements: corporate level, investment-project level, and BCM.

### 1. Corporate risk management

The first step of corporate risk management is to assess key internal and external risk factors, including future trends potentially affecting Bangchak's short-term and long-term goals. Besides covering strategic, operational, and financial risks, the assessment includes risks concerning legal compliance, employees' safety and occupational health, together with operational impacts on the environment, society and communities, which may affect Bangchak's credibility. Key risk indicators (KRI)

have also been developed to be used in the monitoring process to stay vigilant for emerging threats, while data obtained from the process are utilized for the improvement and formulation of additional risk-management plans to mitigate impacts on Bangchak's goals.

To fully achieve its business goals, Bangchak has prepared management plans for the assessed risk factors and impacts as follows:

### Risks of volatility in oil and raw-material prices

In managing risks arising from the volatility of oil and raw-material prices, which affect the revenue from its petroleum and other businesses, Bangchak has implemented the following short-term and long-term plans:

- Closely monitored oil-price movements and constantly developed new tools to manage price-related risks and product spreads, with preventive measures identified by PRMC.
- Pursued business profits by procuring raw materials for biofuels from sources at reasonable prices and developed work processes to add value to products.
- Increased the proportion of Bangchak's investment in new businesses that generate steady revenue streams by expanding its investment in green power via BCPG Plc, a subsidiary that invests in and operates power-generation and other renewable-energy businesses, both domestic and abroad.
- Established BBGI Co., Ltd., a biofuel producer and supplier, with a capacity to produce 900,000 liters of ethanol and 810,000 of biodiesel per day, totaling 1,710,000 liters per day, to strengthen Bangchak's competitiveness and business operation, diversify risks arising from the price volatility of cassava, molasses and crude palm oil, the company's key raw materials, and reinforce Bangchak's steady processing of raw materials into refined products.

### Risks relating to the management of raw materials and supply chain

In ensuring an efficient operation within its supply chain and timely delivery of raw materials, machinery, equipment and services for its production and selling activities, which are crucial for its business continuity and cost control, Bangchak undertakes the following risk management measures:

- Entered into term contracts for crude oil supply from foreign and domestic sources to maintain a stable crude run.
- Procured crude oil with suitable properties for Bangchak's processes and generated high gross refining margins while adding value to its business.
- Classified high-value groups of raw-material and merchandise suppliers, including service providers, to conduct risk assessment on their adequacy, including their economic, social and environmental impacts, to ensure Bangchak's business continuity.

## Risks arising from energy-related technologies and innovations

Technological changes and innovations are external factors threatening the current business. Bangchak has analyzed and assessed such risks while identifying opportunities offered by technological progress and innovations as follows:

- Increased its investment in lithium mines, with current shareholding of 15.86% of Lithium Americas Corporation's shares to expand Bangchak's natural resource and innovative energy-based businesses while keeping abreast of the future growth of battery-based alternative energy.
- Established Bangchak Initiative and Innovation Center (BiIC) with the cooperation of assorted networks and agencies to create a green ecosystem, promote and drive innovations that support major leaps of green energy and bio-based products, leading to a dynamic breakthrough of Bangchak's businesses with an awareness of resource values.

## Risks of impacts on communities and society

Focusing on sustainably cooperating with communities, society, and the environment in its business conduct, Bangchak has incessantly improved and developed its processes to operate safely without affecting communities and society through the following risk management measures:

- Consistently applied the Safety Integrity Level (SIL), Reliability-Centered Maintenance (RCM) and Risk-Based Inspection (RBI) systems throughout its processes, enabling Bangchak to plan proper maintenance and repair schedules for equipment to mitigate accident risks.
- Developed a safety system after TIS/OHSAS 18001. In place are HAZOP (Hazard and Operability Studies) assessment and PSM for safety management throughout refining processes.
- Installed an online air-quality monitoring system displaying the results on six billboards at locations adjoining the refinery: Sai Jai Thai Foundation on Sanpawuth Road, the Old Railway Road, and Sukhumvit Soi 64 sides of the refinery's front gate, Office of the Permanent Secretary's sports center, and the communities at the front and back of Wat Boonrod Thammaram, with another billboard to be installed in the Bang Krachao area on the opposite bank of Chao Phraya River. The purpose was to provide neighboring communities with air quality data and boost wider confidence in society.
- Executed the enclosed ground flare construction project, due for completion by 2019, to ease community impacts of gas emission through the flare tower.
- Prevented river oil spills by requiring double-hull vessels for crude oil and refined-product tankers.
- Developed and constantly improved safety technology for jetty equipment, system, and tools in line with the Oil Company International Marine Forum (OCIMF) standards, including modernizing the wharf's firefighting system, devising a plan to develop Quick Release Hook vessel berthing, and installing an additional close-circuited (CC) camera system.
- Organized activities to promote knowledge, understanding, and safety awareness among these in surrounding communities, including schools, temples, and condominiums, by conducting evacuation and fire-fighting drills, installing communication systems and community alarms at all strategic locations, and inviting community representatives to observe emergency drills.

## Global warming risks

Besides defining emergency response measures to mitigate potential impacts of global climate change, Bangchak focuses on contributing to the reduction of carbon dioxide emission as follows.

- Closely monitored potential impacts of climate change, including floods, with effective plans in place to manage low to high levels of impact and ensure business continuity.
- Significantly improved the refinery's energy efficiency and reduced carbon dioxide emission by utilizing the electricity and steam produced by its cogeneration power plant, fueled by natural gas instead of fuel oil, while starting the operation of a new 12-MW capacity cogeneration power plant this year.
- Integrated socio-environmental stewardship and energy conservation as part of Bangchak's corporate culture. Bangchak Refinery has won the Green Industry Level 5: Green Network Award, while Bangchak's Head Office building has been certified as LEED Platinum, the highest rating level of LEED certification for its design, which promotes the use of energy-saving and environmental conservation products.
- Developed green-energy businesses to reduce its fossil-fuel consumption and carbon dioxide emission by expanding Bangchak's renewable energy-based power generation business via BCPG Plc, and biofuel business via BBGI Co., Ltd., a producer and supplier of biodiesel and ethanol.
- Took part in the research and development on "Environmental Management Technologies for Sustainable Development of Refinery Business", which includes the assessment of organization's carbon footprint in line with ISO 14067 to alleviate global warming.

## Water shortage risks

Water crisis will become a worldwide challenge with the world's water resources threatened by climate change, while population growth also poses a higher demand for water. Bangchak is therefore committed to minimizing water usage in its production processes.

- Effectively reduced the volume of its wastewater discharge and water usage by 3.42% this year by assigning its Refinery Water Management Taskforce to identify an approach for optimal water management to maintain process stability and define measures for water consumption reduction, reuse, and recycling with the reverse osmosis technology.
- Initiated water footprint assessment for Bangchak's gate-to-gate water management and identified appropriate measures for the reduction of wastewater discharge and water usage.
- Encouraged its affiliates to reduce water usage in their processes, starting from the reuse and recycling of water by the bio-based product business group. Bangchak has also undertaken a reservoir excavation project for additional water reserve supply on its compound.

## 2. Investment project risks

Besides alignment with the corporate strategic directions and returns on businesses, consideration of risk management in all investment projects is vital. In ensuring that every project will achieve its goals without affecting communities, society, and

the environment, a clear and systematic analysis is required, while its risk management plan must be approved by ERM before submission to the Board for approval, taking into account the risk factors of each project stage and target country, including natural disaster threats.

### 3. Business Continuity Management (BCM)

Bangchak has acquired for five straight years ISO 22302:2012 standard certification covering its Head Office, Bangchak Refinery and Bangchak Oil Distribution Center, Central Region Business Office, and Bang Pa-in Oil Distribution Center. This certification underscores Bangchak's readiness to accommodate crises and implement its Business Continuity Plan (BCP) efficiently under international standards, while stakeholders can rest assured that Bangchak can handle emergency responses while continuing to deliver its products.

This year Bangchak improved its BCP to fully align with the relocation of the company's head office to the M Tower Building on Sukhumvit Road, while establishing and expanding the businesses of its affiliates. A crisis management exercise for marine oil spills under BCP was also undertaken jointly with Bongkot Star, a crude oil tanker owned by Bongkot Marine Services Co., Ltd., a service provider of floating storage units. The simulated scenarios were the transport of crude oil and communication among Bangchak's affiliates during crises. The drill outcomes were then used in amending emergency procedures, securing additional resources to enhance affiliates' BCM efficiency, ensuring their business continuity and sustainability during crises.



## Connected Transactions

### 1. Connected transactions

1.1 Connected transactions with subsidiaries, jointly-controlled businesses, associated companies and related companies during 2016 and 2017 consisted of the following:

1.1.1 Sale of products and services to subsidiaries, jointly-controlled businesses, associated companies and related companies

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiaries</b>				
Bangchak Green Net Co., Ltd.	28,114.99	31,443.56	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	-	0.03	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	304.45	2,715.36	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	2.09	8.64	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
<b>Associated companies</b>				
Ubon Bio Ethanol Co., Ltd.	13.94	12.64	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors
Ubon Agricultural Energy Co., Ltd.	6.87	14.98	- Ubon Bio-Ethanol Co., Ltd. (associated company) holds 100% of the shares	- Bangchak delegates its representatives as directors

## 1.1.2 Purchase of products and services from subsidiaries, jointly-controlled businesses, associated companies and related companies

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiaries</b>				
Bangchak Green Net Co., Ltd	0.41	0.16	- BCP holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	4,982.10	4,533.86	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	575.13	7,434.83	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd	263.13	1,057.36	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
<b>Associated company</b>				
Ubon Bio Ethanol Co., Ltd.	1,373.74	1,487.59	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors
<b>Related business</b>				
Fuel Pipeline Transportation Co., Ltd	430.55	441.69	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors

1.1.3 Revenue from investment and other revenues from subsidiaries, jointly-controlled businesses, associated companies and related companies

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiaries</b>				
Bangchak Green Net Co., Ltd	11.41	68.43	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	128.43	115.53	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
NIDO Petroleum Limited	226.82	143.89	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Innovation Pte. Ltd.	0.95	-	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	929.58	884.97	- Bangchak holds 70.27% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	0.16	9.61	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd.	-	12.81	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
<b>Associated company</b>				
Ubon Bio Ethanol Co., Ltd.	-	21.27	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors
<b>Related business</b>				
Fuel Pipeline Transportation Co., Ltd	8.45	5.80	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors

## 1.2.1 Interest expenses paid to subsidiaries for loan guarantees under grant of operating rights

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiary</b>				
Bangchak Green Net Co., Ltd	0.32	-	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors

## 1.2.2 Other expenses paid to subsidiaries, jointly-controlled businesses, associated companies and related companies

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiaries</b>				
Bangchak Green Net Co., Ltd.	26.66	26.83	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	0.38	0.29	- Bangchak holds 70.27% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd.	12.25	8.58	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
NIDO Petroleum Limited	4.16	17.03	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	-	9.06	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
<b>Joint venture</b>				
Bongkot Marine Services Co., Ltd.	-	261.30	- Bangchak holds 30% of the shares	- Bangchak delegates its representatives as directors

## 1.2.3 Debtors, advance payments and short-term loans to related businesses

## 1.2.3.1 Trade debtors

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiaries</b>				
Bangchak Green Net Co., Ltd	1,094.76	1,142.19	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	2.49	-	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd	5.08	1.71	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	-	558.37	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd	0.68	1.04	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
<b>Associated companies</b>				
Ubon Bio Ethanol Co., Ltd.	1.08	1.13	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors
Ubon Agricultural Energy Co., Ltd.	0.92	0.90	- Ubon Bio-Ethanol Co., Ltd. (associated company) holds 100% of the shares	- Bangchak delegates its representatives as directors
<b>Related business</b>				
Fuel Pipeline Transportation Co., Ltd	0.33	0.33	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors

## 1.2.4 Debtors and loans to related businesses

## 1.2.4.1 Loans

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiaries</b>				
Nido Petroleum Limited	2,788.52	2,113.45	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd	-	90.00	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
<b>Related business</b>				
Fuel Pipeline Transportation Co., Ltd	17.32	13.91	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors

## 1.2.4.2 Other debtors

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiaries</b>				
Bangchak Biofuel Co., Ltd.	-	0.43	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
Bangchak Solar Energy Co.,Ltd.	0.39	0.39	- BCPG (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd	-	2.46	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	213.88	2.35	- Bangchak holds 70.27% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd	0.03	1.48	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
Nido Petroleum Limited	-	8.05	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors

## 1.2.5 Creditors of related businesses

## 1.2.5.1 Trader creditors

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiaries</b>				
Bangchak Green Net Co., Ltd	2.41	0.02	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	243.12	158.47	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	306.71	384.74	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd	84.69	102.22	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
<b>Associated company</b>				
Ubon Bio Ethanol Co., Ltd.	128.06	128.98	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors

## 1.2.5.2 Other creditors

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiaries</b>				
Bangchak Green Net Co., Ltd	0.56	3.92	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd	17.32	1.01	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	-	7.93	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	0.03	0.02	- Bangchak holds 70.27% of the shares	- Bangchak delegates its representatives as directors

## 1.2.5.2 Other creditors (cont.)

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Joint venture</b> Bongkot Marine Services Co., Ltd.	-	12.42	- Bangchak holds 30% of the shares	- Bangchak delegates its representatives as directors
<b>Related business</b> Fuel Pipeline Transportation Co., Ltd.	41.02	43.38	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors

## 1.3 Other non-current assets

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiary</b> Nido Petroleum Limited	176.74	312.70	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors

1.4 Other current liabilities: These items are Bangchak's demanded guarantee payment for operating contracts with subsidiaries companies.

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Subsidiaries</b> Bangchak Green Net Co., Ltd.	29.72	-	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	6.00	6.00	- Bangchak holds 70.27% of the shares	- Bangchak delegates its representatives as directors



1.5 Other non-current liabilities: These items are Bangchak's revenue received in advance for land lease from related companies.

Related company	2016	2017	Relationship for the year ended 31 December 2017	
	THB (million)	THB (million)	Shareholding	Management
<b>Related business</b>				
Fuel Pipeline Transportation Co., Ltd	2.97	2.50	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors

### 1. Connected transactions with Bangchak Green Net Co., Ltd.

Bangchak Green Net managed Bangchak service stations and consumer product sales at Lemon Green and Bai Chak outlets. These connected transactions followed general business conditions, were based on market prices and followed the details stated in the operating right agreements.

### 2. Connected transactions with Bangchak Biofuel Co., Ltd.

Bangchak Biofuel Co., Ltd., an indirect subsidiary through BBGI Company Limited (BBGI), which holds 70% of its shares, was set up to produce and sell biodiesel. These connected transactions followed general business conditions, were based on market prices and followed details stated in the operation contracts.

### 3. Connected transactions with Bangchak Solar Energy Co., Ltd.

Bangchak Solar Energy Co., Ltd., an indirect subsidiary through BCPG Plc., was formed to run a 38-MW capacity solar farm, "Sunny Bangchak" Phase 1 at Amphoe Bang Pa-In, Phra Nakhon Si Ayutthaya. The service fees followed general business conditions and followed details stated in the operating agreement.

### 4. Connected transactions with Bangchak Solar Energy (Prachinburi) Co., Ltd.

An indirect subsidiary company through BCPG Plc., Bangchak Solar Energy (Prachinburi) operated a power plant to produce electricity from solar cells at Amphoe Kabin Buri, Prachin Buri. The service fees followed general business conditions and followed details stated in the operation contracts.

### 5. Connected transactions with Bangchak Solar Energy (Chaiyaphum 1) Co., Ltd.

An indirect subsidiary company of BCPG Plc., Bangchak Solar Energy (Chaiyaphum 1) operated a power plant to produce electricity from solar cells at Amphoe Bamnet Narong, Chaiyaphum. The service fees followed general business conditions and followed details stated in the operation contracts.

### 6. Connected transactions with Bangchak Solar Energy (Buriram) Co., Ltd.

An indirect subsidiary company through BCPG Plc., Bangchak Solar Energy (Buriram) operated a power plant to produce electricity from solar cells at Amphoe Prakhon Chai, Buri Ram. The service fees followed general business conditions and followed details stated in the operation contracts.

### 7. Connected transactions with Bangchak Solar Energy (Buriram 1) Co., Ltd.

An indirect subsidiary company through BCPG Plc., Bangchak Solar Energy (Buriram 1) operated a power plant to produce electricity from solar cells at Amphoe Nong Ki, Buri Ram. These connected transactions and service fees followed general business conditions and followed details stated in the operation contracts.

### 8. Connected transactions with Bangchak Solar Energy (Nakhonratchasima) Co., Ltd.

An indirect subsidiary company through BCPG Plc., Bangchak Solar Energy (Nakhonratchasima) operated a power plant to produce electricity from solar cells at Amphoe Dan Khun Thot, Nakhon Ratchasima. The service fees followed general business conditions and followed details stated in the operation contracts.

### 9. Connected transactions with BCP Energy International Pte. Ltd.

A subsidiary company in Singapore, BCP Energy International Pte. Ltd. was set up to engage in businesses relating to energy, petrochemicals, and natural resources abroad. The service fees followed general business conditions and were based on market prices.

### 10. Connected transactions with BCP Innovation Pte. Ltd.

A subsidiary company in Singapore, BCP Innovation Pte. Ltd. was set up to engage in innovation- related businesses. The service fees followed general business conditions and were based on market prices.

### 11. Connected transactions with BCP Trading Pte. Ltd.

A subsidiary company in Singapore, BCP Trading Pte. Ltd. was set up to trade commodities including crude oil, petroleum products, petrochemicals and related chemicals and to conduct other businesses that would benefit the company, including but not limited to oil hedging, chartering, storage and distribution. These connected transactions followed general business conditions and were based on market prices.

### 12. Connected transactions with Nido Petroleum Limited

Nido Petroleum Limited (an indirect subsidiary in Australia) was formed to run the upstream petroleum business. These connected transactions followed general business conditions and were based on market prices

### 13. Connected transactions with BCPG Plc.

A subsidiary company, BCPG Plc. was established to engage in power generation from solar cells. The service fees followed general business conditions, were based on market prices and followed details stated in the operation contracts.

### 14. Connected transactions with Bangchak Retail Co., Ltd.

A subsidiary company, Bangchak Retail is engaged in franchise businesses and intellectual property acquisition. The transaction and service fees followed general business conditions, were based on market prices and followed details stated in the operation contracts.

### 15. Connected transactions with Bangchak Bioethanol (Chachoengsao) Co., Ltd.

An indirect subsidiary company through BBGI, which holds 85% of its shares, Bangchak Bioethanol (Chachoengsao) is engaged in cassava-based ethanol production. The ethanol was used in gasohol production. The prices and service fees followed general business conditions, were based on market prices and followed details stated in the operation contracts.

### 16. Connected transactions with Ubon Bio Ethanol Co., Ltd.

An indirect associated company through BBGI which holds 21.28% of its shares, Ubon Bio Ethanol is engaged in cassava-based ethanol production. A portion of the ethanol was used in the production of its gasohol and the remaining was exported, mainly to China. The prices and service fees followed general business conditions, were based on market prices and followed details stated in the operation contracts.

### 17. Connected transactions with Ubon Agricultural Energy Co., Ltd.

Transactions with Ubon Agricultural Energy Co., Ltd., a related company through Bangchak's associated company, Ubon Bio Ethanol Co., Ltd., which holds its shares, followed general business conditions and were based on market prices.

### 18. Connected transactions with Bongkot Marine Services Co., Ltd.

The Company entered into a contract for the use of Bongkot oil depot service with Bongkot Marine Services Co., Ltd., a joint venture which provides floating storage unit services. The transaction followed general business conditions, were based on market prices and followed details stated in the operation contracts.

### 19. Connected transactions with Fuel Pipeline Transportation Co., Ltd.

Bangchak entered into contracts with FPT to take its oil products from Bangchak Depot to its Bang Pa-in Depot and sell them to its customers in the Central, Northern and Northeastern regions under general business conditions and market prices.

These transactions were undertaken in the normal course of business, with none representing extraordinary transactions. No siphoning of interests occurred among Bangchak, subsidiary companies, connected companies and shareholders. Approvals were scrutinized by the President, who duly approved them as authorized under Bangchak's regulations.

Disclosure of connected transactions follows the rules of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as the accounting standards for the disclosure of information on connected parties and businesses, as defined by the Federation of Accounting Professions.

### Policy for future connected transactions

In undertaking future connected transactions, Bangchak will continue its product and oil pipeline transport service transactions with connected companies since these represent normal business practices in the same industry. The pricing of products and services follows market practices or the details stipulated in commercial contracts, or both. However, in such cooperation, Bangchak takes into consideration its best interests. The Audit Committee and the Internal Audit Office supervise and review Bangchak's businesses to ensure its conformance to Securities and Exchange Act and SET's rules and regulations, notifications, orders and requirements. In addition, for whichever transactions involving Bangchak executives, they are not allowed to cast their votes in meetings. Major connected transactions must be reviewed and approved by the Board.

## Financial Status and Operational Results

### Management Discussion and Analysis of Business Operation

For the year ended 31<sup>st</sup> December, 2017

#### Executive Summary

Summary of the Company and its subsidiaries' operating results for the year ended December 31<sup>st</sup> 2017

EBITDA Structure of the Company and its subsidiaries

	Q4/2016	Q3/2017	Q4/2017	YoY	QoQ	FY2016	FY2017	YoY
Total Revenue	40,481	39,009	46,306	14%	19%	144,705	172,138	19%
Accounting EBITDA	3,061	3,580	3,494	14%	-2%	11,363	13,663	20%
Refinery Business <sup>1/</sup>	2,367	2,198	2,256	-5%	3%	5,756	7,596	32%
Marketing Business <sup>2/</sup>	(3)	474	302	N/A	-36%	2,527	2,301	-9%
Power Plant Business <sup>3/</sup>	568	781	812	43%	4%	2,559	3,088	21%
Bio-Based Product Business <sup>4/</sup>	131	159	132	1%	-17%	326	529	62%
Resource Business <sup>5/</sup>	71	44	16	-77%	-62%	323	286	-11%
Others	(0.3)	(35)	(30)	N/A	13%	99	(3)	-103%
Elimination	(73)	(41)	6	108%	115%	(228)	(134)	41%
Profit attributable to owners of the Company	918	1,316	1,386	51%	5%	4,773	5,778	21%
Basic earnings per share (Baht)	0.67	0.96	1.01			3.47	4.20	

#### Note:

<sup>1/</sup> EBITDA from Refinery Business of the Company, BCP Trading Pte. Ltd. and Bongkot Marine Services Co., Ltd.

<sup>2/</sup> EBITDA from Marketing Business of the Company, Bangchak Gree Net Co.,Ltd., Bangchak Retail Co., Ltd., and share of profit from Oam Suk Social Enterprise Co., Ltd.

<sup>3/</sup> EBITDA from Power Plant Business of BCPG Plc. and its subsidiaries

<sup>4/</sup> EBITDA from BBGI Co., Ltd. (Bangchak Biofuel Co., Ltd., Bangchak Bioethanol (Chachoengsao) Co., Ltd., KSL Green Innovation Plc.) and share of profit from Ubon Bioethanol Co., Ltd.

<sup>5/</sup> EBITDA from Natural Resources business of Nido Petroleum Limited, BCP Energy International Pte. Ltd. and BCP Innovation Pte. Ltd.

Performance of Bangchak Corporation Plc. ("The Company") and its subsidiaries in 2017 recorded total revenue from sales of goods and rendering of services at THB 172,138 million, an increase of 19% YoY, recorded EBITDA of THB 13,663 million, an increase of 20% YoY, with net profit of THB 6,405 million, an increase of 35% YoY, with net profit attributable to owners of the Company of THB 5,778 million, or earning per shares of THB 4.20.

For Q4/2017, the company and its subsidiaries recorded revenue from sales and rendering of services of THB 46,306 million, an increase of 19% QoQ, and recorded total EBITDA of THB 3,494 million, a decrease of 2% QoQ, net profit of THB 1,567 million, an increase of 5% QoQ, with net profit attributable to owners of the Company of THB 1,386 million, or earning per shares of THB 1.01.

The company and its subsidiaries performance improved, especially the **Refinery Business Group** which still maintains its average crude run at a high level. In 2017, average crude run was recorded at 111.37 KBD, and Bangchak Refinery had its record high of crude run at 121.64 KBD throughout March. Gross refinery margin increased from the widening crack spread between finished product and crude oil in every product category, and from the higher average crude oil price; resulting in an Inventory Gain of THB 834 million, exceeding 2016's. Moreover, there was an additional gain from GRM Hedging.

**Marketing Business Group**, recorded the increase of total sales volume, especially from thruput volume through service stations, which has the second largest market share and is constantly on the rise. However, intensifying market competition has affected the total marketing margin, and the increasing investment in Non-Oil businesses; which is in the developing phase of its infrastructure and location expansion, thus incurring high Selling, General and Administrative expense in its initial phase, resulting in the soften operation performance compared to last year.

**Power Plant Business Group**, performance improved due to the commencement of the Solar Co-op commercial operation in Thailand, and the Nikaho and Nagi Project in Japan. Along with further investments in Wind Power Plant Business in the Philippines, and Geothermal Power Plant Business in Indonesia, resulting in 2017's PPA capacity increasing to 332 MW from 145 MW in 2016.

**Bio-based Product Business** recorded better performance. Ethanol Fuel Business's performance improved from the realization of Bangchak Bioethanol (Chachoengsao) Co., Ltd.'s full year operation performance. Moreover, average selling price and sales volume of Ethanol increased, due to the rise in demand for Ethanol used domestically. As for the Biodiesel business, performance retracted slightly due to the contracting palm oil price throughout the year, affecting the average selling price of B100 products and caused an Inventory Loss of THB 224 million, higher from the previous year. Nevertheless, B100 product sales volume increased from the government's announcement of increasing B100 product blended with Diesel.

**Natural Resources Business Group** performance retracted due to the Exploration and Production Business's production and sales volume decreased from the previous year; according to the Natural Decline Curve, although selling price may have adjusted upward to coincide with market price. Moreover, there was an allowance for impairment losses according to accounting standard in the amount of THB 1,528 million in the consolidated financial statements, which is a record of asset impairment in the Gulita and Mid-Galoc oil fields, and the assessment of resource reserves in the Galoc field which was lower than last year.

In 2017, the company group had an organization restructure of the Bio-based Product Business Group, through the amalgamation between BPP Holding Co., Ltd., a subsidiary of the company, and KSL GI Co., Ltd., a subsidiary of Khon Kaen Sugar Industry Plc., to form BBGI Co., Ltd. As a result of the amalgamation, the Company realized KSL Green Innovation Plc.'s performance for two months (November to December 2017). Due to the amalgamation, the assessment of fair value of assets and liabilities received from the acquisition is required according to accounting standards, resulting in the Company realizing goodwill from acquisition in the amount of THB 1,602 million in the consolidated financial statement.

On the other hand, in 2017 the company recorded a decrease in the tax expense, due to receiving tax returns in the amount of THB 897 million from the corporate income tax in 2007, 2009 and 2010, including the interest income from the tax return in the amount of THB 401 million.

## Statement of Income

### Consolidated Statement of Income

	Q4/2016	Q3/2017	Q4/2017	YoY	QoQ	FY2016	FY2017	YoY
Revenue from sale of goods and rendering of services	40,481	39,009	46,306	14%	19%	144,705	172,138	19%
Cost of sale of goods and rendering of services	(36,704)	(35,450)	(42,711)	16%	20%	(132,809)	(158,596)	19%
<b>Gross Profit</b>	<b>3,776</b>	<b>3,559</b>	<b>3,594</b>	<b>-5%</b>	<b>1%</b>	<b>11,896</b>	<b>13,543</b>	<b>14%</b>
Interest income and dividend income	54	45	12	-78%	-74%	191	156	-18%
Other income	130	238	441	240%	86%	343	1,085	216%
Selling and administrative expenses	(2,065)	(1,773)	(2,327)	13%	31%	(6,135)	(7,164)	17%
Exploration and evaluation expense	(12)	(12)	(11)	-10%	-6%	(60)	(48)	-20%
Gain (loss) from crude and product oil price hedging contract	(66)	86	46	169%	-47%	107	366	240%
Gain (loss) from foreign currency forward contracts	(32)	(259)	17	152%	106%	39	(225)	-672%
Gain (loss) on foreign exchange	(253)	299	227	190%	-24%	237	889	276%
Reversal of allowance for gain/(loss) from impairment of assets	31	(1,358)	(78)	-349%	94%	37	(1,518)	N/A
Share of profit (loss) of associate	16	420	324	N/A	-23%	21	815	N/A
Gain (loss) from purchase price negotiation	-	-	-	N/A	N/A	227	-	N/A
<b>Profit before finance costs and income tax expense</b>	<b>1,578</b>	<b>1,244</b>	<b>2,244</b>	<b>42%</b>	<b>80%</b>	<b>6,902</b>	<b>7,898</b>	<b>14%</b>
Finance costs	(415)	(379)	(380)	-9%	0.1%	(1,484)	(1,452)	-2%
<b>Profit/(loss) before income tax expense</b>	<b>1,163</b>	<b>865</b>	<b>1,865</b>	<b>60%</b>	<b>116%</b>	<b>5,418</b>	<b>6,446</b>	<b>19%</b>
Income tax (expense) credit	(167)	630	(298)	78%	147%	(689)	(41)	-94%
Profit for the period	996	1,495	1,567	57%	5%	4,729	6,405	35%
Owners of the Company	918	1,316	1,386	51%	5%	4,773	5,778	21%
Non-controlling interests	77	179	181	134%	1%	(44)	627	N/A
<b>Earnings per share (Baht per Share)</b>	<b>0.67</b>	<b>0.96</b>	<b>1.01</b>			<b>3.47</b>	<b>4.20</b>	

2017 Performance by the company and its subsidiaries recorded a Net Profit of THB 6,405 million, (+35% YoY), net profit attributable to the owners of the company in the amount of THB 5,778 million (+21, YoY), or earning per shares of THB 4.20, mainly due to the following reasons:

1. Total revenue from sales of goods and rendering of services was THB 172,138 million, increased by 19% YoY, mainly from petroleum related businesses, with respect to average selling price of finished products which increased considerably following global oil price, combined with the total sales volume of the company increased by 4% YoY. Further, revenue from the Power Plant business and Bio-based Product business increased as well.
2. Gross Profit was recorded at THB 13,543 million, increased by 14% YoY, mainly attributed to the refinery business. In 2017, Total GRM was 7.23 \$/BBL an increase of 0.70 \$/BBL when compared to 2016. The refinery business recorded an Inventory Gain of THB 834 million, an increase of THB 244 million. Gross profit for the Ethanol Fuel Business improved from increasing average selling price of Ethanol products, while the Biodiesel business recorded a decrease in gross profit from the palm oil price contraction leading to lowered average selling price of B100 and suffered an Inventory Loss of THB 224 million.
3. Other Income of THB 1,085 million, increased by THB 742 million, majorly attributed to the company receiving interest income from the corporate tax return in the amount of THB 401 million, income from construction delay compensation in the amount of THB 175 million, and compensations for damages caused by oil contamination in the amount of THB 63 million. Also, BCPG Plc. recorded a gain from bargain purchase of THB 137 million, from the settlement of deferred payments in relation to the business acquisition of the SunEdison group in Japan.
4. Selling and administrative expenses was recorded at THB 7,164 million, an increase of 17% YoY, the increment was mainly contributed from (1) depreciation from increasing investments made by the company group, (2) the company group's human resources related expenses, (3) the company's and Bangchak Retail Co., Ltd.'s logistic cost in accordance with increased sales volume, (4) lease payment for oil depot and land for service station expansion, and (5) office expenses.
5. Gains from crude and product oil price hedging contract increased by THB 258 million.
6. Losses from Foreign Exchange Forward Contract recorded at THB 225 million, mainly from BCPG's loss from Foreign Exchange Forward Contracts of THB 304 million, to hedge against exchange rate volatility for its investment in the Wind Power Plant project in the Philippines and the Geothermal Power Plant project in Indonesia. However, due to the appreciating THB, leading to loss suffered from the Foreign Exchange Forwards Contract. On the other hand, the company made gains from the Foreign Exchange Forward Contract in the amount of THB 79 million, mostly from the Foreign Exchange Forward Contract made to hedge against exchange rate volatility for foreign currency loan to related parties.
7. Gains on foreign exchange was recorded at THB 889 million, an increase of THB 653 million, due to the appreciating THB, resulting of the change in foreign exchange of trade account payable and foreign currency loans.
8. Losses from impairment asset THB 1,518 million, mainly from impairment of assets in Gurita and Mid-Galoc oil field of Nido Petroleum Ltd. in the amount of THB 1,528 million.
9. Share of profit from associated company of THB 815 million, an increase of THB 794 million, can mostly be attributed to BCPG Plc.'s investment acquisition in the Wind Power Plant project in the Philippines and the Geothermal Power Plant project in Indonesia.
10. Tax expense was credited due to the company receiving income tax return in 2007, 2009 and 2010 in the amount of THB 897 million.

## Important Events in 2017

### • March 2017

- The company established a subsidiary in accordance to the resolution of the company's board of directors, namely, BBP Holding Co., Ltd. registered in Thailand with initial registered capital of THB 700 million, in which the company holds 100% share, to conduct businesses regarding bio-based products business operation, and to support the company's restructuring.
- The solar power plant project under BCPG Plc., a subsidiary of the company, commenced commercial operation as follow: Nagi Solar Power Plant in Okayama Prefecture, Japan with PPA capacity of 10.5 MW and 1 Solar Co-op project with PPA capacity of 5 MW.

### • April 2017

- The resolution of the 2017 Annual General Meeting of Shareholders on the 5th of April, 2017 approved the change of the company's name and Memorandum of Association, including the entire company's Articles of Association in its entirety; the company's name was changed from "The Bangchak Petroleum Public Company Limited" to "**Bangchak Corporation Public Company Limited**", this name change is meant to transform the company's public image and give clarity to the company's business operations; aside from businesses in petroleum, the company has expanded into other businesses which is a continuation of the current business, or other businesses that compliments the main business with technology or innovation.

### • May 2017

- The Bangchak refinery temporarily shut down the Hydrogen Production Unit and the Hydrocracking unit, ensuring maximum safety, coinciding with refining strategy and the company's new product structure; the aforementioned units were shut down for a total of 22 days from the 19<sup>th</sup> of May, 2017 to the 9<sup>th</sup> of June 2017, with other units remaining operational.
- The company unveiled the Hi Premium Diesel S product, an innovation of the premium diesel line to cater to the demand of premium diesel customers. With the creation of the Hi Premium Diesel S, Bangchak incorporated premium attributes, resulting in next level power, while being balanced eco-friendly with high level refining technology to create pure uncontaminated finished product; with Cetane level peaking at 70, performing spectacularly on level ground and slope surfaces. The Hi Active Cleansing additive keeps the fuel injector cleaner than before leading to the fossil fuel engine being fully utilized and prolonging the life of the engine. Also its EURO 5 standard lowers pollution emission with sulfur levels 5 times lower than the EURO 4 standard.
- BCPG Plc., a subsidiary of the company has acquired the shares of CapAsia ASEAN Wind Holdings Cooperatief U.A. from the Netherlands, which was a holding company holding 40% stakes in PetroWind Energy Inc., totaling of USD 26.49 Million (approximately THB 922 Million). PetroWind Energy Inc. is operating wind power plants in Nabas, the Philippines (wind power plant of 36 MW in operation, 14 MW in development, and effectively 20 MW installation capacity belongs to BCPG Plc.).

### • June 2017

- The Company transferred its shareholding in subsidiaries and associated company which operate bio-based products business, totaling of 3 companies, to BBP Holding Co., Ltd., in order to restructure its bio-based products business unit shareholding structure. Bangchak still hold the shares in the aforementioned companies directly and indirectly, details as follows:



Company	Old Shareholding Structure	Restructured Shareholding Structure
1. BBP Holding Co., Ltd.	Bangchak Corporation Plc. (100%)	Bangchak Corporation Public Company Limited (100%)
2. Bangchak Biofuel Co., Ltd. (BBF)	Bangchak Corporation Plc. (70%)	BBP Holding Co., Ltd. (70%)
3. Bangchak Bioethanol (Chachoengsao) Co.,Ltd. (BBE)	Bangchak Corporation Plc. (85%)	BBP Holding Co., Ltd. (85%)
4. Ubon Bio Ethanol Co.,Ltd. (UBE)	Bangchak Corporation Plc. (21.3%)	BBP Holding Co., Ltd. (21.3%)

- **July 2017**

- BCP Innovation Pte. Ltd. (BCPI), a subsidiary of the company, had made additional investment in Lithium Americas Corp. (LAC) at the amount of 50 million shares at the purchase price of CAD 0.85 per share, totaling in investment value of CAD 42.5 million (approximately THB 1,089 million). LAC is a listed company in the Toronto Stock Exchange, Canada; it operates Lithium mines in Argentina and the United States of America. Thus, BCPI holds 16.1% of LAC's shares (thereafter, some shareholders exercised their rights to convert their stock options into common stocks, thus BCPI currently holds 15.9% of LAC shares.)
- BCPG Plc., a subsidiary of the company, has invested in Star Energy Group Holding Pte. Ltd. (SEGHPL) for the amount of 280,000 shares, or 33.33% of total SEGHPL shares outstanding, a capital investment of USD 355.69 million (approximately THB 11,956 million) to enter into a joint venture for the Geothermal Power Plant project in Indonesia with production attributed to BCPG in the amount of 182 MW, comprised of operating projects capacity of 158 MW PPA, and developing projects capacity of 24 MW PPA.

- **August 2017**

- The Board of Directors of Bangchak Corporation Plc. resolved to approve profit allocation from appropriated retained earnings for an interim dividend payment to the company's shareholders at THB 1.05 per share, for the total amount of THB 1,446 million, equivalent to 47% of net profit from the first six-month period of 2017, which was paid on the 26<sup>th</sup> of September, 2017.
- The company has commenced production of electricity and steam from the third co-generation power plant (GTG-3), with capacity production of 12 MW and 42 tons of steam per hour. This being a part of the 3E project (Efficiency, Energy, and Environmental Project), lowering the cost of producing electricity and steam due to it utilizing natural gas as fuel, and also goes towards lowering the amount of greenhouse gas emitted from the refinery.

- **September 2017** The Company debuted an innovation and business incubating institution known as Bangchak Initiative Innovation Center (BiiC), its objective is to create the Green Ecosystem to promote innovation in various fields with emphasis on Green Energy and Bio-Based product businesses which can be used to further domestic and international business ventures, as well as supporting the Government's Thailand 4.0 policy; heading towards being Asia's leading Green Innovation company.

- **October 2017** Following the approval of the Board of Directors of the company to proceed with the amalgamation between BBP Holding Co., Ltd. (a subsidiary of Bangchak Corporation PCL) and KSL GI Limited Company (a subsidiary

of Khon Kaen Sugar Industry PLC, KSL) the newly created company from the amalgamation is BBGI Co., Ltd., its main business is the production and selling of Bio-Based products such as Ethanol and Biodiesel. BCP will hold a 60% share in the newly formed company and KSL will have 40% ownership.

## Summary of the Company and its subsidiaries' performance by Business unit

### 1) Refinery Business Group

#### Crude Oil Price Situation

(Unit : USD/BBL)

Crude Oil Price	Q4/2016	Q3/2017	MAX	Q4/2017	AVG	YoY	QoQ	FY2016	FY2017	YoY
	AVG	AVG		MIN		%	%	AVG	AVG	%
Dubai (DB)	48.25	50.43	64.36	53.73	59.31	23%	18%	41.43	53.14	28%
Dated Brent (DTD)	49.33	52.08	66.54	55.19	61.26	24%	18%	43.73	54.19	24%
DTD/DB	1.08	1.65	4.26	-0.26	1.95	80%	18%	2.30	1.05	-54%

#### Crude Oil Price Situation

Dubai crude oil price in 2017 when compared to 2016 on average increased by 11.71 \$/BBL in respect to policy enacted by OPEC members and Non-OPEC members led by Russia to jointly reduce crude production.

Dubai crude price in Q4/2017 on average increased by 8.88 \$/BBL when compared to Q3/2017, with respect to the OPEC and Non-OPEC countries' joint decision to extend their production reduction period by 9 months to the end of December 2018. The market received pressure from the tension in the Middle East due to the conflict between Saudi Arabia and Iran over concerns of war in Yemen, Lebanon, and sabotage on the oil pipeline in Bahrain. Also, the International Energy Agency (IEA) forecasted that the reduction of production rate between OPEC members since January 2017 to March 2018 to be 86% of the amount stated in the agreement, which is considerably high. Aside from this, the increased demand during Winter had refineries around the world maximizing their utilization rate, especially those located in the United States; leading to crude reserves in the United States to decrease continuously.

However, crude oil price received significant pressure from the increase in production of crude oil in the United States that rose to 9.8 million barrels per day in December, leading to oil production in the United States to increase from 8.9 million barrels per day in 2016 to 9.2 million barrels per day in 2017 and to 10 million barrels per day in 2018, which will exceed previous record high at 9.6 MBD that was set in 1970.

The average spread between the Dated Brent and Dubai in 2017 decreased by 1.25 \$/BBL when compared to 2016, resulted from the pressure to limit production and export of Heavy Sour Crude by the OPEC group following their agreement to lower crude oil production.

The average spread between the Dated Brent and Dubai price in Q4/2017 increased by 0.30 \$/BBL when compared to Q3/2017, due to supply reduction from the emergency maintenance of the underwater crude pipeline in the North Sea of Europe.

### Crack Spreads Situation

(Unit: USD/BBL)

Crack Spreads Crude Oil Price	Q4/2016 AVG	Q3/2017 AVG	MAX	Q4/2017 MIN	AVG	YoY %	QoQ %	FY2016 AVG	FY2017 AVG	YoY %
UNL95/DB	14.59	16.10	15.52	12.08	14.42	-1%	-10%	14.83	14.85	0.2%
IK/DB	12.27	13.13	15.08	11.97	13.27	8%	1%	11.56	12.13	5%
GO/DB	12.04	13.83	14.36	10.94	13.01	8%	-6%	10.80	12.51	16%
FO/DB	-1.63	-1.35	-1.68	-4.93	-3.03	-86%	-125%	-4.97	-2.33	53%

### Crack Spreads Analysis

- The Mogas/Dubai crack spread (UNL95/DB) in 2017 was averaged at 14.85 \$/BBL, an increase of 0.02 \$/BBL compared to 2016, this is due to growing demands from China and India with respect to the increase in sales of new vehicle that resulted from the growth of middle class and economic expansion.

The Mogas/Dubai crack spread (UNL95/DB) in Q4/2017 averaged at 14.42 \$/BBL, decreased by 1.68 \$/BBL when compared to Q3/2017, due to pressure from demand in the United States that lowered after the holiday season coming to an end, and the reactivation of refineries in the United States after being affected by Hurricane Harvey. Aside from this, Mogas price was pressured by the wavering demands from the Northern hemisphere during winter, leading to Mogas reserves in the United States being on the rise throughout December.

- Jet(Kerosene)/Dubai crack spread (IK/DB) in 2017 averaged at 12.13 \$/BBL, increased by 0.57 \$/BBL when compared to 2016, with respect to increase in demand for air travel, along with high demand for Diesel that helped pushed the price of Jet (Kerosene) to increase following suit. However, pressure for Kerosene demand decreased from households in India, having started to switch to LPG for fuel during meal preparation.

Jet(Kerosene)/Dubai crack spread (IK/DB) in Q4/2017 was on average 13.27 \$/BBL an increase of 0.14 \$/BBL when compared to the previous quarter, as a result of demand for heating oil during the winter in the United States where the temperature was record cold in over 100 years.

- Gasoil/Dubai (GO/DB) crack spread in 2017 was averaged at 12.51 \$/BBL, increased by 1.71 \$/BBL compared to 2016, supported by demand in the recovering mining sector in China and Indonesia, and demand from the transportation increased, also the demands from basic infrastructure construction in India increased.

Gasoil/Dubai (GO/DB) crack spread in Q4/2017 averaged at 13.01 \$/BBL, a decrease of 0.82 \$/BBL compared to the previous quarter, with respect to the lowered diesel exports from Asia to Europe and South America, due to US refineries reactivating after having been affected by Hurricane Harvey. As well as, Diesel supplies from Asia could not be sent the west, due to high reserves level in Europe from high refining margin, leading European refineries to produce at a high rate.

- Fuel Oil/Dubai crack spread (FO/DB) in 2017 averaged at -2.33 \$/BBL, rose by 2.64 \$/BBL when compared to 2016, this is attributed to lower Fuel Oil supply from the reduction in OPEC production, especially Heavier Crude that is valued lower than Lighter Crude, and has yields high amount of Fuel Oil. Also, various refineries, especially in Russia and Asia increased utilization of cracking unit, effectively lowering Fuel Oil production, a factor that supports GRM in Asia.

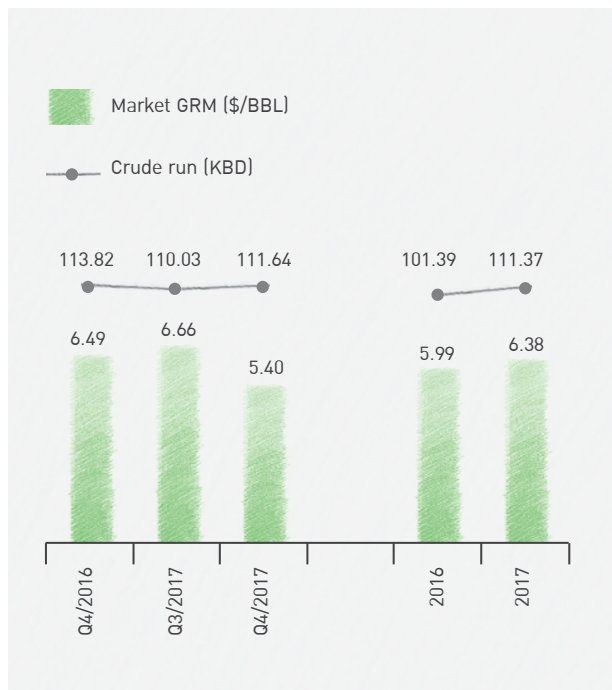
Fuel Oil/Dubai crack spread (FO/DB) in Q4/2017 was on average -3.03 \$/BBL, a decline of 1.68 \$/BBL when compared to the previous quarter, the spread decreased from Pakistan's lowered import volume, due to the government's temporarily ban on using Fuel Oil as fuel for electricity production, after mcounting pollution problems, aside from this, Fuel Oil price also received pressure from the increase in supply due to refineries around the world operating at high utilization rate.

## Refinery Business Group

Refinery Business Group Performance	Q4/2016	Q3/2017	Q4/2017	YoY	QoQ	FY2016	FY2017	YoY
Average Crude Run (KBD)	113.82	110.03	111.64	-2%	1%	101.39	111.37	10%
Utilization Rate (%)	95%	92%	93%	84%	93%			
<b>(Unit: Million Baht)</b>								
Market GRM	2,416	2,261	1,837	-24%	-19%	7,887	8,844	12%
GRM Hedging	(74)	68	46	-162%	-33%	112	348	212%
Inventory Gain/ (Loss) <sup>1/</sup>	907	450	1,094	21%	143%	590	834	41%
<b>Total GRM</b>	<b>3,250</b>	<b>2,779</b>	<b>2,977</b>	<b>-8%</b>	<b>7%</b>	<b>8,588</b>	<b>10,026</b>	<b>17%</b>
<b>EBITDA</b>	<b>2,367</b>	<b>2,198</b>	<b>2,256</b>	<b>-5%</b>	<b>3%</b>	<b>5,756</b>	<b>7,596</b>	<b>32%</b>
<b>(Unit: THB/USD)</b>								
Average FX (THB/USD)	35.57	33.55	33.11	-7%	-1%	35.47	34.11	-4%

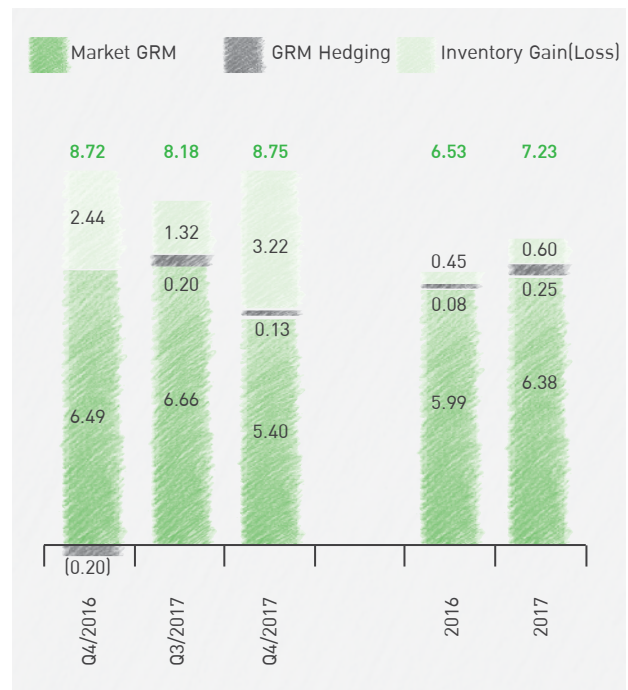
Note: <sup>1/</sup> Inventory Gain/ (Loss) was included a reversal of LCM.

## Market GRM and Crude Run



## Total GRM

Unit: USD/BBL



## Total Sales Volume in each market category of the Company

(Unit: Million litres)

Marketing Business	Q4/2016	Q3/2017	Q4/2017	YoY	QoQ	FY2016	FY2017	YoY
Retail	921	934	1,002	9%	7%	3,609	3,820	6%
Industrial	570	483	553	-3%	14%	2,180	2,196	1%
<b>Total</b>	<b>1,492</b>	<b>1,417</b>	<b>1,555</b>	<b>4%</b>	<b>10%</b>	<b>5,789</b>	<b>6,016</b>	<b>4%</b>
<b>Wholesale Business</b>								
Petroleum traders in accordance with section 7	258	170	173	-33%	2%	807	707	-12%
Export	247	295	336	36%	14%	934	1,121	20%
<b>Total</b>	<b>505</b>	<b>465</b>	<b>509</b>	<b>1%</b>	<b>10%</b>	<b>1,741</b>	<b>1,828</b>	<b>5%</b>
<b>Total Sales Volume</b>	<b>1,997</b>	<b>1,883</b>	<b>2,064</b>	<b>3%</b>	<b>10%</b>	<b>7,530</b>	<b>7,844</b>	<b>4%</b>

**Note:** Total sales volume figures excluding the swap amount between petroleum traders in accordance with section 7 and the sales volume of crude

2017 performance compared to 2016, the Refinery Business group recorded EBITDA of THB 7,596 million, an increase of THB 1,839 million, attributed to EBITDA from Bangchak refinery of THB 7,450 million, BCP Trading Pte., Ltd. of THB 37 million, shares of profit from Bongkot Marine Services Co., Ltd. of THB 4 million, and has elimination of THB 105 million, with factors affecting operations as follow:

1. The Bangchak Refinery 2017 average crude run was at 111.37 KBD or 93% utilization rate, which is higher than the average production rate of the previous year which has a Turn Around Maintenance (TAM).
2. Total gross refinery margin in 2017 was 7.23 \$/BBL, an increase of 0.70 \$/BBL from the previous year, due to Market GRM increment of 12% this year. This was a result of the increased production rate and crack spread between finished product and crude price improved, especially for Diesel which is the refinery's main product. The gasoil-dubai (GO/DB) crack spread increased more than 16% from the previous year, accompanied by commencement of the 12 MW Co-Generation Power Plant, a part of the 3E program, thus enabling the Bangchak refinery to lower its utility costs. Aside from this, the refinery recorded gain from GRM hedging in the amount of THB 348 million.
3. The refinery business in 2017 recorded an Inventory Gain of THB 834 million, increasing from the previous year due to rising average crude oil price. Average DB crude and DTD Brent increased by 11.71 \$/BBL and 10.46 \$/BBL, respectively, when compared to 2016.
4. In 2017, BCP Trading Pte., Ltd. recorded a revenue of THB 12,509 million, with transaction pertaining to buying and selling of petroleum products in the amount of 5.69 million barrels, the main product traded is the Diesel product and Benzene 95. Furthermore, BCP Trading Pte., Ltd. will play an integral role in acquiring supplies, and buying and selling of crude oil and finished products for Banchak refinery business group in the future.

Q4/2017 when compared to Q3/2017 the Refinery Business Group recorded EBITDA of THB 2,256 million, an increase of THB 58 million, attributed to the following, EBITDA from Bangchak refinery of THB 2,196 million, BCP Trading Pte., Ltd. of THB 7 million, share of profit from Bongkot Marine Service Co., Ltd. in the amount of THB 7 million, and has elimination of THB 46 million, with factors affecting operations as follow:

1. The Bangchak Refinery recorded an average crude run at 111.64 KBD which is slightly higher than Q3/2017 where the Hydrocracking Unit was a malfunction.
2. Total gross refinery margin for Q4/2017 was 8.75 \$/BBL, an increase of 0.57 \$/BBL from the previous quarter, due to the lower Market GRM in Q4/2017, as a result of the crack spread between the most finished product and crude price which narrowed, combined with crude oil cost which rose from the widened spread between DTD Brent and Dubai crude to be averaged at 1.95 \$/BBL during the quarter, while in Q3/2017 DTD/DB was averaged at 1.65 \$/BBL. However, within this quarter the refinery business recorded gains from GRM hedging in the amount of THB 46 million.
3. In Q4/2017, the refinery business recorded an Inventory Gain of THB 1,094 million, significantly increased from the previous quarter, due to the rising average crude oil price. Average DB crude and DTD Brent increased by 8.88 \$/BBL and 9.18 \$/BBL, respectively, when compared to Q3/2017.
4. Within the quarter, BCP Trading Pte., Ltd. recorded a revenue of THB 4,089 million, with transaction pertaining to buying and selling of petroleum product in the amount of 1.82 million barrels, a significant increase from the previous quarter where 0.89 million barrels was transacted.

## 2) Marketing Business Group

### Marketing Business Group Performance

Sales Volume (Million Litre)	Q4/2016	Q3/2017	Q4/2017	YoY	QoQ	FY2016	FY2017	YoY
Retail (Service Stations)	921	934	1,002	9%	7%	3,609	3,820	6%
Industrial	570	483	553	-3%	14%	2,180	2,196	1%
<b>Total</b>	<b>1,492</b>	<b>1,417</b>	<b>1,555</b>	<b>4%</b>	<b>10%</b>	<b>5,789</b>	<b>6,016</b>	<b>4%</b>
Sales volume in each product category (Million Litre)								
LPG	14	23	25	80%	11%	73	77	6%
Gasoline	11	7	8	-25%	13%	42	43	3%
Gasohol	416	427	442	6%	4%	1,650	1,688	2%
Jet Fuel	225	200	209	-7%	5%	822	841	2%
Diesel	771	714	825	7%	15%	2,992	3,171	6%
Fuel Oil and Others	55	47	46	-17%	-3%	211	196	-7%
<b>Total</b>	<b>1,492</b>	<b>1,417</b>	<b>1,555</b>	<b>4%</b>	<b>10%</b>	<b>5,789</b>	<b>6,016</b>	<b>4%</b>
<b>Total Marketing Margin (Baht / Litre)</b>	<b>0.56</b>	<b>0.73</b>	<b>0.70</b>	<b>26%</b>	<b>-5%</b>	<b>0.79</b>	<b>0.77</b>	<b>-2%</b>
<b>EBITDA (Million Baht)</b>	<b>(3)</b>	<b>474</b>	<b>302</b>	<b>N/A</b>	<b>-36%</b>	<b>2,527</b>	<b>2,301</b>	<b>-9%</b>

**Note:** Marketing Margin figure was the attributable to the Company only.

2017 performance of the Marketing Business Group recorded EBITDA of THB 2,301 million, lowered by THB 226 million compared to 2016, attributed to the following: EBITDA from Bangchak marketing business of THB 2,497 million, Bangchak Green Net Co., Ltd. of THB 94 million, Bangchak Retail Co., Ltd. of THB -229 million, and has elimination of THB 62 million with factors affecting operations as follow:

1. In 2017, overall sales volume of the Marketing Business increased 227 million liters, mainly from the volume sold in the retail business which grew 6%, as the company focuses on service stations sales. The company carried out various marketing strategies, also increasing service station network to be more encompassing, and the development of Non-oil businesses synergy to increase oil product sales volume. The increase in sales volume can be attributed mostly to Diesel and Gasohol 95 product.
2. Total 2017 Marketing Margin decreased slightly from the previous year, due to higher market competition that affected the total marketing margin. This is in part due to lubricant production cost in 2017 that increased, while the company was unable to adjust lubricant selling price to coincide with the rising cost.
3. As of the end of 2017, the number of service stations totals at 1,114 branches with 62 new service stations opening; most are full size service station with modern aesthetic on the main roads and areas with potential. Improvements to the quality of previously owned service station were made to push sales volume per service station, however stations with sales volume below target were still being closed.

4. The company remains at the second rank in market share of sales through service station, and has been gaining shares consistently, the cumulative market share as of 2017 was 15.4%, an increase from 2016's 15.1%.
5. As for the Non-oil business, the company continues to develop and expand its business consistently to add variety to the Non-oil business and other services in the service station, including the convenience store business, "SPAR", and the Inthanin Coffee Shop under the management of Bangchak Retail Co., Ltd., to answer to consumers' needs for increased convenience and comfort when entering the Bangchak service station. As of the end of 2017, there are altogether 446 branches of Inthanin Coffee and 33 branches of SPAR, however, due to Bangchak Retail Co., Ltd. is in the middle of developing its infrastructure and expanding the branches of SPAR accordingly, thus incurring high selling, general and administrative expenses in the beginning, leading the Bangchak Retail Co., Ltd. to record a negative EBITDA.

Q4/2017 performance compared to Q3/2017 for the Marketing Business Group recorded EBITDA of THB 302 million, lowered by THB 172 million, attributed to the following: EBITDA from Bangchak marketing business of THB 384 million, Bangchak Green Net Co., Ltd. THB 6 million, Bangchak Retail Co., Ltd. THB -86 million, and has elimination of THB 3 million, with factors affecting operations as follow:

1. In Q4/2017, overall sales volume of the Marketing Business increased with contributions from both the industrial and retail market in tandem with increasing domestic demand from the holiday season and harvesting season amongst the agriculture customers and related businesses. The increase in sales volume can be attributed mostly to Diesel and Gasohol of which its sales increased by 15% and 4%, respectively.
2. Total Marketing Margin in Q4/2017 decreased slightly compared to the previous quarter, due to retail margin which reduced as a result of product cost increment, combined with the 1.50 THB/Litre reduction in retail price on the 26<sup>th</sup> of October, 2017 to alleviate travel cost for travelers looking to join the royal cremation ceremony of King Rama IX, and the policy to freeze retail price, during December 2017 as a gift for consumers that were traveling during the new year period.
3. The number of service stations as of the end of December 2017 totals at 1,114 branches with an increase of 21 new service stations from the previous quarter.
4. The company is still able to retain its second place in market share of sales volume through service station. In the last quarter of 2017, the market share is considerably high, shares from the period between October to December 2017 was at 16.2%, 15.8%, and 15.7%, respectively.
5. Normally, the selling, general and administrative expenses within the fourth quarter of any year would be higher, from expenses related with human resources and market promotion expenses, including annual service station maintenance expenses, leading to the quarter's recorded EBITDA to be lower than any other quarter of the year.



### 3) Power Plant Business Group

Power Plant Business Performance	Q4/2016	Q3/2017	Q4/2017	YoY	QoQ	FY2016	FY2017	YoY
Solar Power Business – Thailand	63.02	65.38	65.72	4%	1%	254.40	265.17	4%
Phase 1-3 (118 MW)	62.66	60.69	61.02	-3%	1%	254.03	247.72	-2%
Cooperative Solar Project (12 MW)	0.36	4.69	4.70	N/A	0.1%	0.36	17.45	N/A
Solar Power Business – Japan (30 MW)	4.90	12.85	7.23	47%	-44%	19.48	41.24	112%
<b>Total Electricity Sales (Million kWh)</b>	<b>67.93</b>	<b>78.24</b>	<b>72.95</b>	<b>7%</b>	<b>-7%</b>	<b>273.88</b>	<b>306.40</b>	<b>12%</b>
<b>Revenue (Million Baht)</b>	<b>757</b>	<b>854</b>	<b>781</b>	<b>3%</b>	<b>-9%</b>	<b>3,084</b>	<b>3,322</b>	<b>8%</b>
<b>EBITDA</b>	<b>568</b>	<b>781</b>	<b>812</b>	<b>43%</b>	<b>4%</b>	<b>2,559</b>	<b>3,088</b>	<b>21%</b>

Performance comparison between 2017 and 2016, the Power Plant business recorded a revenue of THB 3,322 million, an increase of THB 238 million and recorded EBITDA of THB 3,088 million, an increase of THB 528 million, with the following factors affecting operations as follow:

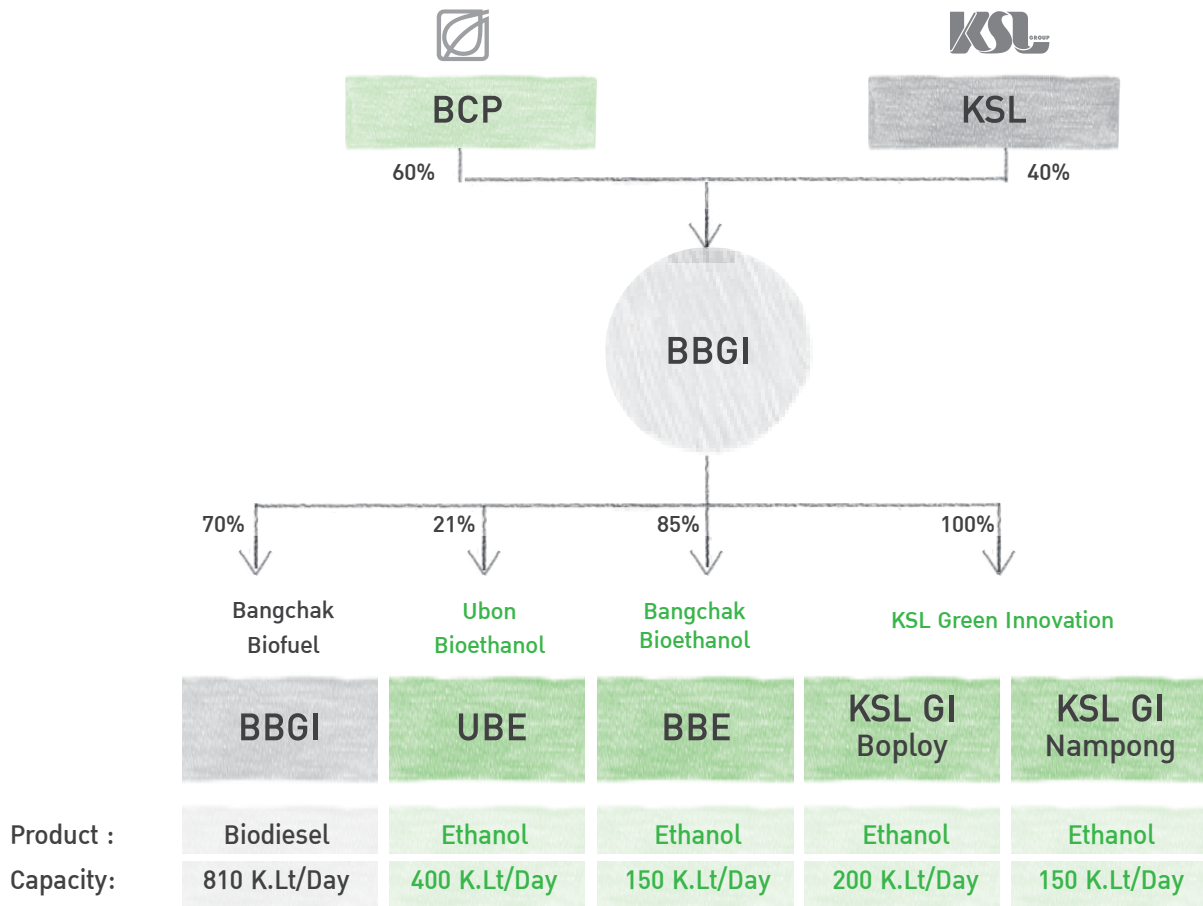
1. Solar power plant projects in Thailand recorded an increase in electricity sales from the contribution of the Solar Co-op project (PPA 12 MW), which has continued to commence commercial operation since December 2016 to March 2017, led to the projects in Thailand having an increase in PPA capacity to 130 MW from the previous 118 MW. As for the electricity sales of phase 1 to 3 of the project in Thailand, for this year has slightly adjusted downward (-2%) from the lower average irradiation hours due to increase rainfall compared to 2016.
2. Solar power plant project in Japan recorded an increase in electricity sales from the realization of the entire year's operation of the Nikaho project (PPA 8.8 MW) which commenced operation in July 2016, and the performance of the Nagi project (PPA 10.5) which commenced in March 2017, resulting in the projects in Japan producing a combined PPA capacity of 30 MW from the previous 20 MW at the end of 2016.
3. Realized share of profit from investment in associated companies in the amount of THB 749 million, attributed to Wind Power Plant in the Philippines in the amount of THB 341 million (production net to BCPG 14.4 MW) which was comprised of gain on purchase of THB 362 million, and share of profit from operation of THB -21 million. There was also a share of profit from investment in Geothermal Power Plant in Indonesia in the amount of THB 408 million (production net to BCPG 158 MW) which was comprised of gain on purchase of THB 296 million, and share of profit from operation of THB 113 million.
4. Recorded losses from foreign currency forward contract in the amount of THB 304 million. Due to the forward contract for foreign exchange which was made to hedge against foreign exchange rates volatility, for the investments in the Wind Power Plant in the Philippines and the Geothermal Power Plant project in Indonesia; however, the appreciating Thai Baht led to loss from the foreign currency forward contract. However, from the appreciation of Thai Baht, BCPG has also recorded gain on foreign exchange of THB 72 million, as the company has a loan from financial institutions in JPY and USD, resulting in the amount of the loan to lower from the effect of exchange rate changes on balances held in foreign currencies.

Performance comparison between Q4/2017 and Q3/2017, the Power Plant business recorded a revenue of THB 781 million, a decrease of THB 73 million, and recorded EBITDA of THB 812 million, an increase of THB 31 million, with the following factors affecting operations as follow:

1. Solar power plant projects in Thailand recorded similar electricity sales as the previous quarter, both for phase 1 to 3 and Solar Co-op project. Although average irradiation hours were lower in winter, which normally has shorter daylight hours, however, the lower temperature improved the efficiency of electricity production.
2. The solar power plant project in Japan recorded a decrease in electricity sales, which is the main reason for this quarter's decrease in revenue, due to lowered average irradiation hours in every project site, especially the Nikaho project (PPA 8.8 MW) due to the winter weather condition in Japan that has lower amount of light and was met by snowfall.
3. Share of profit from investment in the Wind Power Plant in the Philippines and Geothermal Power Plant in Indonesia was THB 301 million.

#### 4) Bio-Based Product Business Group

As of the 31<sup>st</sup> of October, 2017, the company reorganized its shareholding structure in the Bio-Based Business Group through the amalgamation between BBP Holding Co., Ltd. (a subsidiary of Bangchak Corporation Plc.) and KSL GI Co., Ltd. (a subsidiary of Khon Kaen Sugar Industry Plc.) resulting in the newly formed BBGI Co., Ltd., and has resulted in the company's current shareholding structure in the Bio-Based Product Business Group as follow:



As for the performance of the Bio-Based product business in 2017, revenue was recorded at THB 8,073 million, an increase of THB 980 million, and EBITDA was recorded at THB 529 million, an increase of THB 203 million, which included a share of profit of THB 62 million from Ubon Bio Ethanol Co., Ltd., and the effect of amalgamation resulted in operation performance from KSL Green Innovation Plc. to be realized from November 2017 onwards, which contributed EBITDA of THB 21 million.

For Q4/2017, the Bio-Based product business recorded revenue of THB 2,365 million, an EBITDA of THB 132 million, which included a share of profit from Ubon Bio Ethanol Co., Ltd. of THB 16 million.

### Biodiesel Business by Bangchak Biofuel Co., Ltd.

Biodiesel Business Performance	Q4/2016	Q3/2017	Q4/2017	YoY	QoQ	FY2016	FY2017	YoY
Average Daily Production Rate (Thousands of litres per day)	398	689	748	88%	9%	406	670	65%
Utilization Rate (%)	49%	85%	92%		80%	83%		
B100 Sales Volume (Million litre)	39	63	72	84%	15%	215	249	16%
Revenue (Million Baht)	1,189	1,653	1,745	47%	6%	6,830	6,699	-2%
<b>EBITDA (Million Baht)</b>	<b>70</b>	<b>68</b>	<b>82</b>	<b>17%</b>	<b>21%</b>	<b>262</b>	<b>260</b>	<b>-1%</b>
<b>Average Sales Price (Source: Department of Energy Business, Ministry of Energy)</b>								
B100 (Baht / Litre)	33.58	26.39	24.79	-26%	-6%	35.11	28.80	-18%
Crude Palm Oil (CPO) (Baht / Kg.)	30.13	22.40	20.49	-32%	-9%	31.95	24.85	-22%

2017 performance compared to 2016 performance, the Biodiesel business recorded sales revenue of THB 6,699 million, lowered by THB 131 million, and recorded EBITDA of THB 260 million, lowered by THB 2 million. Factors that affected operations were as follow:

1. Within 2017, average production was 670 thousands of litres per day (+65%) from the realization of full year performance of the second Biodiesel plant which commenced commercial operation since July 2016, increasing maximum production rate to 810 thousands of litres per day from 360 thousands of litres per day.
2. B100 product sales volume increased by 34 million litres, due to the government's 2017 mandate to increase B100 product mixing portion in Diesel fuel as follow:

B100 mixing portion	7% mixing portion	5% mixing portion	3% mixing portion
2017	238 days	127 days	0 days
2016	206 days	68 days	92 days

3. Average selling price of B100 product significantly decreased from the previous year, and was mainly responsible for the Biodiesel business's lowered revenue, which follows the trend of Crude Palm Oil price that contracted. In 2017, the domestic Crude Palm Oil price was still low and has continued to drop from the beginning of the year, due to increase of oil palm with respect to weather conditions that supports increase palm yields, combined with domestic Crude Palm Oil stock remaining at an all-time high during latter part of the year, affecting the average selling price of B100 product and the cost of Crude Palm Oil.

- Average gross margin per unit of B100 product lowered due to declining average selling price. As well as Crude Palm Oil price constantly lowering throughout the year, led to an inventory loss of THB 224 million (including an allowance for loss on decline in value of inventories (LCM) of THB 8 million.)

As for Q4/2017 performance compared to Q3/2017, the Biodiesel business recorded sales revenue of THB 1,745 million, an increase of THB 92 million, and recorded EBITDA of THB 82 million, an increase of THB 14 million due to the following factors that affected operations as follow:

- The B100 product sales volume increased by 9 million litres and caused the average daily production rate to adjust upward, mainly due to the ordered volume for B100 product from BCP and other customers which increased compared to the previous quarter, following the increased amount of Diesel sold domestically; a result of the holiday season combined with the start of the sugar cane milling season of the sugar mills, leading to high demand for Diesel fuel in the nation.
- Average gross margin per unit of the B100 product adjusted upwards from the increase in production rate, lowering average cost per unit. Overall, average selling price of B100 product adjusted downward from the previous quarter from the Crude Palm Oil price crisis due to excess supplies of palm oil in the market. Thus, the Biodiesel business recorded an inventory loss of THB 84 million (including an allowance for loss on decline in value of inventories (LCM) of THB 8 million.)

#### Ethanol Fuel Business by Bangchak Bioethanol (Chachoengsao) Co., Ltd.

Fuel Ethanol business performance by Bangchak Bioethanol (Chachoengsao) Co., Ltd.	Q4/2016	Q3/2017	Q4/2017	YoY	QoQ	FY2016	FY2017	YoY
Average Daily Production Rate (Thousands of litres per day)	125	129	131	5%	2%	125	120	-4%
Utilization Rate (%)	83%	86%	88%			83%	80%	
Ethanol Sales Volume (Million litre)	11.1	11.1	12.3	11%	11%	11.1	42.7	286%
Revenue (Million Baht)	263	279	303	15%	9%	263	1,057	302%
<b>EBITDA (Million Baht)</b>	<b>46</b>	<b>74</b>	<b>55</b>	<b>20%</b>	<b>-27%</b>	<b>42</b>	<b>228</b>	<b>439%</b>
<b>Average Sales Price (Source: Department of Energy Business, Ministry of Energy)</b>								
Ethanol (Baht / Litre)	23.11	25.13	24.91	8%	-1%	23.12	24.79	7%

2017 performance compared to 2016 performance, the Ethanol Fuel business of Bangchak Bioethanol (Chachoengsao) Co., Ltd. recorded sales revenue of THB 1,057 million, increased by THB 794 million, and recorded EBITDA of THB 228 million, increased by THB 186 million. Factors that affected operations are as follows:

- Sales volume of Ethanol fuel in 2017 increased due to realization of full year performance by the Bangchak Bioethanol (Chachoengsao) Co., Ltd.'s Ethanol plant which commenced commercial operations in September 2016.
- Average daily production rate in 2017 decreased from the previous year due to planned annual maintenance, while in 2016 the Ethanol plant had been in operation for 4 months, thus was not subjected to maintenance.

- Average selling price of Ethanol product in 2017 increased by 7% from the increased demand for Ethanol usage in the country following increased sales volume of Gasohol E20 and E85 from the previous year, combined with molasses price adjusted upward; it being the main ingredient for the production of Ethanol fuel in the country, from decrease in quantity of sugar cane in the market
- Average gross margin per unit of Ethanol product increased from the increment of average selling price of Ethanol product, as a result of cassava price; main raw ingredient of the Bangchak Bioethanol (Chachoengsao) Co., Ltd. decreased in the first 9 months of this year, from the lowered percentage of starch in harvested cassava, in tandem with China, main global importer, put downward pressure on the price of cassava chip and flour from Thailand.

As for Q4/2017 performance compared to Q3/2017, the Ethanol fuel business had sales revenue of THB 303 million, an increase of THB 24 million and recorded EBITDA of THB 55 million, a decrease of THB 20 million due to the following factor that affected operations as follow:

- Sales volume of Ethanol product increased, mainly due to the ordered volume from BCP, main customer, increased compared to the previous quarter following the increase in the Gasohol products sold by the company.
- Average gross margin per unit of Ethanol product adjusted downward compared to the previous quarter, partly from slight decline in average selling price of Ethanol product. While average raw material cost increased from the rise in the price of cassava during November to December 2017, a result of deficit cassava supply in the market due to emergence of the product's harvesting season.
- Overall in Q4/2017 the Bangchak Bioethanol (Chachoengsao) Co., Ltd. recorded an increase in selling, general and administrative expenses from the environmental improvement made to the factory, which is only one-time expense.

## 5) Natural Resources Business Group

As for the performance of the Natural Resources Businesses Group in 2017 recorded EBITDA of THB 286 million, mainly attributed from the Exploration and Production Business, with performance as follow:

### The Exploration and Production Business by Nido Petroleum Limited

E&P Business Performance	Q4/2016	Q3/2017	Q4/2017	YoY	QoQ	FY2016	FY2017	YoY
Production Volume <sup>1/</sup> (barrels per day net to Nido)	2,631	2,156	2,045	-22%	-5%	2,860	2,231	-22%
Sales Volume (barrels net to Nido)	203,224	203,807	206,052	2%	1%	996,657	820,560	-18%
Revenue (Million Baht)	327	336	388	19%	16%	1,503	1,510	0.5%
EBITDA (Million Baht)	71	44	25	-65%	-44%	323	295	-9%

**Note:** <sup>1/</sup> production volume of Galoc oil field only

2017 performance compared to 2016, the exploration and production business had a revenue of THB 1,510 million, an increase of THB 7 million and recorded EBITDA of THB 295 million, a decrease of THB 28 million, with the following factors affecting operations as follow:

1. In 2017, the Galoc oil field production had an Uptime of 99.95% and an average production volume of 3,993 barrels per day (2,231 barrels per day net to Nido, 22% lower than the previous year from the Natural Decline Curve)
2. Total sales volume net to Nido was 820,560 barrels (Galoc 787,250 barrels and Nido & Matinloc 33,310 barrels.)
3. Sales revenue increased due to average selling price adjusted upward following Dubai crude oil price, with average Dubai price in 2017 was at 53.14 \$/BBL while in 2016 it was at 41.43 \$/BBL.
4. Allowance for impairment loss of asset was recorded according to accounting standard at USD 45.03 million (approximately THB 1,528 million) from impairment for exploration and appraisal of the Gurita area, the cessation of plans to develop crude production in the Mid-Galoc area, as the development is not commercially justifiable, and from the assessment of reserve volume of the resource in the Galoc area decreasing from the previous year.

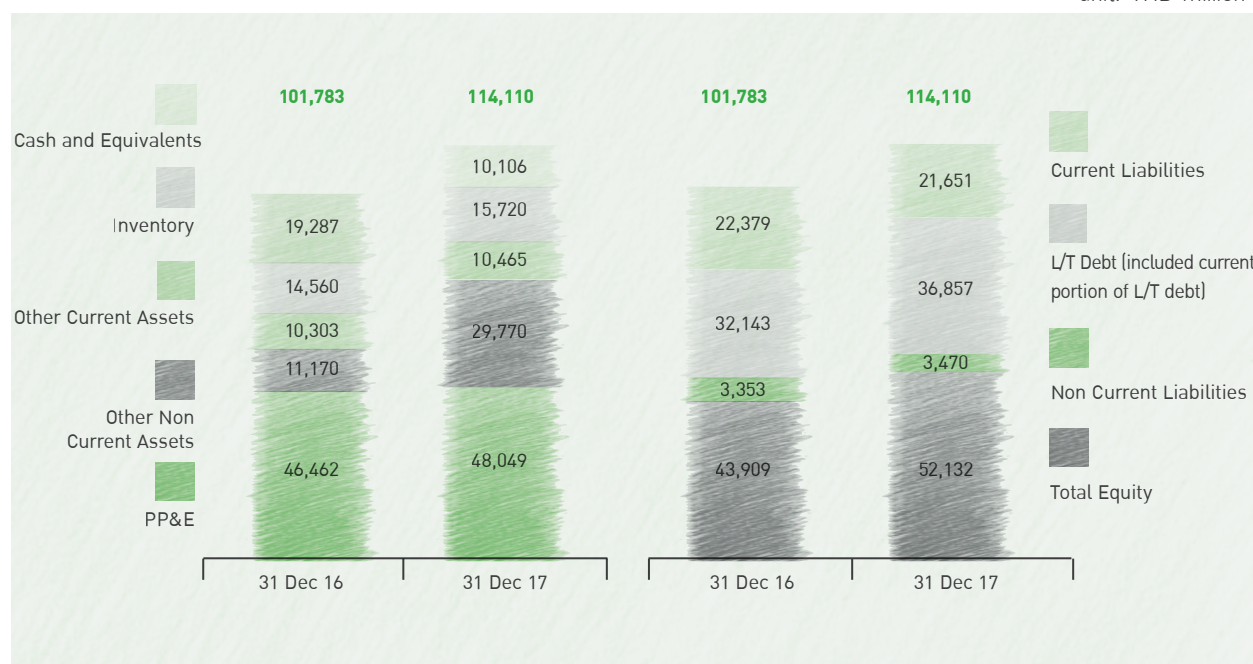
Q4/2017 performance compared to Q3/2017, the Exploration and Production business recorded a revenue of THB 388 million, an increase of THB 53 million with recorded EBITDA of THB 25 million, decreased by THB 19 million, with the following factors affecting operations as follow:

1. The Galoc oil field production had an Uptime of 100% and an average production rate of 3,659 barrels per day (2,045 barrels net to Nido.)
2. Total sales volume net to Nido was 206,052 barrels (Galoc 196,961 barrels and Nido & Matinloc 9,091 barrels.)
3. Sales Revenue was THB 388 million, an increase due to average selling price adjusted upward following Dubai crude oil price, with average Dubai price in Q4/2017 was at 59.32 \$/BBL, compare to the Dubai price of 50.49 \$/BBL in Q3/2017.
4. Impairment loss from asset was USD 1.86 million (approximately THB 63.30 million) from the assessment of reserve volume of the resource in the Galoc area decreasing from the previous year.

## Statement of Financial Position

### Financial Position of the Company and its subsidiaries (Consolidated)

unit: THB million



## Assets

As of December 31<sup>st</sup>, 2017, the company and its subsidiaries has Total Assets in the amount of THB 114,110 million, an increase of THB 12,328 million when compared to December 31, 2016, changes in assets are as follow:

- Cash and cash equivalents decreased by THB 9,181 million. Details are stated in Analysis of the Cash Flow Statement
- Net Trade Account Receivable increased THB 1,489 million, comprised of the company's account receivables increased by THB 194 million due to the rising sales volume and average selling price in 2017, and BCP Trading Pte. Ltd. account receivables increasing by THB 1,089 million from the increase in transaction volume, and also from the increase in account receivables from KSL Green Inovation Plc. through the business amalgamation.
- Inventory increased by THB 1,160 million, mainly due to oil inventory of which average cost rose in tandem with the increasing oil price in the global market, especially finished oil products of which average cost increased significantly. The company's inventory volume of finished oil products was at 2.0 million barrels, increasing from the previous year. As for crude oil inventory, the company had stored 3.5 million barrels, which is lower than the previous year, whereas average cost adjusted upwards. Inventory value increment was also partially from BCP Trading Pte. Ltd.'s inventory growth.
- Oil Fund Subsidy Receivable increased THB 447million, mostly attributed to the increase in average rate of subsidy per kilogram for the LPG product, and the increasing length of time to receive subsidies for Gasohol E20 and E85 product.
- Investment in subsidiaries which shown in company only financial statement increased by THB 972 million, but eliminations between related parties led to investments in subsidiaries to be shown as zero in consolidated financial statement, with details as follow:
  - BPP Holding Co., Ltd. was established with a registered capital of THB 1,700 million to mainly manage the Bio-based product business and to support the restructuring of the Bio-based product business. From the mentioned restructuring, the company has sold its investment in ordinary shares of 70% in Bangchak Biofuel Co., Ltd, and 85% in Bangchak Bioethanol (Chachoengsao) Co., Ltd. to BPP Holding Co., Ltd.
  - BCP Energy International Pte. Ltd. increased its capital by the amount of THB 37 million to purchase the remaining shares of Nido Petroleum Limited from minor shareholders, to increase its shareholding in Nido to 100%. However, there was an allowance for impairment loss from asset according to accounting standards for BCP Energy International Pte. Ltd. in the amount of THB 1,293 million.
  - BCP Innovation Pte. Ltd. increased its capital by the amount of THB 1,149 million to acquire additional shares from lithium Americas Corp.'s capital increment.
- Investment in Associates and Joint Ventures increased THB 13,561 million, mostly from BCPG Plc., a subsidiary of the company, which has acquired ownership in CapAsia ASEAN Wind Holdings Cooperatief U.A, which holds a 40% stakes in PetroWind Energy Inc., a company that operates Wind Power Plants in the Philippines, and from its share acquisition of Star Energy Group Holdings Pte. Ltd., which holds a 33.33% stakes in the Star Energy Investments Ltd. (SEIL), a company that operates a Geothermal Power Plant in Indonesia, and realized share of profit from the acquired power plants.
- Other long term investment increased by THB 3,607 million, mostly from BCP Innovation Pte. Ltd., a subsidiary of the company, which increased its ownership in LAC by the amount of CAD 42.5 million or approximately THB 1,089 million. Recorded net fair value change in available-for-sale investment (LAC) in the amount of THB 2,722 million, while the company received investment return in MFC in the amount of THB 73 million.

- Property, plant and equipment net increased by THB 1,587 million, investment was made primarily in refinery machinery, sales equipment, and office equipment at THB 4,183 million, and interest expense booked as construction cost of THB 126 million. BCPG Plc's incremental was from the construction work on solar power plants both domestically and in Japan in the amount of THB 654 million. Assets increased from the amalgamation of BBGI Co., Ltd. in the amount of THB 1,491 million, with depreciation for the year recorded at THB 4,780 million.
- Intangible Assets decreased by THB 1,281 million, due to investment that has to do with exploration and assessment of THB 404 million, license to operate and development cost for packaged software in the amount of THB 215 million. However, intangible assets was reduced due to asset impairment for the expenses used in the exploration and production of the Gurita PSC and the Mid-Galoc oil field in the amount of THB 1,465 million, loss from foreign exchange conversion of the financial statement in the amount of THB 305 million, and amortization at THB 134 million, the remaining is the right for electricity grid connections and contracts for buying and selling electricity.
- Deferred tax asset increased by THB 454 million, mostly from the deferred income tax for the impairment loss of investment.

### Liabilities

As of December 31<sup>st</sup>, 2017, the Company and its subsidiaries has Total Liabilities in the amount of THB 61,979 million, increased by THB 4,104 million, changes in liabilities were as follow:

- Short-term loan from financial institution was lowered by THB 3,398 million, mainly due to the repayment of loans in foreign currency.
- Trade Accounts Payable increased by THB 1,250 million, mainly from the increase in BCP Trading Pte., Ltd.'s Trade Account Payable by THB 1,023 million, due to higher transaction volume.
- Excise Tax and Oil fund expense payable increased by THB 1,968 million, resulting from the change in payment period from daily to monthly, which led to outstanding balance in 2017 to represent 30 days' sales value, compared to the 10 days' sales value in 2016.
- Loans from financial institutions and debentures (including current portion of long-term loans) increased by THB 4,714 million, mainly from additional loan draw down in the amount of THB 8,868 million (mainly from BCPG Plc.), and from the business amalgamation of THB 400 million, repayment of loans to financial institution in the amount of THB 2,161 million, as well as repayment for the company's debenture in the amount of THB 2,000 million, and adjustments to the effects of THB appreciation on the financial statement in the amount of THB 393 million.
- Estimate of short-term loan decreased by THB 502 million as BCPG settled deferred payments with respect to the contract business acquisition of solar power plants in Japan from the SunEdison group.

### Equities

As of December 31<sup>st</sup>, 2017, the company and its subsidiaries' Total Equity was THB 52,132 million, Total Equity attributable to owners of the Company was THB 45,650 million, an increase of THB 6,107 million, mostly from the Net Profit for the period of THB 5,778 million, paid dividend of THB 2,822 million, loss from actuarial science from employees benefits program of THB 56 million. Other capital surplus reduced by THB 272 million, from the change of shareholding in BBGI Group, but recorded capital surplus increment of THB 1,170 million from amalgamation (BBGI). Warrant of rights to purchase BCPG Plc. ordinary shares increased by THB 19 million. There was also an increase in other component of equity by THB 2,290 million (result of differences in net fair value change in available-for-sale investment and loss in foreign currency conversion of its financial statement) with book value of THB 33.15.



## Cash Flows Statement of the Company and its subsidiaries (Consolidated)

As for 2017, the Company and its subsidiaries had net cash received from operating activities of THB 13,851 million, net cash used in investing activities of THB 18,960 million, and net cash used in financing activities of THB 3,761 million. As a result, net cash and cash equivalents decreased by THB 8,870 million, as there was cash in the amount of THB 19,287 million as of January 1<sup>st</sup>, 2017, and the effects of exchange rate conversion on balances held in foreign currencies in the amount of THB -310 million, resulting in remaining cash as of December 31<sup>st</sup>, 2017 in the amount of THB 10,106 million, details for each activity are as follow:

Details of cash received and used are as follows:

### Cash Flows

(Unit: THB Million)

	FY2016	FY2017
Net cash received (used in) operating activities	13,288	13,851
Net cash received (used in) investing activities	(8,155)	(18,960)
Net cash received (used in) financing activities	6,391	(3,761)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>11,524</b>	<b>(8,870)</b>
Cash and cash equivalents as at 1 January	7,872	19,287
Effect of exchange rate changes on balances held in foreign currencies	(109)	(310)
<b>Cash and cash equivalents as at 31 December</b>	<b>19,287</b>	<b>10,106</b>

1) Net cash received from operating activities of THB 13,851 million from:

- Net cash received from operating activities of THB 14,031 million, which was from Net Profit of THB 6,405 million, added back Non-Cash Expenses of THB 6,133 million, and Financial Costs and Tax expense of THB 1,493 million.
- Net Cash used in the operating assets of THB 3,130 million, decreased from cash reduction from Trade Accounts Receivable of THB 1,434 million, from Other Receivables of THB 555 million, from Inventory of THB 753 million, and from Other Current Assets of THB 387 million.
- Net Cash received from operating liabilities of THB 3,249 million, due to an increase in Trade Accounts Payable of THB 1,357 million, Other Payables decreased by THB 11 million, Other Liabilities increased by THB 1,902 million.
- During the period, Net cash paid for Corporate Income Tax was THB 299 million, Corporate Income Tax return was THB 948 million, and paid for Corporate Income Tax in cash to the Revenue Department in the amount of THB 1,247 million.

2) Net Cash used in investing activities of THB 18,960 million, mainly from

- Net cash received from interest income of THB 136 million, and dividends received from associate company, namely, Ubon Bioethanol Co., Ltd. and Fuel Pipeline Transportation Co., Ltd. in the amount of THB 65 million.
- Net cash received from the selling of investment in MFC in the amount of THB 78 million.
- Net cash paid for investment in Lithium Americas Corp. "LAC", and investment in start-up companies in the amount of THB 1,140 million.
- Net cash paid for investment in associate companies and joint ventures in the amount of THB 13,388 million, the company increased investment in Bongkot Marine Services Co., Ltd. by THB 29 million. While BCPG Plc. invested THB 922 million in CapAsia ASEAN Wind Holdings Coopertatied U.A. which holds 40% stakes in PetroWind Energy Inc.,

a company that operates Wind Power Plant in the Philippines, and invested THB 11,956 million in Star Energy Group Holdings Pte. Ltd. (SEGHPL), which holds 33.33% stake in Star Energy Investments Ltd. (SEIL) that operates Geothermal Power Plant in Indonesia. Moreover, there was THB 481 million cash paid to settle deferred payments and other conditions in relation to the business acquisition of solar power plants in Japan. Such settlement released all of the Group's obligations toward SunEdison group.

- Cash paid for investment in property, plant, and equipment in the amount of THB 5,522 million, mainly from investments in refinery machinery and equipment, marketing and office equipment of the company for THB 4,183 million, construction work in progress on Solar Power Plant for THB 836 million, investment in marketing equipment and construction work in progress for branches of Bangchak Retail Co., Ltd. of THB 187 million, and investment in Other Assets in the amount of THB 316 million.
- Net cash received from selling property, plant, and equipment THB 499 million, mostly from selling Suimei Power Plant Project in Japan by BCPG Plc.
- Net cash paid for the leasehold right of service stations of THB 559 million
- Net cash paid for the purchase of intangible assets by THB 641 million, mostly for the expense of petroleum exploration and evaluation of Nido Petroleum Ltd.

3) Net cash used in financing activities of THB 3,761 million, mainly from

- Cash paid for finance costs of THB 1,305 million.
- Dividend paid of THB 3,310 million, comprised of dividend from the company of THB 2,822 million, dividend paid to shareholders outside the group from BCPG Plc. and Bangchak Biofuel Co., Ltd. of THB 489 million.
- Short term loan decreased by THB 3,937 million, mainly from the foreign currency loan repayment from the company.
- Cash received from long term loan increment of THB 8,868 million, mainly from BCPG Plc.'s long-term loan increased by THB 8,848 million (loans received in THB 2,400 million, JPY 7,896 million, and USD 10 million).
- Cash repayment for long-term loans from financial institutions of THB 2,069 million (attributed to the company, BCPG Plc., Bangchak Biofuel Co., Ltd., and Bangchak Bioethanol (Chachoengsao) Co., Ltd)
- Cash paid for the company's debenture repayment of THB 2,000 million.
- Cash paid for ownership of remaining shares of Nido from minor shareholders of THB 35 million.
- Cash received from capital share issuance according to right offering by BCPG Plc. of THB 27 million.

## Financial Ratios (Consolidated)

### Profitability Ratios (%)

	Q4/2016	Q3/2017	Q4/2017	FY2016	FY2017
Gross Profit Margin	9.30%	9.12%	7.76%	8.22%	7.87%
EBITDA Margin	7.56%	9.18%	7.84%	7.85%	7.94%
Net Profit Margin	2.44%	3.83%	3.38%	3.27%	3.72%
Return on Equity (ROE)	12.70%	13.09%	13.57%		
Return on Assets (ROA)	7.50%	7.09%	7.31%		

<sup>1/</sup> Profit and Total equity attributable to owners of the Company

	31 Dec 16	30 Sep 17	31 Dec 17
<b>Liquidity Ratios</b>			
Current Ratio	1.69	1.61	1.52
Quick Ratio	1.10	0.85	0.80
<b>Financial Policy Ratios</b>			
Interest bearing Debt to Equity	0.86	0.94	0.78
Net Interest bearing Debt to Equity	0.38	0.70	0.59
	<b>Q4/2016</b>	<b>Q3/2017</b>	<b>Q4/2017</b>
DSCR	1.80	2.43	2.50

\* DSCR Calculation is not including long term debt prepayment

## Financial Ratios Calculation

- Gross Margin = Gross Profit / Revenue from sale of goods and rendering of services
- EBITDA Margin (%) = EBITDA / Revenue from sale of goods and rendering of services
- Profit Margin (%) = Profit attributable to owners of the Company / Revenue from sale of goods and rendering of services
- Return on Equity (%) = Profit attributable to owners of the Company (Yearly) / Total Equity attributable to owners of the Company (Average)
- Return on Assets (%) = EBIT (Yearly) / Total Asset (Average)
- Current Ratio (times) = Current Asset / Current Liabilities
- Quick Ratio (times) = (Cash & Equivalents + Short term investments + Trade Account Receivable) / Current Liabilities
- DSCR = EBITDA (Yearly) / (Paid for long-term debt + Finance cost)
- Interest bearing Debt to Equity (times) = Interest bearing Debt / Total equity
- Net Interest bearing Debt to Equity = (Interest bearing Debt – Cash and cash equivalents – Current investments) / Total equity

### Note:

<sup>1/</sup> Average Total Equity attributable to owners of the Company

- Yearly = (Total Equity attributable to owners of the Company of the year before + Total Equity attributable to owners of the Company of this year) / 2

- Quarterly = (Total Equity attributable to owners of the Company of the quarter of the year before + Total Equity attributable to owners of the Company the quarter this year) / 2

<sup>2/</sup> Average Total Assets

- Yearly = (Total Assets of the year before + Total Assets of the Company of this year) / 2

- Quarterly = (Total Assets of the Company of the quarter of the year before + Total Assets of the Company the quarter this year) / 2

<sup>3/</sup> The numerator of ROE is defined as the Profit attributable to owners of the Company and have to be annualized.

<sup>4/</sup> The numerator of ROA is defined as EBIT and have to be annualized.

<sup>5/</sup> Interest Bearing Debt defined as Short-term loans + Long-term loans (including Current portion of long-term loans) + Debentures + Finance lease liabilities (including current portion of finance lease liabilities)

## Environmental Management Accounting (EMA)

Having the concerns and social responsibilities, the Company has prepared the environmental management accounting report since 2005, aiming to enable the benefit of its usage for other organizations as well as for the company. The environmental cost accounting helps the Company to keep track with the information which is useful for enhancing the environmental management effectiveness, and resource utilization. The Environmental Cost Accounting report covers refinery business unit, Bangchak and Bang Pa-in Oil distribution Centre.

(Unit: THB Million)

Environment Management Accounting : EMA	FY2016	FY2017	▲
<b>Material Costs of Product Outputs:</b>			
Consist of crude oil, ethanol, biodiesel, chemical, energy and utilities in production	73,360	94,982	21,622
<b>Material Costs of Non-Product Outputs:</b>			
Consist of slop and sludge oil, waste water, chemical surplus	77.26	93.19	15.93
Waste and Emission Control Costs: Consist of maintenance cost of environmental control equipment and depreciation and other fees	314.54	279.17	(35.37)
<b>Prevention and Other Environmental Management Costs:</b>			
Consist of monitoring and measurement cost, environmental management system expenses	25.2	17.33	(7.87)
<b>Total Expenses</b>	<b>73,777</b>	<b>95,372</b>	<b>21,595</b>
Benefit from by-product and waste recycling	(15.61)	(12.26)	(3.35)

Total environmental cost in 2017 increased from 2016 by approximately THB 21,622 million (+29%) mainly due to Material Cost of Product Output increased by THB 21,622 million with respect to increase in Crude Oil price from the previous year by 21%. However, average production rate increased from 101.39 KBD in 2016 to 111.37 KBD in 2017. Also Material Costs of Non-Product Outputs increased by THB 15.93 million in accordance with the quantity of product that is below quality standard increased by THB 16.18 million, while Waste and Emission Control Costs decreased by THB 35.37 million (-11%), primarily from maintenance cost for environmental equipment, depreciation of environmental control equipment, and waste management that decreased by THB 12.17 million, THB 11.54 million, and THB 11 million, respectively. Aside from the aforementioned Prevention and Other Environmental Management Costs decreased by THB 7.87 million (-31%) from the decrease in monitoring and measurement cost that lowered by THB 10 million. Benefits from by-products and waste recycling decreased by THB 3.35 Million (-21%) due to sellable residue steel and aluminum scrap decreased by THB 3.64 million, while Liquid Sulfur value increased by THB 0.46 million.

## Air quality from the refinery's flue

To monitor the environment, the Company has been constantly measuring air quality emitted from the refinery's various flues, to which the amount of pollutant such as dust, nitrogen oxide, and sulfur dioxide emitted is far below the required standard set by the Thai Ministry of Industry.

## Management's Perspective towards 2018 Performance

### Economic Situation Perspective

The world economy in 2018 is expected to continue to expand from the economies in various countries, especially developing countries, have started to recover. The US in particular, is expected to expand their economy from their tax reform policy. However, although the overall global economy is on the road to recovery, inflation is still low, as wages in developed country did not adjust upward to coincide with lowering unemployment rate. Thus, it is expected that the policy to increase interest rate of major countries will be made gradually, in tandem with the Balance Sheet Normalization by the US Federal Reserves and the Qualitative Easing Tapering by European Central Bank.

As for Thai economy in 2018, it is expected to expand consistently from the previous year, supported by the strengthening world economy that has led to the growth of Thai exports and tourism sector, increasing government spending, and investments from multinational corporations on the Eastern Economic Corridor initiative. As for household consumption, overall has a potential for growth, as the group of first time car owners have started to finish their installment payments, also consumption by high income group continues to expand.

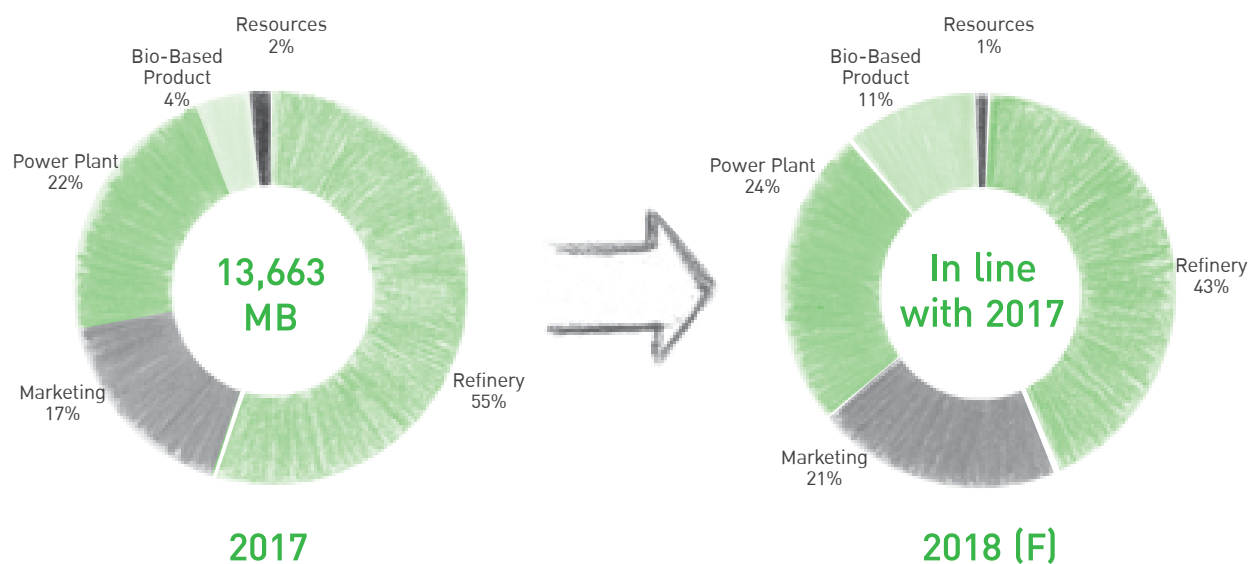
### Oil Price Situation Perspective

The price of crude oil which has been adjusted upward to the range of 60 to 70 \$/BBL since the beginning of 2018 has increase the prospect for production of Shale Oil based petroleum product in the US for this year. However, global crude oil demand is still expanding from the recovering economy, and the extension of the agreement to lower production between OPEC members and Non-members to the end of 2018 will result in reserves around the world to adjust downward. Further, it is speculated that Saudi Arabia will still regulate their production limitation to maintain oil price before Initial Public Offering of Saudi Aramco; the world's largest oil company, by the end of 2018. Also, it is forecasted that the OPEC members will decide to gradually increase production, rather than make a sudden termination of their agreement to stabilize the oil market. Moreover, the expanding Asia's economy outlook, and the European Central Bank preparing to implement their contractionary monetary policy within this year, are factors that would cause various currencies to appreciate against the USD, and will have positive impact on commodity prices, including oil price. BCP expects that crude oil price will adjust upward marginally to average between 55-70 \$/BBL.

The spread between DTD Brent and Dubai (DTD/DB) is expected to increase to average at 1.5 -2.5 \$/BBL when the ESPO II oil pipeline begins their operation; allowing Russia to export more of their crude oil to China and Asia, replacing Asian imports of crude oil from the Middle East, aside from this, Russia will be able to lower their export of crude oil to Europe, thus resulting in higher price of Dated Brent when compared to Dubai.

As for the gross refinery margin, it is forecasted that the GRM of Dubai crude oil from Hydrocracking refinery in Singapore will be close to that of 2017's. It is expected that GRM for the first half of the year will be substantial, due to high demand levels from the freezing weather condition in various countries, and from the turnaround maintenance and emergency shutdown of various refineries. However, GRM for the latter half of the year has been anticipated to be slightly lower from lagging demand due to increasing crude price, operations of new refineries, and expansion of current production in many Asian countries.

## Management perspective towards 2018 performance trends



In 2018, management expected that EBITDA performance for Bangchak Business Group’s would be roughly in the same level as the previous year, due to this year, Bangchak refinery will undergo a Turnaround Maintenance in Q2/2018, which will result in the refinery to be underperforming from 2017. However, various businesses under the company’s group are expected to make improvements in performance, especially the marketing business which continues to follow its strategy to increase service stations networks, combined with increasing variety in Non-oil businesses to push retail sales volume and retain market share consistently. Also, the Bio-based product business will pursue expansion plans in preparation for its Initial Public Offering in the Stock Exchange of Thailand in late 2018.

Key factors for each business are as follow:

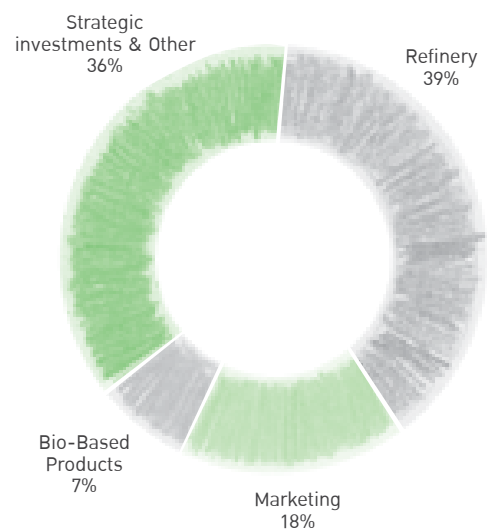
Business	Important Estimations
<b>Refinery Business</b>	<ul style="list-style-type: none"> <li>Plans for 2018 TAM to last approximately 45 days during Q2/2018, resulting in the expected average 2018 crude run to be at 100 - 102 KBD</li> <li>Estimated Market GRM to be in the 6 to 7 \$/BBL range.</li> <li>The 3E Project will commence the construction of the CCR and Debottlenecking project as planned.</li> <li>Consistently carrying out the refinery efficiency improvement program to increase GRM.</li> </ul>
<b>Marketing Business</b>	<ul style="list-style-type: none"> <li>Sales volume estimated to grow approximately 5 - 7%</li> <li>Approximate Marketing Margin is THB 0.75 – 0.80 per liter.</li> <li>Plans to increase service stations by 80 locations in highly potential areas with emphasis on modern brand image promoting Greenovative Experience, while making improvements to existing service stations to increase convenience for the consumers.</li> <li>Putting emphasis on Non-oil businesses to meet consumers’ needs and increase the ability to compete in retail market, with plans to open 30 SPAR branches and expand 200 Inthanin Coffee branches, aside from this there are plans to expand Inthanin Coffee abroad to Cambodia and Laos PDR.</li> </ul>

Business	Important Estimations
<b>Bio-based Product Business</b>	<ul style="list-style-type: none"> <li>The Biodiesel business expects to increase sales volume, with forecast that the government will retain B100 mixing portions in Diesel product at 7% all year. Production rate is also planned to increase, with utilization rate expected at 95%.</li> <li>The Ethanol business by Bangchak Bioethanol (Chachoengsao) Co., Ltd. and KSL Green Innovation Plc. estimates higher sales volume and plans an average production rate at full capacity.</li> <li>Plans to further invest in value-added Bio-based product business, developing Bio-based technology to create high value Bio-based product such as Refined Glycerin in preparation for getting listed in the Stock Exchange of Thailand.</li> </ul>
<b>Natural Resource Business and Business Development</b>	<ul style="list-style-type: none"> <li>The E&amp;P business expects production from Galoc field to be at 1,700 barrels per day (net to Nido).</li> <li>Develop innovation businesses / investing in start-ups through Bangchak Initiative and Innovation Center (BiiC), focusing on innovations in engineering and clean energy technology that is environmentally friendly, energy management, and Bio-based technology.</li> </ul>

### Capital Expenditures Plan for 2018

The Bangchak Group estimates its Capital Expenditure coinciding with its 2018 budget which has been approved by the company's Board of Directors (excluded BCPG Plc.), in total THB 14,000 million, with details as follow:

Unit: THB million	Investment Estimation
Refinery	5,500
Marketing	2,500
Bio-Based Products	1,000
Strategic investment & Other	5,000
<b>Total</b>	<b>14,000</b>



## *Declaration of the Directors' Responsibility for the Financial Statements*

The Board of Directors of Bangchak Corporation Plc has prepared the Company's financial statements to show its financial status and performance for 2012 under the Public Company Limited Act of 1992, the Accounting Act of 2000, the Securities and Exchange Act of 1992, and the announcement of the Capital Market Supervisory Board concerning the criteria, conditions, and reporting method for the disclosure of information on financial status and performance of companies that issue securities.

The Board recognizes its duties and responsibility for directing a listed company, particularly the responsibility for financial statements of the Company and its subsidiaries – including financial information that appears in the annual report of 2017. Such statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies and due and reasonable discretion exercised in the preparation of financial statements. Adequate significant information has been disclosed in the notes to these financial statements for transparent use by shareholders and investors at large.

The Board has instituted and maintained effective risk management and internal control systems to become reasonably confident of accurate, complete, and adequate accounting information to retain Company assets and prevent frauds or significant anomalies in operation.

The Audit Committee, acting on behalf of the Board, has been assigned responsibility for the quality of financial reports and internal control system, and its opinions duly appear in its own report found in this publication.

It is our view that the Company's overall internal control system is satisfactory and can reasonably ensure that the financial statements of the Company and its subsidiaries for the year ended December 31, 2017, showed essentially accurate financial positions, performance outcomes, and cash flows under financial reporting standards.

(Signed) *Pichai Chunhavajira*  
(Mr. Pichai Chunhavajira)

Chairman of the Board

(Signed) *Chaiwat Kovavisarach*  
(Mr. Chaiwat Kovavisarach)

President and Chief Executive Officer



## *Independent Auditor's Report*

### To the shareholders of Bangchak Corporation Public Company Limited

#### Opinion

I have audited the consolidated and separate financial statements of Bangchak Corporation Public Company Limited and its subsidiaries (the “Group”) and of Bangchak Corporation Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2017, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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 Business combination and acquisition of investment in associates
 

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 Refer to Notes 3 (a), 4 and 12 to the financial statements.
 

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The key audit matter	How the matter was addressed in the audit
<p data-bbox="165 592 734 937">During 2017, certain subsidiary has amalgamated with other company and the Group has acquired 2 investments in associates in alternative energy business in foreign countries. The Group has assessed the fair value of assets acquired and liabilities assumed and consideration transferred with resulting differences recognised as goodwill and share of profit of associates from bargain purchases, respectively.</p> <p data-bbox="165 1002 734 1119">Due to the materiality of the transactions and the significant judgment and complexities involved in determining the fair value, I considered as the key audit matter.</p>	<p data-bbox="782 592 1225 621">My audit procedures included the following:</p> <ul data-bbox="782 639 1382 1300" style="list-style-type: none"> <li data-bbox="782 639 1382 847">• Evaluated the appropriateness of the identification of the net assets acquired at the date of acquisition including understanding on the procedures on identification of fair value on net assets acquired which was prepared by the management.</li> <li data-bbox="782 864 1382 937">• Evaluated the independence and competency of independent appraiser.</li> <li data-bbox="782 955 1382 1072">• Involved KPMG valuation specialist to evaluate valuation methodology and financial parameters applied to the discount rate.</li> <li data-bbox="782 1090 1382 1207">• Evaluated significant assumptions underpinning the fair value valuations reference to internal and external information and mathematical accuracy.</li> <li data-bbox="782 1225 1382 1300">• Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standard.</li> </ul>

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**Impairment of oil exploration & production assets and investment in subsidiaries**


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Refer to Notes 3 (l) and 11 to the financial statements.

The key audit matter	How the matter was addressed in the audit
<p>The outlook for oil market continues to be challenging and future oil prices are still continuing to fluctuate. The recoverable amount of assets are derived from discounted cash flow projections which reflect a number of assumptions and estimates by the management. I considered as key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understand the management’s operation plan, process of the indicators identification and impairment testing process and tested the calculation of recoverable amount prepared by the management.</li> <li>• Assessed the key assumptions estimated by the management with reference to internally and externally derived sources after taking into account the historical forecasting accuracy.</li> <li>• Involved KPMG valuation specialist to evaluate valuation methodology and financial parameters applied to the discount rate.</li> <li>• Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standard.</li> </ul>

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**Valuation of inventories**


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Refer to Notes 3(g) and 10 to the financial statements.

The key audit matter	How the matter was addressed in the audit
<p>Inventories are measured at the lower of cost and net realizable value. As a result of fluctuation in crude oil and oil products price which may cause the net realizable value to be lower than cost.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Verified the appropriateness of the net realizable value calculation.</li> <li>• Checked the selling prices of finished goods with the reference market price and contract price.</li> <li>• Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standard.</li> </ul>

### Emphasis of Matter

I draw attention to note 12 to the financial statements. The Group has hired an independent appraiser to determine the fair value of net assets within investments in associates in Indonesia; however, the reviews have not yet been completed. Therefore, value to be recognized is yet to be finally determined, allocated and is subject to potential amendment depending on the finalisation of the appraisal by independent appraisers. My opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

### Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Signed) *Natthaphong Tantichattanon*  
**(Natthaphong Tantichattanon)**

Certified Public Accountant

Registration No. 8829

KPMG Phoomchai Audit Ltd.

Bangkok

28 February 2018

## Statement of financial position

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2017	2016	2017	2016
		<i>(Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents	6	10,105,882,585	19,286,650,258	6,377,502,249	8,872,401,610
Current investments	7	219,583,478	1,719,320,377	200,000,000	1,000,000,000
Trade accounts receivable	5,8	7,511,391,215	6,021,982,449	7,269,062,297	6,474,986,368
Other receivables	5,9	1,340,258,455	1,667,994,485	574,033,248	898,986,982
Inventories	10	15,720,387,051	14,560,471,060	13,572,776,104	13,458,131,958
Current tax assets		52,122,527	-	-	-
Oil fuel fund subsidies receivable		1,341,318,360	894,078,150	1,341,318,360	894,078,150
<b>Total current assets</b>		<b>36,290,943,671</b>	<b>44,150,496,779</b>	<b>29,334,692,258</b>	<b>31,598,585,068</b>
<b>Non-current assets</b>					
Investments in subsidiaries	5,11	-	-	12,610,480,537	11,638,763,688
Investments in associates and joint ventures	5,12	14,400,159,356	839,622,815	73,000,000	807,549,520
Long-term loans to related parties	5	-	-	2,203,449,000	2,788,518,160
Other long-term investments	7	4,346,729,603	739,467,997	237,044,592	310,276,940
Investment properties	13	343,439,563	359,602,729	343,439,563	359,602,729
Property, plant and equipment	14	48,049,135,691	46,461,888,655	27,963,104,481	26,913,328,283
Goodwills	4	1,602,324,546	-	-	-
Leasehold rights	15	2,311,349,372	1,939,042,196	2,311,349,372	1,939,042,196
Intangible assets	16	3,731,498,371	5,012,615,898	376,361,817	330,026,698
Deferred tax assets	17	1,000,016,270	546,509,432	899,819,559	510,065,205
Other non-current assets	5,18	2,034,880,526	1,733,613,488	1,569,485,942	1,153,478,979
<b>Total non-current assets</b>		<b>77,819,533,298</b>	<b>57,632,363,210</b>	<b>48,587,534,863</b>	<b>46,750,652,398</b>
<b>Total assets</b>		<b>114,110,476,969</b>	<b>101,782,859,989</b>	<b>77,922,227,121</b>	<b>78,349,237,466</b>

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

## Statement of financial position

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2017	2016	2017	2016
<b>Liabilities and equity</b>					
		<i>(Baht)</i>			
<b>Current liabilities</b>					
Short-term loan from financial institutions	19	4,046,182,313	7,444,017,507	3,280,298,382	7,189,248,722
Trade accounts payable	5,20	10,016,080,686	8,766,153,610	8,233,685,896	8,290,994,795
Other payables	5,21	3,018,367,626	3,208,610,436	2,064,152,507	1,754,835,205
Current portion of long-term loans					
from financial institutions	19	2,218,008,789	1,697,384,523	325,153,846	300,153,846
Current portion of debenture	19	-	2,000,000,000	-	2,000,000,000
Excise tax and oil fuel fund payable		3,036,549,976	1,069,026,480	3,036,549,976	1,069,026,480
Income tax payable		690,260,109	492,705,145	673,475,442	475,130,095
Short-term provisions	4	-	502,155,651	-	-
Other current liabilities	5	843,908,987	895,956,140	843,084,803	884,338,834
<b>Total current liabilities</b>		<b>23,869,358,486</b>	<b>26,076,009,492</b>	<b>18,456,400,852</b>	<b>21,963,727,977</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	19	20,649,009,936	14,457,827,965	3,076,076,923	3,401,230,769
Debentures	19	13,990,269,214	13,987,569,976	13,990,269,214	13,987,569,976
Deferred tax liabilities	17	589,586,434	600,686,417	-	-
Liabilities on long-term lease		34,210,525	38,068,420	34,210,525	38,068,420
Non-current provisions for employee benefits	22	1,949,429,755	1,769,716,139	1,867,377,310	1,709,201,552
Provision for the decommissioning cost		810,724,489	869,591,180	-	-
Other non-current liabilities	5	85,912,750	74,855,730	14,864,190	37,031,893
<b>Total non-current liabilities</b>		<b>38,109,143,103</b>	<b>31,798,315,827</b>	<b>18,982,798,162</b>	<b>19,173,102,610</b>
<b>Total liabilities</b>		<b>61,978,501,589</b>	<b>57,874,325,319</b>	<b>37,439,199,014</b>	<b>41,136,830,587</b>

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



## Statement of financial position

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2017	2016	2017	2016
		(Baht)			
<b>Equity</b>					
Share capital	23				
Authorised share capital		1,376,923,157	1,376,923,157	1,376,923,157	1,376,923,157
Issued and paid-up share capital		1,376,923,157	1,376,923,157	1,376,923,157	1,376,923,157
Share premium on ordinary shares	24	11,157,460,051	11,157,460,051	11,157,460,051	11,157,460,051
Capital surplus on registered and paid-up share reduction	24	189,617,759	189,617,759	189,617,759	189,617,759
Other surpluses	24	1,340,485,277	1,612,670,404	-	-
Surplus from business combination	24	1,170,410,780	-	-	-
Warrants		19,146,999	-	-	-
Retained earnings					
Appropriated					
Legal reserve	24	153,164,346	153,164,346	153,164,346	153,164,346
Unappropriated		27,831,345,677	24,931,575,363	27,605,862,794	24,335,241,566
Other components of equity		2,411,095,017	121,325,051	-	-
<b>Equity attributable to owners of the parent</b>		<b>45,649,649,063</b>	<b>39,542,736,131</b>	<b>40,483,028,107</b>	<b>37,212,406,879</b>
Non-controlling interests		6,482,326,317	4,365,798,539	-	-
<b>Total equity</b>		<b>52,131,975,380</b>	<b>43,908,534,670</b>	<b>40,483,028,107</b>	<b>37,212,406,879</b>
<b>Total liabilities and equity</b>		<b>114,110,476,969</b>	<b>101,782,859,989</b>	<b>77,922,227,121</b>	<b>78,349,237,466</b>

(Signed) Pichai Chunavajira  
(Pichai Chunhavajira)  
Chairman

(Signed) Chaiwat Kovavisarach  
(Chaiwat Kovavisarach)  
Chief Executive Officer and President

## Statement of income

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2017	2016	2017	2016
<i>(Baht)</i>					
Revenue from sale of goods and rendering of services	5,25,34	172,138,240,983	144,705,285,799	161,029,770,008	137,064,282,581
Cost of sale of goods and rendering of services	5	(158,595,554,719)	(132,809,348,889)	(151,549,531,461)	(128,552,154,583)
<b>Gross Profit</b>		<b>13,542,686,264</b>	<b>11,895,936,910</b>	<b>9,480,238,547</b>	<b>8,512,127,998</b>
Interest income and dividend income	5,26	155,533,527	190,539,682	1,259,316,735	1,346,487,355
Other income	4,5,27	1,085,169,827	343,256,266	1,146,745,696	315,998,172
Selling expenses	5,28	(4,025,848,209)	(3,785,916,892)	(2,921,201,192)	(2,717,840,484)
Administrative expenses	5,29	(3,138,177,761)	(2,349,514,170)	(1,756,822,693)	(1,489,902,704)
Exploration and evaluation expense		(47,854,777)	(59,998,988)	-	-
Gain from crude and product oil price hedging contract		365,500,470	107,345,883	348,474,613	111,862,612
Gain (loss) from foreign currencies forward contract		-225,311,877	39,383,009	78,876,301	39,383,009
Gain on foreign exchange		889,481,131	236,778,252	812,425,822	311,723,858
Reversal of allowance for loss (loss) from impairment of assets	11	(1,518,470,707)	36,801,552	(1,283,418,856)	49,077,265
Share of profit of associates and joint ventures	12	815,401,720	20,972,839	-	-
Gain on bargain purchase	4	-	226,592,414	-	-
<b>Profit before finance costs and income tax expense</b>		<b>7,898,109,608</b>	<b>6,902,176,757</b>	<b>7,164,634,973</b>	<b>6,478,917,081</b>
Finance costs	32	(1,452,284,135)	(1,483,796,026)	(904,013,681)	(1,208,326,628)
<b>Profit before income tax expense</b>		<b>6,445,825,473</b>	<b>5,418,380,731</b>	<b>6,260,621,292</b>	<b>5,270,590,453</b>
Income tax expense	33	(40,883,861)	(688,972,397)	(108,954,197)	(768,290,528)
<b>Profit for the year</b>		<b>6,404,941,612</b>	<b>4,729,408,334</b>	<b>6,151,667,095</b>	<b>4,502,299,925</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		5,778,239,465	4,773,384,169	6,151,667,095	4,502,299,925
Non-controlling interests		626,702,147	(43,975,835)	-	-
<b>Profit for the year</b>		<b>6,404,941,612</b>	<b>4,729,408,334</b>	<b>6,151,667,095</b>	<b>4,502,299,925</b>
<b>Basic earnings per share</b>	35	<b>4.20</b>	<b>3.47</b>	<b>4.47</b>	<b>3.27</b>

(Signed) Pichai Chunavajira  
(Pichai Chunhavajira)  
Chairman

(Signed) Chaiwat Kovavisarach  
(Chaiwat Kovavisarach)  
Chief Executive Officer and President

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

## Statement of comprehensive income

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

	Consolidated financial		Separate financial	
	statements		statements	
	For the year ended 31 December		For the year ended 31 December	
Note	2017	2016	2017	2016
	<i>(Baht)</i>			
<b>Profit for the year</b>	<b>6,404,941,612</b>	<b>4,729,408,334</b>	<b>6,151,667,095</b>	<b>4,502,299,925</b>
<b>Other comprehensive income (loss)</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(421,217,472)	17,310,716	-	-
Net change in fair value of available-for-sale investment	2,721,932,722	234,920,598	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>2,300,715,250</b>	<b>252,231,314</b>	<b>-</b>	<b>-</b>
<i>Items that will not be reclassified to profit or loss</i>				
Losses on remeasurements of defined benefit plans	(56,663,458)	(70,168,351)	(58,705,810)	(72,216,497)
Share of other comprehensive income of associates	(20,005,900)	-	-	-
<b>Total items that will not be reclassified to profit or loss</b>	<b>(76,669,358)</b>	<b>(70,168,351)</b>	<b>(58,705,810)</b>	<b>(72,216,497)</b>
<b>Other comprehensive income (loss) for the year, net of income tax</b>	<b>2,224,045,892</b>	<b>182,062,963</b>	<b>-58,705,810</b>	<b>-72,216,497</b>
<b>Total comprehensive income for the year</b>	<b>8,628,987,504</b>	<b>4,911,471,297</b>	<b>6,092,961,285</b>	<b>4,430,083,428</b>
<b>Total comprehensive income (loss) attributable to</b>				
Owners of the parent	8,011,347,162	4,945,586,505	6,092,961,285	4,430,083,428
Non-controlling interests	617,640,342	(34,115,208)	-	-
<b>Total comprehensive income for the year</b>	<b>8,628,987,504</b>	<b>4,911,471,297</b>	<b>6,092,961,285</b>	<b>4,430,083,428</b>

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

# Statement of changes in equity

## Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

Consolidated financial statements												
Note	Issued and paid-up share capital	Share premium	Capital surplus on registered and paid-up share reduction	Other surpluses	Retained earnings		Other components shareholder's equity			Equity attributable to owners of the parent	Non-controlling interests	Total equity
					Legal reserve	Unappropriated	Translating foreign operations	available-for-sale investments	Total other components of equity			
<i>(Baht)</i>												
<b>Year ended 31 December 2016</b>												
<b>Balance at 1 January 2016</b>	1,376,923,157	11,157,460,051	189,617,759	18,621,225	153,164,346	22,706,157,789	(135,554,968)	14,592,245	(120,962,723)	35,480,981,604	502,443,363	35,983,424,967
<b>Transactions with owners, recorded directly in equity</b>												
<i>Contributions by and distributions to owners of the parent</i>												
Share-based payment transactions	-	-	-	-	-	537,166	-	-	-	537,166	-	537,166
Dividends to owners of the parent	36	-	-	-	-	(2,478,418,323)	-	-	-	(2,478,418,323)	(363,599,523)	(2,842,017,846)
<b>Total contributions by and distributions to owners of the parent</b>						<b>(2,477,881,157)</b>				<b>(2,477,881,157)</b>	<b>(363,599,523)</b>	<b>(2,841,480,680)</b>
<b>Changes in ownership interests in subsidiaries</b>												
Acquisition of subsidiary with non-controlling interests		-	-	-	-	-	-	-	-	-	146,954	146,954
Increase in investment in subsidiary without a change in ownership interest		-	-	-	-	-	-	-	-	-	84,068,082	84,068,082
Acquisition of non-controlling interests without a change in control	11	-	-	1,594,049,179	-	-	-	-	-	1,594,049,179	4,176,854,871	5,770,904,050
<b>Total changes in ownership interests in subsidiaries</b>				<b>1,594,049,179</b>						<b>1,594,049,179</b>	<b>4,261,069,907</b>	<b>5,855,119,086</b>
<b>Total transactions with owners, recorded directly in equity</b>				<b>1,594,049,179</b>		<b>(2,477,881,157)</b>				<b>(883,831,978)</b>	<b>3,897,470,384</b>	<b>3,013,638,406</b>
<b>Comprehensive income for the year</b>												
Profit or (loss)		-	-	-	-	4,773,384,169	-	-	-	4,773,384,169	(43,975,835)	4,729,408,334
Other comprehensive income (loss)		-	-	-	-	(70,085,438)	7,367,176	234,920,598	242,287,774	172,202,336	9,860,627	182,062,963
<b>Total comprehensive income (loss) for the year</b>						<b>4,703,298,731</b>	<b>7,367,176</b>	<b>234,920,598</b>	<b>242,287,774</b>	<b>4,945,586,505</b>	<b>(34,115,208)</b>	<b>4,911,471,297</b>
<b>Balance at 31 December 2016</b>	<b>1,376,923,157</b>	<b>11,157,460,051</b>	<b>189,617,759</b>	<b>1,612,670,404</b>	<b>153,164,346</b>	<b>24,931,575,363</b>	<b>(128,187,792)</b>	<b>249,512,843</b>	<b>121,325,051</b>	<b>39,542,736,131</b>	<b>4,365,798,539</b>	<b>43,908,534,670</b>

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

# Statement of changes in equity

## Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

Consolidated financial statements															
Note	Issued and paid-up share capital	Share premium	Capital surplus on registered and paid-up share reduction	Other surpluses	Surplus from business combination	Warrants	Retained earnings		Other components shareholder's equity			Equity attributable to owners of the parent	Non-controlling interests	Total equity	
							Legal reserve	Unappropriated	Translating foreign operations	available-for-sale investments	Share of other comprehensive expense associates				Total other components of equity
<i>(Bath)</i>															
<b>Year ended 31 December 2017</b>															
<b>Balance at 1 January 2017</b>	1,376,923,157	11,157,460,051	189,617,759	1,612,670,404	-	-	153,164,346	24,931,575,363	(128,187,792)	249,512,843	-	121,325,051	39,542,736,131	4,365,798,539	43,908,534,670
<b>Transactions with owners, recorded directly in equity</b>															
<i>Contributions by and distributions to owners of the parent</i>															
Share options exercised	-	-	-	11,127,310	-	-	-	-	-	-	-	-	11,127,310	16,229,304	27,356,614
Share-based payment transactions	-	-	-	8,849,403	-	19,146,999	-	533,177	-	-	-	-	28,529,579	11,821,312	40,350,891
Dividends	36	-	-	-	-	-	-	(2,822,340,057)	-	-	-	-	(2,822,340,057)	(399,916,109)	(3,222,256,166)
<b>Total contributions by and distributions to owners of the parent</b>				<b>19,976,713</b>		<b>19,146,999</b>		<b>(2,821,806,880)</b>					<b>(2,782,683,168)</b>	<b>(371,865,493)</b>	<b>(3,154,548,661)</b>
<b>Changes in ownership interests in subsidiaries</b>															
Changes in an ownership interests in subsidiaries without a change in control	-	-	-	(292,161,840)	1,170,410,780	-	-	-	-	-	-	-	878,248,940	1,870,752,929	2,749,001,869
<b>Total changes in ownership interests in subsidiaries</b>				<b>(292,161,840)</b>	<b>1,170,410,780</b>								<b>878,248,940</b>	<b>1,870,752,929</b>	<b>2,749,001,869</b>
<b>Total transactions with owners, recorded directly in equity</b>				<b>(272,185,127)</b>	<b>1,170,410,780</b>	<b>19,146,999</b>		<b>(2,821,806,880)</b>					<b>(1,904,434,228)</b>	<b>1,498,887,436</b>	<b>(405,546,792)</b>
<b>Comprehensive income for the year</b>															
Profit	-	-	-	-	-	-	-	5,778,239,465	-	-	-	-	5,778,239,465	626,702,147	6,404,941,612
Other comprehensive income (loss)	-	-	-	-	-	-	-	(56,662,271)	(418,096,408)	2,721,932,722	(14,066,348)	2,289,769,966	2,233,107,695	(9,061,805)	2,224,045,890
<b>Total comprehensive income (loss) for the year</b>								<b>5,721,577,194</b>	<b>(418,096,408)</b>	<b>2,721,932,722</b>	<b>(14,066,348)</b>	<b>2,289,769,966</b>	<b>8,011,347,160</b>	<b>617,640,342</b>	<b>8,628,987,502</b>
<b>Balance at 31 December 2017</b>	<b>1,376,923,157</b>	<b>11,157,460,051</b>	<b>189,617,759</b>	<b>1,340,485,277</b>	<b>1,170,410,780</b>	<b>19,146,999</b>	<b>153,164,346</b>	<b>27,831,345,677</b>	<b>(546,284,200)</b>	<b>2,971,445,565</b>	<b>(14,066,348)</b>	<b>2,411,095,017</b>	<b>45,649,649,063</b>	<b>6,482,326,317</b>	<b>52,131,975,380</b>

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

## Statement of changes in equity

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

	Separate financial statements						
	Note	Issued and paid-up share capital	Share premium	Capital surplus on registered and paid-up share reduction	Retained earnings		Total equity
					Legal reserve	Unappropriated	
<i>(Baht)</i>							
<b>Year ended 31 December 2016</b>							
<b>Balance at 1 January 2016</b>		<b>1,376,923,157</b>	<b>11,157,460,051</b>	<b>189,617,759</b>	<b>153,164,346</b>	<b>22,383,576,461</b>	<b>35,260,741,774</b>
<b>Transactions with owners, recorded directly in equity</b>							
<i>Distributions to owners</i>							
Dividends	36	-	-	-	-	(2,478,418,323)	(2,478,418,323)
<b>Total distribution to owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,478,418,323)</b>	<b>(2,478,418,323)</b>
<b>Comprehensive income for the year</b>							
Profit or loss		-	-	-	-	4,502,299,925	4,502,299,925
Other comprehensive income (loss)		-	-	-	-	(72,216,497)	(72,216,497)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,430,083,428</b>	<b>4,430,083,428</b>
<b>Balance at 31 December 2016</b>		<b>1,376,923,157</b>	<b>11,157,460,051</b>	<b>189,617,759</b>	<b>153,164,346</b>	<b>24,335,241,566</b>	<b>37,212,406,879</b>

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

## Statement of changes in equity

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

	Separate financial statements						
	Note	Issued and paid-up share capital	Share premium	Capital surplus on registered and paid-up share reduction	Retained earnings		Total equity
					Legal reserve	Unappropriated	
<i>(Baht)</i>							
<b>Year ended 31 December 2017</b>							
Balance at 1 January 2017		1,376,923,157	11,157,460,051	189,617,759	153,164,346	24,335,241,566	37,212,406,879
<b>Transactions with owners, recorded directly in equity</b>							
<i>Distributions to owners</i>							
Dividends	36	-	-	-	-	(2,822,340,057)	(2,822,340,057)
<b>Total distribution to owners</b>		-	-	-	-	<b>(2,822,340,057)</b>	<b>(2,822,340,057)</b>
<b>Comprehensive income for the year</b>							
Profit or loss		-	-	-	-	6,151,667,095	6,151,667,095
Other comprehensive income (loss)		-	-	-	-	(58,705,810)	(58,705,810)
<b>Total comprehensive income for the year</b>		-	-	-	-	<b>6,092,961,285</b>	<b>6,092,961,285</b>
<b>Balance at 31 December 2017</b>		<b>1,376,923,157</b>	<b>11,157,460,051</b>	<b>189,617,759</b>	<b>153,164,346</b>	<b>27,605,862,794</b>	<b>40,483,028,107</b>

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

## Statement of cash flows

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2017	2016	2017	2016
	(Baht)			
<b>Cash flows from operating activities</b>				
Profit for the year	6,404,941,612	4,729,408,334	6,151,667,095	4,502,299,925
<i>Adjustments for</i>				
Income tax expense	40,883,861	688,972,397	108,954,197	768,290,528
Finance costs	1,452,284,135	1,483,796,026	904,013,681	1,208,326,628
Depreciation	4,780,386,370	4,461,315,330	3,222,991,289	2,985,385,356
Amortisation	355,078,032	273,062,194	301,807,558	241,696,109
Allowance for bad and doubtful debts expenses	(361,815)	(2,093,327)	(103,961)	(1,686,752)
Unrealised loss on foreign exchange	308,060,785	90,197,777	252,592,679	46,512,908
(Reversal of) losses on inventories devaluation	7,830,488	(98,220,697)	-	(104,946,031)
(Reversal of) Allowance for loss from impairment of assets	1,518,470,707	(36,801,552)	1,283,418,856	(49,077,265)
Gain on disposal of property, plant and equipment	(37,250,562)	(8,022,464)	(2,052,456)	(8,504,377)
(Gain) loss on sale of investments	35,409,325	(29,466,450)	(210,500,409)	(29,466,450)
Interest income and dividend income	(155,533,527)	(190,539,682)	(1,259,316,735)	(1,346,487,355)
Non-current provision for employee benefit	191,822,492	144,830,349	164,463,767	126,582,137
Provision for customer loyalty programmes	48,474,324	32,395,610	48,474,324	32,395,610
Deferred revenue	(7,062,907)	(5,291,890)	(7,062,907)	(5,291,890)
Share-based payment transactions	40,350,890	-	-	-
Share of profit of associates and joint ventures, net of tax	(815,401,720)	(20,972,839)	-	-
Gain on bargain purchase	-	(226,592,414)	-	-
Reversal of provisions	(137,121,038)	-	-	-
	14,031,261,452	11,285,976,702	10,959,346,978	8,366,029,081
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	(1,434,348,405)	(797,156,673)	(793,476,087)	(1,155,834,771)
Other receivables	(554,557,434)	(81,191,456)	(262,690,298)	169,874,139
Inventories	(753,438,932)	(515,394,543)	(135,414,346)	(103,464,769)
Other non-current assets	(387,463,011)	(372,916,284)	(447,251,996)	(345,781,302)
Trade accounts payable	1,357,417,421	3,775,098,036	(62,141,076)	3,819,431,817
Other payables	(10,642,557)	87,073,428	46,616,504	(145,066,349)
Other current liabilities	1,961,458,316	353,724,888	1,880,441,529	407,013,407
Provisions for employee benefits	(84,279,171)	(30,820,589)	(79,670,272)	(21,631,528)
Other non-current liabilities	24,593,900	(232,241)	(24,721,737)	(26,531,405)
Net cash generated from operating activities	14,150,001,579	13,704,161,268	11,081,039,199	10,964,038,320
Income tax paid, net	(298,671,186)	(416,418,362)	(235,185,222)	(341,531,082)
<b>Net cash from operating activities</b>	<b>13,851,330,393</b>	<b>13,287,742,906</b>	<b>10,845,853,977</b>	<b>10,622,507,238</b>

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



## Statement of cash flows

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

	Consolidated financial		Separate financial	
	statements		statements	
	For the year ended 31 December		For the year ended 31 December	
	2017	2016	2017	2016
	(Baht)			
<b>Cash flows from investing activities</b>				
Interest received	135,919,650	208,870,513	118,097,502	438,572,304
Dividend received	64,557,705	3,229,001	1,226,030,306	654,256,649
Decrease in current investments	1,499,736,898	2,799,243,344	800,000,000	3,500,000,000
Payment for other long-term investments	(1,139,795,527)	(168,467,365)	-	(168,467,365)
Proceeds from disposal of other investments	78,045,709	202,702,500	75,287,845	202,702,500
Net cash outflow from calling up of subsidiary's share capital	-	-	-	(5,264,320,450)
Net cash outflow from calling up of joint venture's share capital	(28,680,000)	(44,320,000)	(28,680,000)	(44,320,000)
Acquisition of subsidiaries and associates, net of cash acquired	(13,346,533,566)	(962,736,249)	(2,886,900,680)	-
Proceeds from sale of investments	-	-	1,632,947,935	-
Acquisition of property, plant and equipment	(5,522,471,897)	(9,369,842,540)	(4,147,131,960)	(4,852,250,678)
Proceeds from sale of property, plant and equipment	499,323,552	119,768,394	10,958,290	118,316,297
Loans to related parties	-	-	(90,000,000)	(2,120,000,000)
Proceeds from loan to related party	-	-	431,904,000	8,675,200,000
Payment for leasehold right	(563,902,108)	(451,289,296)	(563,902,108)	(451,289,296)
Proceeds from leasehold right	4,800,000	-	4,800,000	-
Acquisition of intangible assets	(641,418,661)	(491,623,542)	(131,749,262)	(184,775,649)
<b>Net cash from (used in) investing activities</b>	<b>(18,960,418,245)</b>	<b>(8,154,465,240)</b>	<b>(3,548,338,132)</b>	<b>503,624,312</b>
<b>Cash flows from financing activities</b>				
Financial cost paid	(1,305,329,325)	(1,641,398,827)	(754,141,303)	(1,202,594,210)
Dividend paid	(3,310,745,787)	(2,753,528,225)	(2,822,340,057)	(2,478,418,323)
Increase (decrease) in short - term loans from financial institutions	(3,937,315,260)	7,361,836,346	(3,915,780,000)	7,189,248,722
Proceeds from issuance of subsidiary's share capital	-	75,000,150	-	-
Payment of change in ownership interest in subsidiary without a change in control	(34,522,552)	-	-	-
Proceeds from change in ownership interest in subsidiaries without a change in control	-	5,770,904,051	-	-
Proceeds from exercise of share options	27,356,613	-	-	-
Redemption of debenture	(2,000,000,000)	-	(2,000,000,000)	-
Proceeds from long - term loans from financial institutions	8,868,343,275	9,610,567,418	-	-
Repayment of long - term loans from financial institutions	(2,069,004,166)	(12,032,224,433)	(300,153,846)	(11,230,555,747)
<b>Net cash from (used in) financing activities</b>	<b>(3,761,217,202)</b>	<b>6,391,156,480</b>	<b>(9,792,415,206)</b>	<b>(7,722,319,558)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(8,870,305,054)	11,524,434,146	(2,494,899,361)	3,403,811,992
Effect of exchange rate changes on cash and cash equivalents	(310,462,619)	(109,651,917)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(9,180,767,673)</b>	<b>11,414,782,229</b>	<b>(2,494,899,361)</b>	<b>3,403,811,992</b>
Cash and cash equivalents at beginning of period	19,286,650,258	7,871,868,029	8,872,401,610	5,468,589,618
<b>Cash and cash equivalents at ending of period</b>	<b>10,105,882,585</b>	<b>19,286,650,258</b>	<b>6,377,502,249</b>	<b>8,872,401,610</b>
<b>Non-cash transactions</b>				

During the first quarter of 2016, BCP Innovation Pte. Ltd., a subsidiary of the Company and incorporated in Singapore converted the entire loan from the Company to equity amounting USD 5 million (approximate Baht 179.26 million).

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

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

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## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

These notes form an integral part of the financial statements.

The 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 28 February 2018.

#### 1 General information

Bangchak Corporation Public Company Limited, the “Company” (Formerly: The Bangchak Petroleum Public Company Limited) has registered the name change with the Department of Business Development, Ministry of Commerce on 7 April 2017. The Company is incorporated in Thailand and has its registered office as follows:

Head office : 2098 M Tower Building, 8<sup>th</sup> 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.

The Company was listed on the Stock Exchange of Thailand on 23 April 1993.

As at 31 December 2017, major shareholders of the Company during the period were Vayupak Fund 1 and Social Security Office holding 14.46% and 13.60% of issued and paid-up capital, respectively (31 December 2016: 15.60% and 14.31%, respectively).

The principal businesses of the Company are operating an oil refinery and marketing the finished products through its service stations under its company’s brand. The Company’s oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial and agriculture. The sale of oil is also made through the major and the minor oil traders.

Details of the Company’s subsidiaries as of 31 December 2017 and 2016 were disclosed in note 5 and 11 to the financial statements.

#### 2 Basis of preparation of the financial statements

##### (a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2017. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except as stated described in accounting policy.

**(c) Functional and presentation currency**

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

**(d) Use of judgements and estimates**

The preparation of 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 4, 12	Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis
Note 11	Impairment test: key assumption underlying recoverable amounts
Note 17	Recognition of deferred tax assets: availability of future taxable profit against with tax losses carried forward can be used
Note 22	Measurement of defined benefit obligations: key actuarial assumptions

*Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in note 37.

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associate and joint ventures.

##### *Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

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### Bangchak Corporation Public Company Limited and its Subsidiaries

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#### *Acquisitions from entities under common control*

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity. Any cash paid for the acquisition is recognised directly in equity.

#### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### *Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### *Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

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#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### **(b) Foreign currencies**

##### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of the following items are recognized in other comprehensive income:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss)

##### *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates at the reporting date.

The revenues and expenses of foreign are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

#### (c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

#### (d) *Hedging*

##### *Hedge of future foreign currency transactions*

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates. Transaction fee and discounts are amortised to profit and loss on a straight-line basis over the life of the agreements.

##### *Hedge of interest rates*

Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans.

##### *Crude oil and oil products forward contract / crack spread of crude oil and oil products*

Difference between the fixed prices of contracts and the settlement prices are recognised in the statement of income in the period in which the contracts mature.

#### (e) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of for the purpose of the statement of cash flows.

#### (f) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

#### (f) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and



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condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

#### (g) Investments

##### *Investments in associates, subsidiaries and joint ventures*

Investments in associates, subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

##### *Investments in other debt and equity securities*

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

##### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

#### (h) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

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Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

No depreciation is provided on land.

#### (i) *Property, plant and equipment*

##### *Recognition and measurement*

##### *Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

##### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

##### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	10 - 50 years
Machinery, equipment refinery plants and terminal	2 - 30 years
Equipment solar plants	10 - 25 years
Marketing and office equipment	3 - 20 years
Vehicles	5 - 7 years

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No depreciation is provided on freehold land, platinum catalyst and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### *Oil and Gas Properties*

When the technical and commercial feasibility of an undeveloped oil or gas field has been demonstrated, the field enters its development phase. The costs of oil and gas assets are transferred from exploration and evaluation expenditure and reclassified into development phase.

The costs of oil and gas properties include past exploration and evaluation costs, pre-production development costs and the ongoing costs of continuing to develop reserves for production as well as decommission costs.

Depletion charges are calculated using a unit of production method over the life of the estimated Proved plus Probable reserves.

#### **(j) Leasehold right**

Leasehold rights are the rights obtained from the land lease contracts, which are amortised on a straight-line method over the contractual period.

Leasehold rights are presented at cost deducted by accumulated amortisation and impairment losses.

#### **(k) Intangible assets**

##### *Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

##### *Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

##### *Subsequent expenditure*

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

##### *Amortizations*

Amortization is based on the cost of the asset, or other amount substituted for cost, less its residual value.

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Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative years are as follows:

Right to use and cost of development of computer software	3-10	years
Feed-in Tariff power purchase agreement	10-20	years
Right to connect electrical transmission line	20-25	years

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### *Exploration and Evaluation Expenditure*

Exploration and evaluation expenditure is stated at cost as intangible assets and is accumulated in respect of each identifiable area of interest. These costs are capitalised until the viability of the area of interest is determined.

Accumulated costs in relation to an abandoned area are written off through profit or loss in the period in which the decision to abandon the area is made.

Once an area of interest enters the development phase, exploration and evaluation expenditures are transferred to oil and gas properties.

#### **(l) Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

#### *Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their

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present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### *Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(m) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

#### **(n) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

#### **(o) Employee benefits**

##### *Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

##### *Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed every 3 years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

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Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### *Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

#### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **(p) Share-based payments**

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

#### **(q) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### **(r) Share capital**

##### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

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#### (s) Revenue

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts and volume rebates.

##### *Sale of goods and services rendered*

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

##### *Income from sale of electricity*

Income from the sale of electricity is recognised in profit or loss in accordance with delivery units supplied as stipulated in the contract. Income from the sale of electricity for entities within Thailand is entitled to receive ADDER for a period of 10 years from the commencement of commercial sales. Thereafter, subsequent to this initial period income from sale of electricity is recognised at normal rates.

##### *Income from operating rights*

Income from operating right is recognised in accordance with the timing of the rights utilization and with conditions as stipulated in the contract.

##### *Loyalty programmes*

The Group has a customer loyalty programme whereby customers are awarded credits (Points) entitling customers to the right to purchase products from the Group at a discount or qualify for a free gift. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to purchase products at a discount or fair value of the free gift. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed and the Group has fulfilled its obligations to supply the products. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in exchange for discounted products, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

##### *Investments*

Revenue from investments comprises dividend and interest income from investments and bank deposits.

##### *Dividend income*

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

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#### *Interest income*

Interest income is recognised in profit or loss as it accrues.

#### **(t) Finance costs**

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

#### **(u) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

#### **(v) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax



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liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### (w) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

#### (x) *Segment reporting*

Segment results that are reported to the Group's president (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## 4 Business combination

### *Amalgamation between BBP Holding Company Limited and KSLGI Company Limited*

On 19 July 2017, the Company has entered into agreement with Khon Kaen Sugar Industry PCL for the amalgamation between BBP Holding Company Limited "BBH", a subsidiary of the Company and KSLGI Company Limited "KSLGI", a subsidiary of Khon Kaen Sugar Industry PCL which established in order to accept the transfer and hold 99.99% of total issued share in KSL Green Innovation PCL. The amalgamation was completed on 31 October 2017 and BBGI Co., Ltd. is a company resulting from amalgamation. The Company holds 60% and former shareholders of KSLGI holds 40% of total shares in new company. Management believes that by acquired this business will enable the group to expand their investment, development and increase in operation potential in bio-based business.

For the period from 31 October 2017 to 31 December 2017, KSLGI Group had revenue totaling Baht 316.86 million and profit totaling Baht 2.19 million which included as a part of the Group's operation.

The business combination under this condition is in accordance with TFRS 3 (revised 2016) Business Combinations, requires the recognition of assets, liabilities and contingent liabilities acquired at the amalgamation date at fair value. BBH has been identified as acquirer in this business combination because fair values of BBH is higher than KSLGI. 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 combination date to reflect new information obtained about facts and circumstances that existed as of the combination date. Finalisation of the fair value of assets and liabilities acquired from business combination was completed in the fourth quarter of 2017.

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The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

#### Consideration transferred

	<b>Fair value</b> <i>(in million Baht)</i>
Ordinary shares of BBGI 40% issued to KSLGI At 31 October 2017	2,782.40
<b>Total</b>	<b>2,782.40</b>

#### Identifiable assets acquired and liabilities assumed

	<b>Book value</b>	<b>Adjustments</b> <i>(in million Baht)</i>	<b>Fair Value</b>
Cash and cash equivalents	12.91	-	12.91
Trade account receivables	129.45	-	129.45
Inventories	489.83	-	489.83
Property, plant and equipment	1,178.22	313.10	1,491.32
Intangible assets	1.01	25.91	26.92
Other assets	19.35	-	19.35
Trade account payables	(23.64)	-	(23.64)
Other payables	(32.57)	-	(32.57)
Short-term loan from financial institutions	(452.00)	-	(452.00)
Current portion of long-term loans from financial institutions	(200.00)	-	(200.00)
Long-term loans from financial institution	(200.00)	-	(200.00)
Deferred tax liabilities	-	(67.80)	(67.80)
Other liabilities	(13.69)	-	(13.69)
<b>Total identifiable net assets</b>	<b>908.87</b>	<b>271.21</b>	<b>1,180.08</b>
Goodwill			1,602.32
<b>Consideration transferred</b>			<b>2,782.40</b>

The fair value of plant and equipment determined by independent appraiser based on depreciated replacement method. The fair value of the intangible asset determined based on income approach using the differential method with operating period of 10 years under power purchase agreement. The key assumptions included forecast cost saving and discount rates.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

#### *Goodwill*

The goodwill is attributable mainly to technical skill and knowhow from synergy between both Groups of companies after the amalgamation to increase business competitiveness and become the leading Biofuel-producer in Thailand.

#### *Acquisition-related costs*

The Group incurred acquisition-related costs of Baht 36.27 million related to external legal fees and financial advisor fee. The legal fees and financial advisor fee have been included in administrative expenses in the Group's consolidated statement of income.

#### ***Business acquisition of entire solar power business of SunEdison Group in Japan***

On 15 and 18 February 2016, BSE Energy Holding Private Limited and BCPG Investment Holding Private Limited (indirect subsidiaries of the Company and incorporated in Singapore) completed the acquisition of entire solar power business of SunEdison Group in Japan within the budget of JPY 9,626 million (approximately Baht 2,915 million) with total capacity of 198 Megawatts portfolio (Plants in operation with a total capacity of 13 Megawatts / Plants Under Construction with a total capacity of 27 Megawatts / Projects Under Development with a total capacity of up to 158 Megawatts) through the purchase of 100% equity interest of SunEdison Japan Corporation, SunEdison Japan Debt Financing Pte. Ltd. and SunEdison TK Investor 1 Pte. Ltd. from SunEdison International LLC and SunEdison Energy Holding (Singapore) Pte. Ltd. as per the Purchase and Sale Agreement (condition precedents) on 29 January 2016, the Group has already paid JPY 4,256 million (approximately Baht 1,275.33 million) and will settle the remaining based on the success rate of project under development within the next 18 months.

Management believes that by acquired this business will enable the group to expand their investment, development and operating renewable energy business within Asia.

The purchase under this condition is in accordance with TFRS 3 Business Combinations, requires the recognition of assets, liabilities and contingent liabilities acquired at the acquisition date at fair value. 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 fair value of assets and liabilities acquired from business acquisition was completed in the fourth quarter of 2016.

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The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

#### Consideration transferred

	<b>Recognized value</b> <i>(in million Baht)</i>
Cash	1,275.33
Contingent consideration	488.46
<b>Total</b>	<b>1,763.79</b>

#### Identifiable assets acquired and liabilities assumed

	<b>Fair Value</b> <i>(in million Baht)</i>
Cash and cash equivalents	354.28
Trade accounts receivable	23.93
Other receivables	408.23
Other current assets	107.33
Property, plant and equipment	1,410.35
Intangible asset	1,789.65
Other non-current assets	54.57
Other payables	(457.64)
Short-term loan from financial institutions	(80.33)
Current portion of long-term loan from SunEdison Group	(776.85)
Current portion of long-term loan from financial institutions	(47.76)
Other current liabilities	(5.23)
Long-term loan from SunEdison Group	(144.50)
Long-term loan from financial institution	(1,167.22)
Non-current provisions	(35.45)
Deferred tax liabilities	(448.96)
<b>Total identifiable assets and liabilities</b>	<b>984.40</b>
<i>Less: non-controlling interests</i>	<i>(0.15)</i>
<b>Net assets and liabilities acquired</b>	<b>984.25</b>
Repayment of loan and accrued interest from SunEdison Group under the condition of business acquisition	1,006.13
<b>Net assets and liabilities acquired by the Group</b>	<b>1,990.38</b>
Gain on bargain purchase	(226.59)
<b>Consideration transferred</b>	<b>1,763.79</b>

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On 27 April 2017, the subsidiary has signed a Settlement Agreement with SunEdison group to settle the deferred payments and other conditions in relation to the business acquisition of solar power plants in Japan in the amount of JPY 1,590.68 million (approximately Baht 499.00 million). The agreement has been approved by U.S. Bankruptcy Court on 16 May 2017, and the Group has paid the settlement payment in accordance to the conditions of the agreement on 20 June 2017. Such settlement released all of the Group's obligations toward SunEdison group. The Group has recognised the reversal of provision from contingent consideration from business acquisition totaling JPY 453.04 million (approximately Baht 138.73 million) to other income in the consolidated statement of income for the year ended 31 December 2017.

#### 5 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
Vayupak Fund 1	Thailand	Major shareholder, some common directors
Social Security Office	Thailand	Major shareholder, some common directors
Bangchak Green Net Co., Ltd.	Thailand	Subsidiary, Shareholding 49 % and representative from the Company as director
Bangchak Retail Co., Ltd.	Thailand	Subsidiary, Shareholding 100 % and representative from the Company as director
BCP Energy International Pte. Ltd.	Singapore	Subsidiary, Shareholding 100 % and representative from the Company as director
BCP Innovation Pte. Ltd.	Singapore	Subsidiary, Shareholding 100% and representative from the Company as director
BCP Trading Pte. Ltd.	Singapore	Subsidiary, Shareholding 100% and representative from the Company as director
Bongkot Marine Services Company Limited	Thailand	Joint venture, 30% shareholding by the Company, representative from the Company as director
Oam Suk Social Enterprise Company Limited	Thailand	Joint venture, 40% shareholding by the Company, representative from the Company as director
Fuel Pipeline Transportation Ltd.	Thailand	Shareholding, representative from the Company as director
BBGI Co., Ltd.	Thailand	Subsidiary, Shareholding 60 % and representative from the Company as director

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### Bangchak Corporation Public Company Limited and its Subsidiaries

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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
KSL Green Innovation Public Company Limited	Thailand	Indirect subsidiary of the Company, Shareholding 100 % by subsidiary and representative from the Company as director
Bangchak Biofuel Co., Ltd.	Thailand	Indirect subsidiary of the Company, Shareholding 70 % by subsidiary and representative from the Company as director
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	Thailand	Indirect subsidiary of the Company, Shareholding 85 % by subsidiary and representative from the Company as director
Ubon Bio Ethanol Co., Ltd.	Thailand	Indirect associate of the Company, Shareholding 21.28 % by subsidiary
Ubon Agricultural Energy Co., Ltd.	Thailand	Indirect associate, representative from the Company as director
BCPG Public Company Limited	Thailand	Subsidiary, Shareholding 70.27 % and representative from the Company as director
Bangchak Solar Energy Co., Ltd.	Thailand	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, some common directors
Bangchak Solar Energy (Prachinburi) Co., Ltd.	Thailand	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, some common directors
Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	Thailand	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, some common directors
Bangchak Solar Energy (Buriram) Co., Ltd.	Thailand	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, some common directors
Bangchak Solar Energy (Buriram1) Co., Ltd.	Thailand	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, some common directors
Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd.	Thailand	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, some common directors
BCPG Biopower 1 Co., Ltd	Thailand	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, and representative from the subsidiary as director
BCPG Biopower 2 Co., Ltd.	Thailand	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, and representative from the subsidiary as director
BCPG Investment Holdings Pte. Ltd.	Singapore	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, some common directors

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### Bangchak Corporation Public Company Limited and its Subsidiaries

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Name of entities	Country of incorporation/ nationality	Nature of relationships
BSE Energy Holdings Pte. Ltd.	Singapore	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, and representative from the Company as director
BCPG Japan Corporation	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, and representative from the subsidiary as director
Greenergy Holdings Pte. Ltd.	Singapore	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, and representative from the subsidiary as director
Greenergy Power Pte. Ltd.	Singapore	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, and representative from the subsidiary as director
Tarumizu Solar Solutions Godo Kaisha	Japan	Indirect subsidiary of the Company, Shareholding 51% by subsidiary
Nakatsugawa PV Godo Kaisha	Japan	Indirect Subsidiary of the subsidiary, affiliate in TK investment
Godo Kaisha Inti	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Takamori PV Godo Kaisha	Japan	Indirect Subsidiary of the subsidiary, affiliate in TK investment
Nojiri PV Godo Kaisha	Japan	Indirect Subsidiary of the subsidiary, affiliate in TK investment
God Kaisha Aten	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Nikaho PV Godo Kaisha	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Gotenba 2 PV Godo Kaisha	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Horus	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Yabuki PV Godo Kaisha	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Komagane PV Godo Kaisha	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Helios	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Lugh	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Phoenix	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Gotenba 1 PV Godo Kaisha	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Komagane Land Lease Godo Kaisha	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary

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### Bangchak Corporation Public Company Limited and its Subsidiaries

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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Nagi PV Godo Kaisha	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Natosi	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Amaterasu	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Mithra	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Sol	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Saule	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Shamash	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Pusan	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Apolo	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Surya	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Nagi Land Lease Godo Kaisha	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Rangsi	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Dazbog	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Narang	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Malina	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
Godo Kaisha Legba	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
J2 Investor Godo Kaisha	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
J1 Investor Godo Kaisha	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary
BCPG Engineering Company	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, and representative from the subsidiary as director
Godo Kaisha Tarumi Takatoge	Japan	Indirect Subsidiary of the subsidiary, affiliate in TK investment
Huang Ming Japan Company Limited	Japan	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, and representative from the subsidiary as director



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Name of entities	Country of incorporation/ nationality	Nature of relationships
BCPG Wind Cooperatief U.A.	Netherlands	Indirect subsidiary of the Company, Shareholding 100% by subsidiary, and representative from the subsidiary as director
PetroWind Energy Inc.	Philippines	Indirect subsidiary of the Company, Shareholding 40% by subsidiary, and representative from the subsidiary as director
Star Energy Group Holdings Pte. Ltd.	Singapore	Indirect subsidiary of the Company, Shareholding 33.33% by subsidiary, and representative from the subsidiary as director
Nido Petroleum Limited Group	Australia/ British Virgin Islands/ Bahrain	Indirect Subsidiary, Shareholding 100 % and 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	Pricing policies
Sale of goods	Market price/ Contractually agreed prices
Rendering of service	Contractually agreed prices
Purchase of goods/raw materials	Market price/ Contractually agreed prices
Receiving of services	Contractually agreed prices
Management service fee	Contractually agreed prices
Royalty expense	Contractually agreed prices
Interest expense	Contractually agreed rate with reference to market rate and contract rate

Significant transactions with related parties for the year ended 31 December as follows;

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Subsidiaries and indirect subsidiaries</b>				
Sales of goods	-	-	34,167.59	28,421.53
Purchases of goods	-	-	13,026.21	5,820.77
Other income	-	-	104.80	109.05
Dividend income	-	-	994.03	861.03
Interest income	-	-	136.41	327.27
Interest expenses	-	-	-	0.32
Other expenses	-	-	61.79	43.45

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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For the year ended 31 December 2017

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Associate, indirect associate and joint venture</b>				
Sales of goods	27.62	20.81	27.62	20.81
Purchase of goods	1,487.59	1,373.74	1,487.59	1,373.74
Dividend income	-	-	21.27	-
Other expense	261.30	-	261.30	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	267.80	218.87	145.61	130.40
Post-employment benefits and other long-term benefits	40.56	8.59	7.28	7.31
Share-based payments	21.82	-	-	-
<b>Total key management personnel Compensation</b>	<b>330.18</b>	<b>227.46</b>	<b>152.89</b>	<b>137.71</b>
<b>Other related parties</b>				
Dividend income	0.73	3.23	0.73	3.23
Other income	5.07	5.22	5.07	5.22
Pipeline transportation expenses	441.69	430.55	441.69	430.55

Balances as at 31 December with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Trade accounts receivable - related parties</b>				
Subsidiaries and indirect subsidiaries	-	-	1,703.31	1,103.01
Associate and indirect associate	2.03	2.00	2.03	2.00
Other related party	0.33	0.33	0.33	0.33
<b>Total</b>	<b>2.36</b>	<b>2.33</b>	<b>1,705.67</b>	<b>1,105.34</b>
Less allowance for doubtful accounts	-	-	-	-
<b>Net</b>	<b>2.36</b>	<b>2.33</b>	<b>1,705.67</b>	<b>1,105.34</b>
Bad and doubtful debts expense for the year	-	-	-	-
<b>Other receivables - related parties</b>				
<b>Dividend receivable</b>				
Subsidiary	-	-	-	210.00
<b>Other accounts receivable</b>				
Subsidiaries and indirect subsidiary	42.55	-	15.16	4.30
<b>Total</b>	<b>42.55</b>	<b>-</b>	<b>15.16</b>	<b>214.30</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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<i>Loans to related parties</i>	<b>Rate</b>		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016	2017	2016
	<i>(%)</i>		<i>(in million Baht)</i>			
<b>Long-term loans</b>						
<b>Subsidiary</b>						
Bangchak retail Co.,Ltd	4.2	-	-	-	90.00	-
<b>Indirect subsidiary</b>						
Nido Petroleum Limited	0.5-7.46	6.48-8.87	-	-	2,113.45	2,788.52
<b>Total</b>			<b>-</b>	<b>-</b>	<b>2,203.45</b>	<b>2,788.52</b>
<i>Less current portion due within one year</i>			-	-	-	-
<b>Total loans to related parties</b>			<b>-</b>	<b>-</b>	<b>2,203.45</b>	<b>2,788.52</b>

Movements during the year ended 31 December of loans to related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Short-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	-	389.62
Increase	-	-	-	620.00
Decrease	-	-	-	(1,000.98)
Effect of change in exchange rates	-	-	-	(8.64)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Long-term loans</b>				
<b>Subsidiaries and indirect subsidiary</b>				
At 1 January	-	-	2,788.52	9,186.44
Increase	-	-	90.00	1,500.00
Decrease	-	-	(431.91)	(7,845.20)
Effect of change in exchange rates	-	-	(243.16)	(52.72)
<i>Less current portion due within one year</i>	-	-	-	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>2,203.45</b>	<b>2,788.52</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Trade accounts payable - related parties</b>				
Subsidiaries and indirect subsidiaries	-	-	645.45	636.93
Indirect associates	128.98	128.06	128.98	128.06
<b>Total</b>	<b>128.98</b>	<b>128.06</b>	<b>774.43</b>	<b>764.99</b>
<b>Other accounts payable - related parties</b>				
Subsidiaries and indirect subsidiaries	-	-	12.88	17.91
Associates and joint venture	12.42	-	12.42	-
Other related party	43.38	41.02	43.38	41.02
<b>Total</b>	<b>55.80</b>	<b>41.02</b>	<b>68.68</b>	<b>58.93</b>
<b>Investment in subsidiaries (Note 11)</b>	<b>-</b>	<b>-</b>	<b>12,610.48</b>	<b>11,638.76</b>
<b>Investment in associates and joint ventures (Note 12)</b>	<b>14,400.16</b>	<b>839.62</b>	<b>73.00</b>	<b>807.55</b>
<b>Other non-current assets</b>				
Indirect subsidiary	-	-	312.70	176.74
Other related party	13.91	17.32	13.91	17.32
<b>Total</b>	<b>13.91</b>	<b>17.32</b>	<b>326.61</b>	<b>194.06</b>
<b>Other current liabilities</b>				
Subsidiaries	-	-	6.00	35.72
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6.00</b>	<b>35.72</b>
<b>Other non-current liabilities</b>				
Other related party	2.50	2.97	2.50	2.97
<b>Total</b>	<b>2.50</b>	<b>2.97</b>	<b>2.50</b>	<b>2.97</b>

#### Significant agreements with related parties

##### Fuel Pipeline Transportation Agreement

During 1997, 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.

##### Bio-diesel Sales and Purchase Agreement

During 2014, the Company entered into a Bio-diesel Sales and Purchase Agreement with a indirect subsidiary for a period of eight years effective from August 2016. The Company will purchase bio-diesel oil at yearly average volumes not less than 60% of maximum bio-diesel production capacity at the market prices as stipulated in the agreement.

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#### ***Bio-ethanol Sales and Purchase Agreement***

During 2016, the Company entered into a Bio-ethanol Sales and Purchase Agreement with a indirect subsidiary to start from the commencement of the Bio-ethanol Plant's commercial operations. The Company will purchase bio-ethanol oil at yearly average volumes not less than 70% of maximum bio-ethanol production capacity at the market prices as stipulated in the agreement. Subsequently, in 2017, the Company entered into a Bio-ethanol Sales and Purchase Agreement with certain subsidiary which will replace the previous Bio-ethanol Sales and Purchase Agreement since 1 January 2018. The Company will purchase bio-ethanol oil at yearly average volumes not less than 50% of maximum bio-ethanol production capacity of subsidiaries at the market prices as stipulated in the agreement.

#### ***Service Station Operating Right Agreement***

During 2013, the Company entered into Service Station Operating Right Agreement which include the right to operate related business within service station with a subsidiary for a period of 5 years. The subsidiary agreed to pay the fee at agreed prices and conditions as stipulated in the agreement.

#### ***Store Operation Right Agreement***

During 2013, the Company entered into Store Operation Right Agreement with a subsidiary for a period of 5 years to operate retail stores within service stations under the Company's brand. The subsidiary agreed to pay the fee under agreed prices and conditions as stipulated in the agreement.

#### ***Management Service Agreement***

In December 2017, the Company has entered into information technology service agreement with BCPG Public Company Limited, a subsidiary of the Company. The Company is responsible for management information system and service to such subsidiary. The agreement term is for a period of 1 year and 4 months effective from 1 August 2017 to 31 December 2018. The service fee is stipulated in the agreement.

The Company entered into management service agreement with subsidiaries and indirect subsidiaries for general management service. 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***

In December 2015, 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.

In October 2016, 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***

In December 2015, 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

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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***

In 2016, the Company has entered into operating rights agreement with a subsidiary to jointly developed retail area under brand of SPAR for a period of 20 years. The subsidiary agree to pay operating right fee as stipulated in the agreement.

#### ***Store Management Rights Agreement***

In 2016, the Company has entered into coffee shop and food operating rights agreement with a subsidiary. The Company agreed to pay the operating rights fee in accordance with obligation under 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 during the first quarter of 2016, and during the fourth quarter of 2017, the Company has restructured a loan with the subsidiary by revision of interest rate and repayment conditions.

In July 2017, 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 31 December 2017, 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 200 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 entered into guarantee agreement with BCPG Engineering Company in accordance with solar power system operation and maintenance 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 28.02 million and JPY 42.00 million per annum respectively, with a guarantee facility totalling JPY 280.20 million and JPY 504 million respectively, covering the period of 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.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

BCPG Public Company Limited, a subsidiary of the Company 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*

In July 2017, the Company, 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.

## 6 Cash and cash equivalents

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Cash on hand	186.78	110.18	0.40	0.62
Cash at banks - current accounts	1,236.99	8,313.07	289.33	293.99
Cash at banks - savings accounts	5,149.09	8,576.50	2,587.77	6,577.79
Highly liquid short-term investments	3,533.02	2,286.90	3,500.00	2,000.00
<b>Total</b>	<b>10,105.88</b>	<b>19,286.65</b>	<b>6,377.50</b>	<b>8,872.40</b>

As at 31 December 2017, certain indirect subsidiaries has a restricted deposits at financial institution totaling Baht 272.54 million (2016: Baht 734.47 million) under the long-term loan agreement with several financial institutions which required such indirect subsidiaries to obtain a permission on withdrawal of restricted deposits with the financial institution.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### 7 Investments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Current investment</b>				
Short-term deposits at financial institutions	219.58	1,719.32	200.00	1,000.00
	<b>219.58</b>	<b>1,719.32</b>	<b>200.00</b>	<b>1,000.00</b>
<b>Other long-term investments</b>				
Available-for-sale equity security				
Lithium Americas Corp.	4,060.66	429.19	-	-
Non-marketable equity securities				
Fuel Pipeline Transportation Ltd.	234.03	234.03	234.03	234.03
Core Flexible Fund (CORE)	-	112.46	-	112.46
Less: Allowance for impairment	-	(39.24)	-	(39.24)
Others	49.03	-	-	-
<b>Non-marketable equity securities - net</b>	<b>4,343.72</b>	<b>736.44</b>	<b>234.03</b>	<b>307.25</b>
Debt securities held to maturity				
Government bonds	3.00	3.00	3.00	3.00
Add: Premium on investments	0.01	0.03	0.01	0.03
<b>Debt securities held to maturity - net</b>	<b>3.01</b>	<b>3.03</b>	<b>3.01</b>	<b>3.03</b>
<b>Other long-term investments</b>	<b>4,346.73</b>	<b>739.47</b>	<b>237.04</b>	<b>310.28</b>
<b>Total</b>	<b>4,566.31</b>	<b>2,458.79</b>	<b>437.04</b>	<b>1,310.28</b>

On 14 July 2017, BCP Innovation Pte. Ltd. "BCPI", a subsidiary of the Company paid for additional investment in Lithium Americas Corp. "LAC" amounting 50 million shares at the price of CAD 0.85, totalling investment value of CAD 42.50 million or approximately to Baht 1,088.90 million, resulting in an increase in ownership interest from 5.2% to 16.1%.

Movement of available-for-sale equity security during the year ended 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Other long-term investments</b>				
<b>Available-for-sale equity security</b>				
At 1 January	429.19	192.04	-	-
Acquisition	1,088.90	-	-	-
Disposal	(1.01)	-	-	-
Valuation adjustment	2,721.93	234.92	-	-
Effect of movement in exchange rate	(178.35)	2.23	-	-
<b>At 31 December</b>	<b>4,060.66</b>	<b>429.19</b>	<b>-</b>	<b>-</b>



## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### 8 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in million Baht)</i>			
Related parties	5	2.36	2.33	1,705.67	1,105.34
Other parties		7,528.93	6,039.71	5,583.29	5,389.68
<b>Total</b>		<b>7,531.29</b>	<b>6,042.04</b>	<b>7,288.96</b>	<b>6,495.02</b>
Less: allowance for doubtful accounts		(19.90)	(20.06)	(19.90)	(20.03)
<b>Net</b>		<b>7,511.39</b>	<b>6,021.98</b>	<b>7,269.06</b>	<b>6,474.99</b>
(Reversal of) bad and doubtful debts expense for the year		0.24	(1.23)	(0.10)	(1.69)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Related parties</b>				
Within credit terms	2.36	2.33	1,705.67	1,105.34
Less: allowance for doubtful accounts	-	-	-	-
<b>Net</b>	<b>2.36</b>	<b>2.33</b>	<b>1,705.67</b>	<b>1,105.34</b>
<b>Other parties</b>				
Within credit terms	7,214.72	5,902.57	5,314.44	5,258.35
Overdue:				
Less than 3 months	282.12	115.81	245.56	110.01
3-6 months	5.04	0.64	0.16	0.64
6-12 months	6.67	0.89	2.75	0.89
Over 12 months	20.38	19.80	20.38	19.79
	<b>7,528.93</b>	<b>6,039.71</b>	<b>5,583.29</b>	<b>5,389.68</b>
Less: allowance for doubtful accounts	(19.90)	(20.06)	(19.90)	(20.03)
<b>Net</b>	<b>7,509.93</b>	<b>6,019.65</b>	<b>5,563.39</b>	<b>5,369.65</b>
<b>Total</b>	<b>7,511.39</b>	<b>6,021.98</b>	<b>7,269.06</b>	<b>6,474.99</b>

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

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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For the year ended 31 December 2017

#### 9 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in million Baht)</i>			
<b>Related parties</b>	5	<b>42.55</b>	<b>-</b>	<b>15.16</b>	<b>214.30</b>
<b>Other parties</b>					
Receivable from oil hedging contracts		149.56	9.79	149.56	9.79
Prepaid expenses		116.71	428.93	61.42	386.44
Advance payment for solar site preparation		-	352.48	-	-
Advance payment		284.32	-	-	-
Value added tax refund		308.67	425.55	96.82	102.65
Other accounts receivable		438.45	451.24	251.07	185.79
<b>Total</b>		<b>1,340.26</b>	<b>1,667.99</b>	<b>574.03</b>	<b>898.97</b>

#### 10 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Crude oil and other raw materials	8,609.81	8,464.85	7,463.97	8,133.28
Finished oil products	5,932.43	5,117.59	5,254.93	4,599.02
Materials and supplies	1,059.78	919.20	979.20	830.39
Consumer products	103.34	45.99	-	-
Semi-finished products	155.59	124.94	-	-
	15,860.95	14,672.57	13,698.10	13,562.69
<i>Less: allowance for obsolete and slow moving</i>	(125.48)	(104.85)	(125.32)	(104.56)
<i>allowance for decline in value</i>	(15.08)	(7.25)	-	-
<b>Net</b>	<b>15,720.39</b>	<b>14,560.47</b>	<b>13,572.78</b>	<b>13,458.13</b>
Cost of inventories which is recognized as an expense and included in cost of sale of goods				
- Cost	92,252.48	68,706.38	88,628.25	69,794.23
- Write-down to net realisable value	7.83	7.25	-	-
- Reversal of write-down	-	(105.47)	-	(104.95)
<b>Total</b>	<b>95,260.31</b>	<b>68,608.16</b>	<b>88,628.25</b>	<b>69,689.28</b>

As at 31 December 2017 and 2016, the Company's inventories included petroleum legal reserve of 407.99 million liters with approximated value of Baht 5,601.79 million and 395.98 million liters with approximated value of Baht 4,877.02 million, respectively.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### 11 Investments in subsidiaries

	<b>Separate financial statements</b>	
	2017	2016
	<i>(in million Baht)</i>	
<b><i>Subsidiaries</i></b>		
At 1 January	11,638.76	6,144.72
Acquisitions	2,886.90	5,443.58
Disposals	(622.05)	-
Reversal of impairment (loss)	(1,293.13)	50.46
<b>At 31 December - net</b>	<b><u>12,610.48</u></b>	<b><u>11,638.76</u></b>

# Notes to the financial statements

## Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

Investments in subsidiaries as at 31 December 2017 and 2016, and dividend income from the investment for the years then ended were as follows:

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<i>Subsidiaries and indirect subsidiaries</i>	(%)		(in million Baht)									
The Bangchak Green Net Co., Ltd.	49.00	49.00	1.00	1.00	0.49	0.49	-	-	0.49	0.49	49.00	-
The Bangchak Biofuel Co., Ltd.	-	70.00	281.50	281.50	-	197.05	-	-	-	197.05	105.03	105.03
BCPG Public Co., Ltd.	70.27	70.35	9,961.52	9,950.00	7,000.00	7,000.00	-	-	7,000.00	7,000.00	840.00	756.00
Bangchak Retail Co., Ltd.	100.00	100.00	800.00	800.00	800.00	800.00	-	-	800.00	800.00	-	-
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	-	85.00	500.00	500.00	-	425.00	-	-	-	425.00	-	-
BCP Energy International Pte Ltd.	100.00	100.00	3,673.44	3,635.95	3,673.44	3,635.95	(1,932.56)	(639.42)	1,740.88	2,996.53	-	-
BCP Innovation Pte. Ltd.	100.00	100.00	1,333.96	184.54	1,333.96	184.54	-	-	1,333.96	184.54	-	-
BCP Trading Pte. Ltd.	100.00	100.00	35.15	35.15	35.15	35.15	-	-	35.15	35.15	-	-
BBGI Co., Ltd.	60.00	-	2,532.00	-	1,700.00	-	-	-	1,700.00	-	-	-
<b>Total</b>					<b>14,543.04</b>	<b>12,278.18</b>	<b>(1,932.56)</b>	<b>(639.42)</b>	<b>12,610.48</b>	<b>11,638.76</b>	<b>994.03</b>	<b>861.03</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### *Business restructuring*

On 24 March 2017, the Company established BBP Holding Co., Ltd, incorporated in Thailand, representing a 100% ownership with initial registered capital of Baht 700 million (divided into 70 million shares at par value of Baht 10 per share) for the purpose of operation of biological products and for the Group's restructuring. The Company has paid the call up shares totalling Baht 700 million.

At the Extraordinary Meeting of the Shareholders of BBP Holding Co., Ltd, held on 29 May 2017, the shareholders approved the increase of registered share capital from Baht 700 million (divided into 70 million shares at par value of Baht 10 per share) to Baht 1,700 million (divided into 170 million shares at par value of Baht 10 per share). The subsidiary had called up and received full payment of paid-up capital in June 2017.

On 1 June 2017, the Company divested 70% and 85% of the investments in subsidiaries in ordinary shares of Bangchak Biofuel Co., Ltd. and Bangchak Bioethanol (Chachoengsao) Co., Ltd., respectively, to BBP Holding Co., Ltd., a subsidiary of the Company, for a consideration totalling Baht 869.72 million which based on book value of net assets.

On 19 July 2017, the Company has entered into agreement with Khon Kaen Sugar Industry PCL for the amalgamation between BBP Holding Co., Ltd, a subsidiary of the Company and KSLGI Co., Ltd., a subsidiary of Khon Kaen Sugar Industry PCL which established in order to accept the transfer and hold 99.99% of total issued share in KSL Green Innovation PCL. The amalgamation is completed on 31 October 2017 and BBGI Co., Ltd. is a company resulting from amalgamation. The Company holds 60% of total shares in new company.

#### *Change in investment in subsidiaries*

At the Extraordinary Meeting of the Shareholders of BCP Energy International Pte Ltd., the shareholders approved the increase of registered share capital from USD 20.74 million (divided into 20.74 million shares at par value of USD 1 per share) to USD 21.84 million (divided into 21.84 million shares at par value of USD 1 per share). As of 24 May 2017, the subsidiary had called up and received full payment of paid-up capital in June 2017.

In June 2017, BCP Energy International Pte Ltd. acquired all the remaining of NIDO's share from minority shareholders which increase ownership interest from 96.98% to 100%. Following acquisition completion, NIDO Petroleum Limited had delisted from the Australian Stock Exchange.

At the Extraordinary Meeting of the Shareholders of BCP Innovation Pte., Ltd. held on 20 June 2017, the shareholders approved the increase of registered share capital from USD 5.15 million (divided into 5.15 million shares at par value of USD 1 per share) to USD 37.26 million (divided into 37.26 million shares at par value of USD 1 per share). The subsidiary had called up and received full payment of paid-up capital in July 2017. On 19 December 2017, the shareholders approved the increase of registered share capital by 1.5 million (divided into 1.5 million shares at par value of USD 1 per share). The subsidiary had called up and received full payment of paid-up capital in December 2017. The outstanding share capital USD 38.76 million (divided into 38.76 million shares at par value of USD 1 per share).

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### *Impairment of oil exploration & production assets and investment in subsidiaries*

The outlook for oil market continues to be challenging and future oil prices is still continuing to fluctuate. During 2017, the Group concluded to cease the development plan in Mid-Galoc because the development is not commercially viable.

The recoverable amount calculated based on the estimated future cash flows are discounted to their present value. The key assumptions used in the cash flow projections include the oil prices, oil reserve, production profile, discount rates, and capital expenditure. The key assumption were estimated by the Management. The forecast oil price are based on the world market and upon past experience of the industry. Production profiles are based on a proved and probable reserve and also the long-term view of global supply and demand. The discount rate is derived from weighted average cost of capital of the Group. The capital expenditure was determined based on project management estimation and long term planning.

The Group recognized impairment loss (reversal) in consolidated statement of income for the year end 31 December 2017 and 2016 as follows;

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in million Baht)</i>			
<b>Impairment losses (reversal)</b>					
Investment in subsidiary (BCP Energy International Pte. Ltd.)		-	-	1,293.13	(50.46)
Property, plant and equipment	14	63.30	(38.19)	-	-
Intangible assets	16	1,464.89	-	-	-
<b>Total</b>		<b>1,528.19</b>	<b>(38.19)</b>	<b>1,293.13</b>	<b>(50.46)</b>

The sensitivity analysis in the key assumption was estimated. The calculations were performed assuming a change to the variable being tested only. It is estimated that if the oil price assumption for all future years were to be increased by around 15.17%, this would cause the reversal of the additional allowance for impairment loss recognized during the year.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### 12 Investments in associate and joint ventures

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Associate</b>				
At 1 January	795.59	774.33	763.23	763.23
Increase	12,878.00	-	-	-
Decrease	-	-	(763.23)	-
Share of profit of associate	811.20	21.26	-	-
Share of other comprehensive income (loss) of investment of association	(20.01)	-	-	-
Dividend income	(63.83)	-	-	-
Effect of change in exchange rates	(77.70)	-	-	-
<b>At 31 December</b>	<b>14,323.25</b>	<b>795.59</b>	<b>-</b>	<b>763.23</b>
<b>Joint ventures</b>				
At 1 January	44.03	-	44.32	-
Increase	28.68	44.32	28.68	44.32
Share of profit (loss) of joint ventures	4.20	(0.29)	-	-
<b>At 31 December</b>	<b>76.91</b>	<b>44.03</b>	<b>73.00</b>	<b>44.32</b>
<b>Total</b>				
At 1 January	839.62	774.33	807.55	763.23
Increase	12,906.68	44.32	28.68	44.32
Decrease	-	-	(763.23)	-
Share of profit of associate and joint ventures	815.40	20.97	-	-
Share of other comprehensive income (loss) of investment of associate	(20.01)	-	-	-
Dividend income	(63.83)	-	-	-
Effect of change in exchange rates	(77.70)	-	-	-
<b>At 31 December</b>	<b>14,400.16</b>	<b>839.62</b>	<b>73.00</b>	<b>807.55</b>

#### *Acquisitions*

##### ***PetroWind Energy Inc.***

On 17 March 2017, BCPG Public Company Limited, a subsidiary of the Company signed Sale and Purchase Agreement with CAIF III Pte. Ltd. (the "Seller") to acquire the entire interest in CapAsia ASEAN Wind Holdings Cooperatief U.A. incorporated in The Netherlands, a holding company holding 40% interest in PetroWind Energy Inc. which owns operating 36 MW wind power plant project and a development of 14 MW Wind Power Project, located in Nabas, the Philippines. On 16 May 2017, the subsidiary and the Seller have already completed the condition precedent as specified in the Sale and Purchase Agreement. BCPG Investment Holdings Pte. Ltd., an indirect subsidiary within the group settled the payment of USD 26.49 million for the shares and received the share transfer of CapAsia ASEAN Wind Holding Cooperatief U.A. Subsequently, changed the name to BCPG Wind Cooperatief U.A.

Management believes that by acquired this investment will enable the group to expand their investment in other renewable energy business in South-East Asia.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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For the year ended 31 December 2017

The Group has hired an independent appraiser to determine the fair value of net assets at the acquisition date, finalisation of the fair value of net assets from acquisition of investment in associate was completed in the fourth quarter of 2017.

Detail of the consideration paid for the investments and fair value of net assets acquired according to Group's interest recognised at the acquisition date are as follows;

	<i>(in million Baht)</i>
Power purchase agreements	966.41
Other net assets acquired	316.98
Gain on bargain purchase (recognised in share of profit of associates)	(361.82)
<b>Consideration paid – cash</b>	<b><u>921.57</u></b>

The fair value of power purchase agreements was determined by an independent appraiser based on income approach using the Multi-period Excess Earning Method (MEEM) with operating period of 25 years under power purchase agreements. Key assumptions included forecast revenue and discount rate.

#### ***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, the subsidiary settled the payment of USD 355.69 million (approximately Baht 11,956.43 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.

The Group has hired an independent appraiser to determine the fair value of net assets acquired at acquisition date. However, the report on the review has not yet been finalised, and the fair value of net assets acquired from the acquisition of investment in associate is provisionally recognised at value based on management estimates. The result of the appraisal will be subsequently used to amend the fair value of net assets acquired.

Detail of the consideration paid for the investments and fair value of net assets (liabilities) acquired according to Group's interest recognised at the acquisition date are as follows;

	<i>(in million Baht)</i>
Power purchase agreements and concession right	21,442.60
Other net assets (liabilities) acquired	(9,190.41)
Gain on bargain purchase (recognised in share of profit of associates)	(295.76)
<b>Consideration paid - cash</b>	<b><u>11,956.43</u></b>

The fair value of power purchase agreements 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.



## *Notes to the financial statements*

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

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### *Disposals*

On 1 June 2017, the Company divested 21.28% of the investment in associate in ordinary shares of Ubon Bio Ethanol Co., Ltd. for a consideration totaling Baht 763.23 million to BBP Holding Co., Ltd, a subsidiary of the Company in accordance with business restructuring plan of the Group.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

Investments in associates and joint ventures as at 31 December 2017 and 2016, and dividend income from those investments for the years then ended, were as follows:

#### Consolidated financial statements

	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income			
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016		
	%		(in million Baht)													
<b>Associate</b>																
Ubon Bio Ethanol Co., Ltd.	21.28	21.28	2,740.00	2,740.00	763.23	763.23	793.53	795.59	-	-	793.53	795.59	63.83	-		
PetroWind Energy Inc.	40.00	-	894.79	-	921.57	-	1,185.13	-	-	-	1,185.13	-	-	-		
Star Energy Group Holding Pte. Ltd.	33.33	-	28,236.60	-	11,956.43	-	12,344.59	-	-	-	12,344.59	-	-	-		
					<u>13,641.23</u>	<u>763.23</u>	<u>14,323.25</u>	<u>795.59</u>	<u>-</u>	<u>-</u>	<u>14,323.25</u>	<u>795.59</u>	<u>63.83</u>	<u>-</u>		
<b>Joint ventures</b>																
Bongkot Marine Services Co., Ltd.	30.00	30.00	240.00	144.40	72.00	43.32	75.78	43.06	-	-	75.78	43.06	-	-		
Oam Suk Social Enterprise Co., Ltd.	40.00	40.00	2.50	2.50	1.00	1.00	1.13	0.97	-	-	1.13	0.97	-	-		
					<u>73.00</u>	<u>44.32</u>	<u>76.91</u>	<u>44.03</u>	<u>-</u>	<u>-</u>	<u>76.91</u>	<u>44.03</u>	<u>-</u>	<u>-</u>		
<b>Total</b>					<u>13,714.23</u>	<u>807.55</u>	<u>14,400.16</u>	<u>839.62</u>	<u>-</u>	<u>-</u>	<u>14,400.16</u>	<u>839.62</u>	<u>63.83</u>	<u>-</u>		

None of the Group's equity-accounted investee is publicly listed and consequently does not have published price quotations.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(%)						(in million Baht)					
<b>Associate</b>												
Ubon Bio Ethanol Co., Ltd.	-	21.28	2,740.00	2,740.00	-	763.23	-	-	-	763.23	21.27	-
					<u>-</u>	<u>763.23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>763.23</u>	<u>21.27</u>	<u>-</u>
<b>Joint ventures</b>												
Bongkot Marine Services Co., Ltd.	240.00	30.00	240.00	144.40	72.00	43.32	-	-	72.00	43.32	-	-
Oam Suk Social Enterprise Co., Ltd.	2.50	40.00	2.50	2.50	1.00	1.00	-	-	1.00	1.00	-	-
					<u>73.00</u>	<u>44.32</u>	<u>-</u>	<u>-</u>	<u>73.00</u>	<u>44.32</u>	<u>-</u>	<u>-</u>
<b>Total</b>					<u>73.00</u>	<u>807.55</u>	<u>-</u>	<u>-</u>	<u>73.00</u>	<u>807.55</u>	<u>21.27</u>	<u>-</u>

None of the Company's equity-accounted investee is publicly listed and consequently does not have published price quotations.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

[Formerly: The Bangchak Petroleum Public Company Limited]

For the year ended 31 December 2017

The following table summarises the financial information of the associates included in associate's financial statements.

	Ubon Bio Ethanol Co., Ltd.		PetroWind Energy Inc.		Star Energy Group Holdings Pte. Ltd	
	2017	2016	2017	2016	2017	2016
	<i>(in million Baht)</i>					
<b>For the year ended 31 December 2017</b>						
<b>Statement of income</b>						
Revenue	4,689.50	3,550.38	546.24	-	13,978.28	-
Net profit	308.19	99.94	147.55	-	3,142.82	-
Other comprehensive income (loss)	-	-	-	-	(110.26)	-
<b>Total comprehensive income for the year</b>	<b>308.19</b>	<b>99.94</b>	<b>147.55</b>	<b>-</b>	<b>3,032.55</b>	<b>-</b>
<b>Group's share of total comprehensive income</b>	<b>61.77</b>	<b>21.26</b>	<b>1.06</b>	<b>-</b>	<b>312.58</b>	<b>-</b>
<b>As at 31 December 2017</b>						
<b>Statement of financial position</b>						
Current assets	1,653.15	1,209.67	578.72	-	9,784.56	-
Non-current assets	5,735.03	5,783.53	2,867.83	-	95,796.09	-
Current liabilities	(3,301.86)	(2,477.00)	(465.41)	-	(7,121.13)	-
Non-current liabilities	(1,144.97)	(1,585.88)	(1,840.18)	-	(76,993.23)	-
<b>Net assets (100%)</b>	<b>2,941.35</b>	<b>2,930.32</b>	<b>1,140.96</b>	<b>-</b>	<b>21,466.29</b>	<b>-</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### *Immaterial joint ventures*

The following is summarized financial information for the Group's interest in immaterial joint ventures based on the amounts reported in the Group's consolidated financial statements:

	2017	2016
	<i>(in million Baht)</i>	
Carrying amount of interests in immaterial joint ventures	73.00	44.32
Group's share of:		
- Profit (loss) for the year	4.20	(0.29)
- Other comprehensive income	-	-
- <b>Total comprehensive income (loss)</b>	<u><u>4.20</u></u>	<u><u>(0.29)</u></u>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### 13 Investment Property

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Cost</b>				
At 1 January	359.60	459.34	359.60	459.34
Transfer to property, plant and equipment	(16.16)	(99.74)	(16.16)	(99.74)
<b>At 31 December</b>	<b><u>343.44</u></b>	<b><u>359.60</u></b>	<b><u>343.44</u></b>	<b><u>359.60</u></b>
<b>Depreciation and impairment losses</b>				
At 1 January	-	-	-	-
<b>At 31 December</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net book value</b>				
At 1 January	<u>359.60</u>	<u>459.34</u>	<u>359.60</u>	<u>459.34</u>
<b>At 31 December</b>	<b><u>343.44</u></b>	<b><u>359.60</u></b>	<b><u>343.44</u></b>	<b><u>359.60</u></b>

During 2017 and 2016, the Company transferred partial of investment property to land, since the Company starting the land development for the construction of oil service station and training center.

Investment property were revalued as at 31 December 2017 and 2016 by an independent professional valuer, at market comparison value with appraised value totalling Baht 793.21 million (2016: Baht 793.21 million).

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### 14 Property, plant and equipment

##### (a) The Group

	<b>Consolidated financial statements</b>										
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Exploration and production of petroleum assets <i>(in million Baht)</i>	Marketing and office equipments	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
<b>Cost</b>											
At 1 January 2016	1,410.79	2,276.60	39,569.88	9,180.25	8,541.37	5,229.95	239.26	288.84	27.78	3,466.17	70,230.89
Acquired through business acquisition	61.57	42.04	-	1,001.07	-	11.70	-	1.22	-	292.75	1,410.35
Additions	405.46	190.95	576.82	5.77	-	34.68	-	20.19	-	8,471.72	9,705.59
Transfers	398.24	526.79	3,413.18	1,420.00	(24.30)	1,296.87	-	45.59	-	(7,074.05)	2.32
Disposals	-	(21.07)	(1,351.29)	-	-	(315.47)	-	(22.19)	-	-	(1,710.02)
Effect of movement in exchange rate	(15.80)	(0.58)	-	(31.37)	(61.42)	0.50	-	0.04	-	(60.71)	(169.34)
<b>At 31 December 2016 and 1 January 2017</b>	<b>2,260.26</b>	<b>3,014.73</b>	<b>42,208.59</b>	<b>11,575.72</b>	<b>8,455.65</b>	<b>6,258.23</b>	<b>239.26</b>	<b>333.69</b>	<b>27.78</b>	<b>5,095.88</b>	<b>79,469.79</b>
Acquired through business acquisition ( <i>Note 4</i> )	76.68	347.48	1,557.69	-	-	26.44	-	7.49	-	61.45	2,077.23
Additions	47.84	16.67	55.95	5.84	-	115.24	-	7.02	-	5,125.01	5,373.57
Transfers	935.33	216.46	3,833.83	1,364.02	-	1,458.73	-	60.46	-	(7,855.86)	12.97
Disposals	(63.62)	(4.70)	(21.40)	(18.16)	-	(175.52)	-	(14.20)	-	(2.61)	(300.21)
Effect of movement in exchange rate	(20.72)	(11.92)	-	(171.33)	(743.31)	(0.85)	-	(0.07)	-	(59.49)	(1,007.69)
<b>At 31 December 2017</b>	<b>3,235.77</b>	<b>3,578.72</b>	<b>47,634.66</b>	<b>12,756.09</b>	<b>7,712.34</b>	<b>7,682.27</b>	<b>239.26</b>	<b>394.39</b>	<b>27.78</b>	<b>2,364.38</b>	<b>85,625.66</b>

# Notes to the financial statements

## Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

	<b>Consolidated financial statements</b>										
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Exploration and production of petroleum assets	Marketing and office equipments	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
<i>(in million Baht)</i>											
<b>Depreciation and impairment losses</b>											
At 1 January 2016	(14.08)	(745.55)	(19,094.19)	(572.56)	(5,810.30)	(3,755.33)	-	(193.66)	(1.31)	-	(30,186.98)
Depreciation charge for the year	-	(125.27)	(2,661.39)	(483.93)	(757.04)	(400.02)	-	(32.36)	(1.31)	-	(4,461.32)
(Losses) reversal of impairment losses	1.90	-	(0.19)	-	38.19	1.30	-	-	-	-	41.20
Transfers	-	(0.96)	-	-	-	0.96	-	-	-	-	-
Disposals	-	20.21	1,284.64	-	-	235.49	-	22.20	-	-	1,562.54
Effect of movement in exchange rate	-	0.64	-	3.77	32.19	0.06	-	0.01	-	-	36.67
<b>At 31 December 2016 and 1 January 2017</b>	<b>(12.18)</b>	<b>(850.93)</b>	<b>(20,471.13)</b>	<b>(1,052.72)</b>	<b>(6,496.96)</b>	<b>(3,917.54)</b>	<b>-</b>	<b>(203.81)</b>	<b>(2.62)</b>	<b>-</b>	<b>(33,007.89)</b>
Acquired through business acquisition	-	(47.46)	(518.45)	-	-	(17.25)	-	(2.75)	-	-	(585.91)
Depreciation charge for the year	-	(154.00)	(2,910.45)	(571.55)	(590.51)	(514.72)	-	(37.85)	(1.31)	-	(4,780.39)
(Losses) reversal of impairment losses	-	-	(6.45)	-	(63.30)	0.46	-	-	-	-	(69.29)
Disposals	-	0.91	11.76	0.61	-	167.30	-	14.20	-	-	194.78
Effect of movement in exchange rate	-	7.27	-	11.13	653.30	0.46	-	0.02	-	-	672.18
<b>At 31 December 2017</b>	<b>(12.18)</b>	<b>(1,044.21)</b>	<b>(23,894.72)</b>	<b>(1,612.53)</b>	<b>(6,497.47)</b>	<b>(4,281.29)</b>	<b>-</b>	<b>(230.19)</b>	<b>(3.93)</b>	<b>-</b>	<b>(37,576.52)</b>



## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

	<b>Consolidated financial statements</b>										
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Exploration and production of petroleum assets	Marketing and office equipments <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
<i>Net book value</i>											
<b>At 1 January 2016</b>	<b>1,396.71</b>	<b>1,531.05</b>	<b>20,475.69</b>	<b>8,607.69</b>	<b>2,731.07</b>	<b>1,474.62</b>	<b>239.26</b>	<b>95.18</b>	<b>26.47</b>	<b>3,466.17</b>	<b>40,043.91</b>
<b>At 31 December 2016 and 1 January 2017</b>	<b>2,248.08</b>	<b>2,163.80</b>	<b>21,737.46</b>	<b>10,523.00</b>	<b>1,958.69</b>	<b>2,340.69</b>	<b>239.26</b>	<b>129.87</b>	<b>25.16</b>	<b>5,095.88</b>	<b>46,461.89</b>
<b>At 31 December 2017</b>	<b>3,223.59</b>	<b>2,534.51</b>	<b>23,739.94</b>	<b>11,143.56</b>	<b>1,214.87</b>	<b>3,400.98</b>	<b>239.26</b>	<b>164.20</b>	<b>23.85</b>	<b>2,364.38</b>	<b>48,049.14</b>

During first quarter of 2017, BCPG Japan Corporation, an indirect subsidiary of the company, entered into Assets Sale and Purchase Agreement with third party to sell land, right to sell electricity and related assets of Suimei solar power plant project in Japan for a consideration of JPY 1,600 million (approximately Baht 494.25 million). The Group recognized gain on sale of assets totaling approximately Baht 61.53 million.

As at 31 December 2017, certain subsidiaries have mortgaged its land, buildings and machinery as collateral with financial institutions for credit facilities totaling Baht 15,600.27 million (2016: Baht 16,156.97 million).

Capitalised borrowing costs relating to construction of the new factory amounted to Baht 128.13 million (2016: Baht 122.64 million), with a capitalization rate of 1.45 – 5.01% (2016: 3.85-5.59%) (see note 32).

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2017 amounted to Baht 7,401.04 million (2016: Baht 6,180.05 million).

# Notes to the financial statements

## Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

### (b) The Company

#### 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
<b>Cost</b>									
At 1 January 2016	996.57	731.35	38,883.18	5,011.56	239.27	259.98	27.78	2,051.41	48,201.10
Additions	-	-	27.15	-	-	-	-	5,042.06	5,069.21
Transfers	335.89	24.50	2,085.48	1,288.90	-	45.59	-	(3,758.10)	22.26
Disposals	-	(15.40)	(1,349.39)	(390.40)	-	(20.79)	-	-	(1,775.98)
<b>At 31 December 2016 and 1 January 2017</b>	<b>1,332.46</b>	<b>740.45</b>	<b>39,646.42</b>	<b>5,910.06</b>	<b>239.27</b>	<b>284.78</b>	<b>27.78</b>	<b>3,335.37</b>	<b>51,516.59</b>
Additions	-	-	29.64	-	-	-	-	4,279.20	4,308.84
Transfers	951.14	3.67	3,795.00	1,416.08	-	59.23	-	(6,245.19)	(20.07)
Disposals	-	-	(8.99)	(172.26)	-	(5.57)	-	-	(186.82)
<b>At 31 December 2017</b>	<b>2,283.60</b>	<b>744.12</b>	<b>43,462.07</b>	<b>7,153.88</b>	<b>239.27</b>	<b>338.44</b>	<b>27.78</b>	<b>1,369.38</b>	<b>55,618.54</b>
<b>Depreciation and impairment losses</b>									
At 1 January 2016	(14.08)	(509.33)	(18,854.83)	(3,657.15)	-	(173.82)	(1.31)	-	(23,210.52)
Depreciation charge for the year (Losses) reversal of impairment losses	-	(35.94)	(2,565.42)	(355.42)	-	(27.30)	(1.31)	-	(2,985.39)
Transfer	1.90	-	(0.19)	1.30	-	-	-	-	3.01
Disposals	-	(0.96)	-	0.96	-	-	-	-	-
<b>At 31 December 2016 and 1 January 2017</b>	<b>(12.18)</b>	<b>(530.94)</b>	<b>(20,137.10)</b>	<b>(3,739.92)</b>	<b>-</b>	<b>(180.50)</b>	<b>(2.62)</b>	<b>-</b>	<b>(24,603.26)</b>
Depreciation charge for the year	-	(29.80)	(2,717.98)	(443.90)	-	(30.00)	(1.31)	-	(3,222.99)
Reversal of impairment losses	-	-	(6.45)	0.46	-	-	-	-	(5.99)
Disposals	-	-	6.16	165.07	-	5.57	-	-	176.78
<b>At 31 December 2017</b>	<b>(12.18)</b>	<b>(560.74)</b>	<b>(22,855.37)</b>	<b>(4,018.29)</b>	<b>-</b>	<b>(204.93)</b>	<b>(3.93)</b>	<b>-</b>	<b>(27,655.44)</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### 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
<i>Net book value</i>									
<b>At 1 January 2016</b>	<b>982.49</b>	<b>222.02</b>	<b>20,028.35</b>	<b>1,354.41</b>	<b>239.27</b>	<b>86.16</b>	<b>26.47</b>	<b>2,051.41</b>	<b>24,990.58</b>
<b>At 31 December 2016 and 1 January 2017</b>	<b>1,320.28</b>	<b>209.51</b>	<b>19,509.32</b>	<b>2,170.14</b>	<b>239.27</b>	<b>104.28</b>	<b>25.16</b>	<b>3,335.37</b>	<b>26,913.33</b>
<b>At 31 December 2017</b>	<b>2,271.42</b>	<b>183.38</b>	<b>26,606.70</b>	<b>3,135.59</b>	<b>239.27</b>	<b>133.51</b>	<b>23.85</b>	<b>1,369.38</b>	<b>27,963.10</b>

Capitalised borrowing costs relating to construction of the new plant amounted to Baht 125.49 million (2016: Baht 74.52 million), with a capitalization rate of 3.96 – 5.01% (2016: 3.85 - 5.59%) (see note 32).

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2017 amounted to Baht 7,181.16 million (2016: Baht 6,128.40 million).

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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For the year ended 31 December 2017

#### 15 Leasehold rights

	<b>Consolidated and Separate financial statements</b> <i>(in million Baht)</i>
<b>Cost</b>	
At 1 January 2016	3,091.79
Additions	451.30
Disposals	(58.36)
<b>At 31 December 2016 and 1 January 2017</b>	<b>3,484.73</b>
Addition	563.90
Disposals	(11.00)
<b>At 31 December 2017</b>	<b>4,037.63</b>
<b>Amortisation and impairment losses</b>	
At 1 January 2016	(1,448.29)
Amortisation charge for the year	(155.55)
Disposals	47.15
Reversal of impairment losses	11.00
<b>At 31 December 2016 and 1 January 2017</b>	<b>(1,545.69)</b>
Amortisation charge for the year	(185.93)
Disposals	5.34
<b>At 31 December 2017</b>	<b>(1,726.28)</b>
<b>Net book value</b>	
<b>At 1 January 2016</b>	<b>1,643.50</b>
<b>At 31 December 2016 and 1 January 2017</b>	<b>1,939.04</b>
<b>At 31 December 2017</b>	<b>2,311.35</b>

On 27 February 2004, The Treasury Department permitted the Company to settle by instalments, the leasehold fee of Baht 551.63 million for an extension of the lease agreement of state-owned land on which the Company's refinery is located. The initial lease agreement, which due for expiration on 1 April 2015, will be extended for period of 18 years under the new lease agreement, which will expire on 31 March 2033. The Company has extended the amortisation period of existing leasehold rights to 31 March 2033, which corresponds to the period of the new agreement. As at 31 December 2017 and 2016, the company has no remaining liability from the leasehold rights.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### 16 Intangible assets

	Consolidated financial statements				
	License fee and cost of development of computer software	Exploration and evaluation expenditure	Right to connect power distribution system and right to use land <i>(in million Baht)</i>	Power purchase agreement	Total
<b>Cost</b>					
At 1 January 2016	491.23	3,307.41	17.82	-	3,816.46
Acquired through business acquisition	25.11	-	84.11	1,680.43	1,789.65
Additions	437.91	54.81	22.82	-	515.54
Disposals	(0.28)	-	(4.14)	-	(4.42)
Effect of movements in exchange rates	(8.56)	(22.80)	1.36	47.11	17.11
<b>At 31 December 2016 and 1 January 2017</b>	<b>945.41</b>	<b>3,339.42</b>	<b>121.97</b>	<b>1,727.54</b>	<b>6,134.34</b>
Acquired through business combination	2.19	-	-	25.91	28.10
Additions	214.70	403.62	14.76	-	633.08
Disposals	(0.49)	-	(17.64)	(19.43)	(37.56)
Effect of movements in exchange rates	(12.58)	(308.46)	(5.09)	(101.22)	(427.35)
<b>At 31 December 2017</b>	<b>1,149.23</b>	<b>3,434.58</b>	<b>114.00</b>	<b>1,632.80</b>	<b>6,330.61</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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For the year ended 31 December 2017

#### Consolidated financial statements

	License fee and cost of development of computer software	Exploration and evaluation expenditure	Right to connect power distribution system and right to use land <i>(in million Baht)</i>	Power purchase agreement	Total
<b><i>Amortisation and impairment losses</i></b>					
At 1 January 2016	(281.17)	(756.38)	(0.06)	-	(1,037.61)
Amortisation for the year	(64.16)	-	(4.48)	(22.47)	(91.11)
Disposals	0.20	-	0.09	-	0.29
Effect of movements in exchange rates	-	5.32	0.19	1.20	6.71
<b>At 31 December 2016 and 1 January 2017</b>	<b>(345.13)</b>	<b>(751.06)</b>	<b>(4.26)</b>	<b>(21.27)</b>	<b>(1,121.72)</b>
Acquired through business combination	1.18)	-	-	-	(1.18)
Amortisation for the year	(100.31)	-	(3.70)	(29.69)	(133.70)
Disposals	0.49	-	-	-	0.49
Impairment losses <i>(Note 11)</i>	-	(1,464.89)	-	-	(1,464.89)
Effect of movements in exchange rates	0.04	119.04	0.31	2.50	121.89
<b>At 31 December 2017</b>	<b>(446.09)</b>	<b>(2,096.91)</b>	<b>(7.65)</b>	<b>(48.46)</b>	<b>(2,599.11)</b>
<b><i>Net book value</i></b>					
At 1 January 2016	210.06	2,551.03	17.76	-	2,778.85
At 31 December 2016 and 1 January 2017	600.28	2,588.36	117.71	1,706.27	5,012.62
At 31 December 2017	703.14	1,337.67	106.35	1,584.34	3,731.50

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

	<b>Separate financial statements</b>
	Right to use and cost of development of computer software (in million Baht)
<b>Cost</b>	
At 1 January 2016	478.20
Additions	184.89
Disposals	(0.28)
<b>At 31 December 2016 and 1 January 2017</b>	<b>662.81</b>
Additions	126.76
Disposals	(0.09)
<b>At 31 December 2017</b>	<b>789.48</b>
<b>Amortisation</b>	
At 1 January 2016	(273.33)
Amortisation for the year	(59.66)
Disposals	0.21
<b>At 31 December 2016 and 1 January 2017</b>	<b>(332.78)</b>
Amortisation for the year	(80.43)
Disposals	0.09
<b>At 31 December 2017</b>	<b>(413.12)</b>
<b>Net book value</b>	
At 1 January 2016	<b>204.87</b>
At 31 December 2016 and 1 January 2017	<b>330.03</b>
At 31 December 2017	<b>376.36</b>

#### 17 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	<b>Consolidated financial statements</b>			
	Assets		Liabilities	
	2017	2016	2017	2016
	(in million Baht)			
Total	1,226.95	860.22	(816.52)	(914.40)
Set off of tax	(226.93)	(313.71)	226.93	313.71
<b>Net deferred tax assets (liabilities)</b>	<b>1,000.02</b>	<b>546.51</b>	<b>(589.59)</b>	<b>(600.69)</b>
	<b>Separate financial statements</b>			
	Assets		Liabilities	
	2017	2016	2017	2016
	(in million Baht)			
Total	936.67	628.45	(36.85)	(118.38)
Set off of tax	(36.85)	(118.38)	36.85	118.38
<b>Net deferred tax assets</b>	<b>899.82</b>	<b>510.07</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

Movements in total deferred tax assets and liabilities during the year were as follows:

	<b>Consolidated financial statement</b>					<b>At 31 December 2017</b>
	<b>At 1 January 2017</b>	<u>(Charged)/Credited to:</u>			<b>Exchange differences</b>	
		Profit/loss <i>(Note 33)</i>	Other comprehensive income <i>(in million Baht)</i>	Acquired through business acquisition		
<b><i>Deferred tax assets</i></b>						
Loss from impairment of assets	170.96	254.63	-	0.37	-	425.59
Property, plant and equipment	279.14	20.07	-	0.22	(17.26)	282.17
Provisions for employee benefit	346.92	19.54	14.16	0.95	-	381.57
Loss carry forward	29.21	67.37	-	-	(2.41)	94.17
Others	33.99	9.46	-	-	-	43.45
<b>Total</b>	<b>860.22</b>	<b>370.70</b>	<b>14.16</b>	<b>1.54</b>	<b>(19.67)</b>	<b>1,226.95</b>
<b><i>Deferred tax liabilities</i></b>						
Property, plant and equipment	(351.10)	93.28	-	(62.62)	16.48	(303.96)
Intangible assets	(450.89)	6.72	-	(5.18)	31.57	(417.78)
Leasehold rights	(1.13)	0.07	-	-	-	(1.06)
Provision for the decommissioning cost	(94.58)	10.07	-	-	7.94	(76.57)
Others	(16.70)	(1.89)	-	-	1.44	(17.15)
<b>Total</b>	<b>(914.40)</b>	<b>108.25</b>	<b>-</b>	<b>(67.80)</b>	<b>57.43</b>	<b>(816.52)</b>
<b>Net</b>	<b>(54.18)</b>	<b>478.95</b>	<b>14.16</b>	<b>(66.26)</b>	<b>37.76</b>	<b>410.43</b>



## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### Consolidated financial statement

(Charged)/Credited to:

	<b>At 1 January 2016</b>	Profit/loss (Note 33)	Other comprehensive income <i>(in million Baht)</i>	Acquired through business acquisition	Exchange differences	<b>At 31 December 2016</b>
<b>Deferred tax assets</b>						
Loss from impairment of assets	185.43	(14.47)	-	-	-	170.96
Property, plant and equipment	257.44	22.82	-	-	(1.12)	279.14
Provisions for employee benefit	306.60	22.78	17.54	-	-	346.92
Loss carry forward	36.69	(6.80)	-	-	(0.68)	29.21
Inventories	20.99	(20.99)	-	-	-	-
Others	28.18	5.81	-	-	-	33.99
<b>Total</b>	<b>835.33</b>	<b>9.15</b>	<b>17.54</b>	<b>-</b>	<b>(1.80)</b>	<b>860.22</b>
<b>Deferred tax liabilities</b>						
Property, plant and equipment	(438.18)	82.26	-	-	4.82	(351.10)
Intangible assets	-	4.64	-	(442.86)	(12.67)	(450.89)
Leasehold rights	(1.20)	0.07	-	-	-	(1.13)
Provision for the decommissioning cost	(102.86)	14.04	-	(6.10)	0.34	(94.58)
Others	(13.96)	(2.80)	-	-	0.06	(16.70)
<b>Total</b>	<b>(556.20)</b>	<b>98.21</b>	<b>-</b>	<b>(448.96)</b>	<b>(7.45)</b>	<b>(914.40)</b>
<b>Net</b>	<b>279.13</b>	<b>107.36</b>	<b>17.54</b>	<b>(448.96)</b>	<b>(9.25)</b>	<b>(54.18)</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

	At 1 January 2017	Separate financial statements (Charged) / credited to		At 31 December 2017
		Profit/loss (Note 33)	Other comprehensive income	
		<i>(in million Baht)</i>		
<b><i>Deferred tax assets</i></b>				
Loss from impairment of assets	170.96	254.26	-	425.22
Property, plant and equipment	81.73	12.86	-	94.59
Provisions for employee benefit	341.83	16.96	14.68	373.47
Others	33.93	9.46	-	43.39
<b>Total</b>	<b>628.45</b>	<b>293.54</b>	<b>14.68</b>	<b>936.67</b>
<b><i>Deferred tax liabilities</i></b>				
Property, plant and equipment	(117.25)	81.46	-	(35.79)
Leasehold rights	(1.13)	0.07	-	(1.06)
<b>Total</b>	<b>(118.38)</b>	<b>81.53</b>	<b>-</b>	<b>(36.85)</b>
<b>Net</b>	<b>510.07</b>	<b>375.07</b>	<b>14.68</b>	<b>899.82</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

	At 1 January 2016	Separate financial statements (Charged) / credited to		At 31 December 2016
		Profit/loss (Note 33)	Other comprehensive income	
		(in million Baht)		
<b><i>Deferred tax assets</i></b>				
Loss from impairment of assets	185.43	(14.47)	-	170.96
Property, plant and equipment	74.21	7.52	-	81.73
Provisions for employee benefit	302.79	20.99	18.05	341.83
Inventories	20.99	(20.99)	-	-
Others	28.10	5.83	-	33.93
<b>Total</b>	<b>611.52</b>	<b>(1.12)</b>	<b>18.05</b>	<b>628.45</b>
<b><i>Deferred tax liabilities</i></b>				
Property, plant and equipment	(60.12)	(57.13)	-	(117.25)
Leasehold rights	(1.20)	0.07	-	(1.13)
<b>Total</b>	<b>(61.32)</b>	<b>(57.06)</b>	<b>-</b>	<b>(118.38)</b>
<b>Net</b>	<b>550.20</b>	<b>(58.18)</b>	<b>18.05</b>	<b>510.07</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### 18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Fixed deposit for staff welfare	514.46	513.19	514.46	513.19
Investment in service stations	201.18	180.57	201.18	180.57
Deposit	892.26	640.09	459.31	225.70
Others	426.98	399.76	394.54	234.02
<b>Total</b>	<b><u>2,034.88</u></b>	<b><u>1,733.61</u></b>	<b><u>1,569.49</u></b>	<b><u>1,153.48</u></b>

#### 19 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Current</b>				
Short term loan from financial institutions				
secured	365.88	89.77	-	-
unsecured	3,680.30	7,354.25	3,280.30	7,189.25
	<b><u>4,046.18</u></b>	<b><u>7,444.02</u></b>	<b><u>3,280.30</u></b>	<b><u>7,189.25</u></b>
Current portion of long-term loans				
from financial institutions				
secured	1,692.86	1,397.23	-	-
unsecured	525.15	300.15	325.15	300.15
	<b><u>2,218.01</u></b>	<b><u>1,697.38</u></b>	<b><u>325.15</u></b>	<b><u>300.15</u></b>
Debenture				
unsecured	-	2,000.00	-	2,000.00
	<b><u>-</u></b>	<b><u>2,000.00</u></b>	<b><u>-</u></b>	<b><u>2,000.00</u></b>
<b>Total Current</b>	<b><u>6,264.19</u></b>	<b><u>11,141.40</u></b>	<b><u>3,605.45</u></b>	<b><u>9,489.40</u></b>
<b>Non-current</b>				
Long - term loans from financial institutions				
secured	17,372.93	11,056.60	-	-
unsecured	3,276.08	3,401.23	3,076.08	3,401.23
	<b><u>20,649.01</u></b>	<b><u>14,457.83</u></b>	<b><u>3,076.08</u></b>	<b><u>3,401.23</u></b>
Debenture				
unsecured	13,990.27	13,987.57	13,990.27	13,987.57
	<b><u>13,990.27</u></b>	<b><u>13,987.57</u></b>	<b><u>13,990.27</u></b>	<b><u>13,987.57</u></b>
<b>Total Non-current</b>	<b><u>34,639.28</u></b>	<b><u>28,445.40</u></b>	<b><u>17,066.35</u></b>	<b><u>17,388.80</u></b>
<b>Total</b>	<b><u>40,903.47</u></b>	<b><u>39,586.80</u></b>	<b><u>20,671.80</u></b>	<b><u>26,878.20</u></b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

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Details of the Group's loans from financial institutions as at 31 December 2017 was as follows:

	Currency	Facilities (million)	Interest Interest Rates (%) p.a.	Repayment Terms
<b>Short-term loans from financial institutions</b>				
The Company	USD	100	LIBOR plus a margin	The principle will be repayable on 28 December 2018
Indirect Subsidiary	Baht	500	MMR	The principle was paid in January 2018
Indirect Subsidiary	Baht	400	Fixed Interest Rate	The principle was paid on 26 January 2018
Indirect Subsidiary	Baht	300	Fixed Interest Rate	The principle was paid on 21 January 2018
<b>Long-term loans from financial institutions</b>				
The Company	Baht	4,200	Fixed Interest Rate	Interest is payable semi-annually in 26 instalments starting in March 2013
The Company	Baht	3,500	THBFIX 6M plus a margin	Interest is payable semi-annually in 23 instalments starting in December 2011
Indirect Subsidiary	Baht	2,049	Fixed Deposit Rate plus a margin	Interest is payable quarterly in 24 instalments starting in January 2017
Indirect Subsidiary	Baht	400	THBFIX 6M plus a margin	Interest is payable semi-annually in 13 instalments starting in August 2017
Indirect Subsidiary	Baht	170	THBFIX 6M plus a margin	Interest is payable semi-annually in 11 instalments starting in August 2018
Indirect Subsidiary	Baht	1,000	Fixed Interest Rate	Interest is payable semi-annually in 10 instalments starting in April 2015
Subsidiary	Baht	450	THBFIX 6M plus a margin	Interest is payable semi-annually in 17 instalments starting in December 2016
Subsidiary	Baht	270	THBFIX 6M plus a margin	Interest is payable semi-annually in 17 instalments starting in December 2016
Subsidiary	Baht	750	FDR 6M plus a margin	Interest is payable semi-annually in 29 instalments starting in December 2016
Subsidiary	Baht	1,050	THBFIX 6M plus a margin	Interest is payable semi-annually in 15 instalments starting in December 2017
Subsidiary	Baht	630	THBFIX 6M plus a margin	Interest is payable semi-annually in 15 instalments starting in December 2017
Subsidiary	Baht	1,750	FDR 6M plus a margin	Interest is payable semi-annually in 27 instalments starting in December 2017
Subsidiary	Baht	2,400	THBFIX 6M plus a margin	Interest is payable semi-annually in 12 instalments starting in December 2017, principal repayment at year 6 from agreement signing date
Subsidiary	Baht	2,740	THBFIX 6M plus a margin	Interest is payable semi-annually, principal repayment at year 6 from agreement signing date
Subsidiary	JPY	4,200	JPYTIBOR 6M plus a margin	Interest is payable semi-annually in 17 instalments starting in December 2016

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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For the year ended 31 December 2017

	Currency	Facilities (million)	Interest Interest Rates (%) p.a.	Repayment Terms
<b>Long-term loans from financial institutions (Con't)</b>				
Subsidiary	JPY	570	JPYTIBOR 6M plus a margin	Interest is payable semi-annually in 17 instalments starting in December 2016
Subsidiary	JPY	9,800	JPYTIBOR 6M plus a margin	Interest is payable semi-annually in 15 instalments starting in December 2017
Subsidiary	JPY	1,330	JPYTIBOR 6M plus a margin	Interest is payable semi-annually in 17 instalments starting in December 2017
Subsidiary	JPY	7,896	JPYTIBOR 6M plus a margin	Interest is payable semi-annually in 12 instalments starting in December 2017, principal repayment at year 6 from agreement signing date
Subsidiary	JPY	1,128	JPYTIBOR 6M plus a margin	Interest is payable semi-annually, principal repayment at year 6 from agreement signing date
Subsidiary	USD	10	USDLIBOR 6M plus a margin	Interest is payable semi-annually in 12 instalments starting in December 2017, principal repayment at year 6 from agreement signing date
Subsidiary	USD	40	USDLIBOR 6M plus a margin	Interest is payable semi-annually, principal repayment at year 6 from agreement signing date
Subsidiary	USD	20	USDLIBOR 6M plus a margin	Interest is payable semi-annually, principal repayment at year 6 from agreement signing date
Indirect Subsidiary	Baht	754	THBFIX 6M plus a margin	Interest is payable semi-annually in 20-34 instalments starting in August 2013
Indirect Subsidiary	Baht	754	Fixed interest rate 6 years	Interest is payable semi-annually in 20-34 instalments starting in August 2013
Indirect subsidiary	USD	12	Fixed Interest Rate	Interest is payable semi-annually in 34 instalments starting in August 2013
Indirect subsidiary	JPY	1,366	Fixed Interest Rate	Interest is payable quarterly in 68 instalments starting in September 2016
Indirect subsidiary	JPY	1,000	Fixed Interest Rate	Interest is payable quarterly in 68 instalments starting in September 2016
Indirect subsidiary	JPY	900	Fixed Interest Rate	Interest is payable quarterly in 68 instalments starting in September 2016
Indirect subsidiary	JPY	700	Fixed Interest Rate	Interest is payable quarterly in 68 instalments starting in September 2016
Indirect subsidiary	JPY	4,176	Fixed Interest Rate	Interest is payable semi-annually in 34 instalments starting in September 2017

The loan agreements contain certain conditions such as maintaining certain financial ratios such as maintaining of certain debt to equity ratio, debt service coverage ratio and current ratio and transfer right of any agreements. These loans are secured by mortgage of the land, building, land improvement and infrastructure, machinery and 33.33% shares of issued and paid up capital of Star Energy Group Holdings Pte. Ltd.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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As at 31 December 2017, the Group and the Company had unutilised credit facilities totalling Baht 13,729 million and Baht 10,495 million, respectively (2016: Baht 9,918 million and Baht 9,695 million, respectively).

#### Debentures

Detail of debentures as at 31 December 2017 and 2016 were as follows;

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Debentures	14,000.00	16,000.00	14,000.00	16,000.00
Less Unamortized deferred expenses on debentures	(9.73)	(12.43)	(9.73)	(12.43)
	<u>13,990.27</u>	<u>15,987.57</u>	<u>13,990.27</u>	<u>15,987.57</u>
Less Current portion due within one year	-	2,000.00	-	2,000.00
<b>Total</b>	<u><u>13,990.27</u></u>	<u><u>13,987.57</u></u>	<u><u>13,990.27</u></u>	<u><u>13,987.57</u></u>

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.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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For the year ended 31 December 2017

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Within one year	6,264.19	11,141.40	3,605.45	9,489.40
After one year but within five years	16,758.80	12,849.54	9,346.93	7,696.21
After five years	17,880.48	15,595.86	7,719.42	9,693.59
<b>Total</b>	<b>40,903.47</b>	<b>39,586.80</b>	<b>20,671.80</b>	<b>26,878.20</b>

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Property, plant and equipment	15,600.27	16,156.97	-	-
Investment in associates	12,344.59	-	-	-
<b>Total</b>	<b>27,944.86</b>	<b>16,156.97</b>	<b>-</b>	<b>-</b>

#### 20 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in million Baht)</i>			
Related parties	5	128.98	128.06	774.43	764.99
Other parties		9,887.10	8,638.09	7,459.26	7,526.00
<b>Total</b>		<b>10,016.08</b>	<b>8,766.15</b>	<b>8,233.69</b>	<b>8,290.99</b>

#### 21 Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in million Baht)</i>			
<b>Related parties</b>	5	<b>55.80</b>	<b>41.02</b>	<b>68.68</b>	<b>58.93</b>
<b>Other parties</b>					
Accrued expenses		1,173.89	1,135.07	881.73	809.42
Liabilities from forward contract		9.66	74.75	9.66	74.75
Payable for project construction		31.55	342.12	-	-
Other accounts payable		1,747.47	1,615.65	1,104.08	811.74
<b>Total</b>		<b>3,018.37</b>	<b>3,208.61</b>	<b>2,064.15</b>	<b>1,754.84</b>



## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

#### 22 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Statement of financial position</b>				
<b>Non-current provisions for:</b>				
Post-employment benefits	1,908.47	1,726.84	1,830.05	1,674.22
Other long-term employee benefits	40.96	42.88	37.33	34.98
<b>Total</b>	<b>1,949.43</b>	<b>1,769.72</b>	<b>1,867.38</b>	<b>1,709.20</b>
<i>For the year ended 31 December</i>				
<b>Statement of comprehensive income:</b>				
<b>Recognised in profit or loss</b>				
Post-employment benefits	185.31	138.62	159.57	122.53
Other long-term employee benefits	6.51	6.21	4.89	4.05
<b>Total</b>	<b>191.82</b>	<b>144.83</b>	<b>164.46</b>	<b>126.58</b>
<b>Recognised in other comprehensive income:</b>				
Actuarial losses recognised in the year	70.83	87.71	73.39	90.27
Cumulative actuarial losses recognised	441.23	370.40	450.38	376.99

#### *Defined benefit plan*

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
At 1 January	1,769.72	1,571.35	1,709.20	1,513.98
<b>Include in profit or loss:</b>				
Acquired through business acquisition	4.72	5.68	-	-
Current service costs and interest	191.82	144.83	164.46	126.58
	<u>196.54</u>	<u>150.51</u>	<u>164.46</u>	<u>126.58</u>
<b>Included in other comprehensive income</b>				
Actuarial loss	70.83	87.71	73.39	90.27
Effect of movement in exchange rate	(3.42)	(9.03)	-	-
	<u>67.41</u>	<u>78.68</u>	<u>73.39</u>	<u>90.27</u>
<b>Others</b>				
Benefit paid	(84.24)	(30.82)	(79.67)	(21.63)
	<u>(84.24)</u>	<u>(30.82)</u>	<u>(79.67)</u>	<u>(21.63)</u>
<b>At 31 December</b>	<b><u>1,949.43</u></b>	<b><u>1,769.72</u></b>	<b><u>1,867.38</u></b>	<b><u>1,709.20</u></b>

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Demographic assumptions	15.98	3.34	20.18	4.47
Financial assumptions	117.61	226.36	115.59	226.14
Experience adjustment	(62.76)	(141.99)	(62.38)	(140.34)
<b>Total</b>	<b><u>70.83</u></b>	<b><u>87.71</u></b>	<b><u>73.39</u></b>	<b><u>90.27</u></b>

#### *Actuarial assumptions*

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	%			
Discount rate	0.32-3.95	2.26-5.4	2.57	3.1
Future salary growth	3-6	3-6	6	6
Turnover rate	0-62	0-63	1-8	0-8

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2017, the weighted-average duration of the defined benefit obligation was 6 -31 years (2016: 6 - 32 years).

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#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	<i>(in million Baht)</i>			
At 31 December 2017	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(204.67)	237.83	(195.91)	229.04
Future salary growth (1% movement)	223.14	(196.00)	213.31	(187.04)
Turnover rate (1% movement)	(88.88)	100.88	(81.27)	94.04

	Consolidated financial statements		Separate financial statements	
	<i>(in million Baht)</i>			
At 31 December 2016	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(187.10)	219.25	(182.10)	213.65
Future salary growth (1% movement)	209.07	(187.51)	200.15	(174.74)
Turnover rate (1% movement)	(75.40)	65.73	(73.56)	64.59

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

#### 23 Share capital

	Par value per share <i>(in Baht)</i>	2017		2016	
		Number	Baht <i>(million shares / million Baht)</i>	Number	Baht
<b>Authorised</b>					
At 1 January					
ordinary shares	1	1,376.92	1,376.92	1,376.92	1,376.92
<b>At 31 December</b>					
ordinary shares	1	<b>1,376.92</b>	<b>1,376.92</b>	<b>1,376.92</b>	<b>1,376.92</b>
<b>Issued and paid-up</b>					
At 1 January					
ordinary shares	1	1,376.92	1,376.92	1,376.92	1,376.92
<b>At 31 December</b>					
ordinary shares	1	<b>1,376.92</b>	<b>1,376.92</b>	<b>1,376.92</b>	<b>1,376.92</b>

#### 24 Surplus and reserves

##### Share premium

Section 51 of the Public Companies Act B.E. 2535 (1992) requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

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#### ***Capital surplus on registered and paid-up share reduction***

On 6 July 2004, the Company registered with the Ministry of Commerce, the reduction in the Company's registered share capital from Baht 1,032,761,220 to Baht 843,143,461 and the paid-up share capital from Baht 753,040,940 to Baht 563,423,181. These changes were due to the reduction of 189,617,759 shares held by the Siam DR Co., Ltd. to be consistent with the number of "Depository Receipts of BCP's Ordinary Shares (DR)" which were issued and offered by the Siam DR Co., Ltd. The Company received consent from the Siam DR Co., Ltd. for reducing the mentioned number of shares without capital payback. The Company proceeded the share reduction to Capital on registered and paid-up share reduction account.

#### ***Other surplus***

##### ***Surplus from the change in the ownership interest in subsidiaries***

Change in parent's ownership interest in subsidiaries within equity comprises of effect from dilution of percentage of holding of the Company in a subsidiary and difference from changes in parent's ownership interest in subsidiaries that do not result in a loss of control.

##### ***Surplus from business combination***

Surplus from business combination represents the measurement of net assets acquired and recognised at fair value from business combination.

#### ***Legal reserve***

Section 116 of the Public Companies Act B.E. 2535 (1992) Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

#### ***Other components of equity***

##### **Currency translation differences**

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

##### **Fair value changes in available-for-sale investments**

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

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#### 25 Operating segments

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>Electricity</i>
<i>Segment 4</i>	<i>Bio-based product</i>
<i>Segment 5</i>	<i>Natural resource</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, financial costs, depreciation and amortization, gain on foreign exchange and impairment losses on assets (Group's EBITDA), as included in the internal management reports that are reviewed by the Group's CODM. Group's EBITDA 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.

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## Bangchak Corporation Public Company Limited and its Subsidiaries

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### Information about reportable segments

2017

	Refinery and Oil trading	Marketing	Electricity	Bio-based Product <i>(in million Baht)</i>	Natural resource	Others	Eliminations	Total
External revenue	34,434.17	129,389.04	3,322.48	2,482.27	1,510.28	-	-	172,138.24
Inter-segment revenue	120,846.91	9.01	-	5,591.21	-	-	(126,447.13)	-
<b>Total revenue</b>	<b>156,281.08</b>	<b>129,398.05</b>	<b>3,322.48</b>	<b>8,073.48</b>	<b>1,510.28</b>	<b>-</b>	<b>(126,447.13)</b>	<b>172,138.24</b>
Group's EBITDA	7,595.56	2,300.88	3,087.57	529.45	286.33	(2.82)	(134.41)	13,662.56
Depreciation and amortization								(5,135.47)
Gain on foreign exchange								889.48
Loss from impairment of assets								(1,518.47)
Finance costs								(1,452.28)
Income tax expense								(40.88)
<b>Profit for the year</b>								<b>6,404.94</b>
Interest revenue	51.96	61.13	40.94	0.58	0.20	135.96	(135.96)	154.81
Financial costs	767.47	136.55	436.05	99.76	171.24	-	(158.79)	1,452.28
Depreciation and amortisation	2,763.67	826.40	702.20	244.59	594.01	4.60	-	5,135.47
Segments assets	49,541.83	15,509.74	32,091.30	8,578.92	8,388.69	-	-	114,110.48
Investments in associate and joint ventures	75.78	1.13	13,529.72	793.53	-	-	-	14,400.16
Capital expenditure	3,183.90	1,913.94	899.11	335.26	420.14	-	-	6,752.35

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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#### 2016

	Refinery and Oil trading	Marketing	Electricity	Bio-based Product	Natural resource	Others	Eliminations	Total
	<i>(in million Baht)</i>							
External revenue	27,581.72	110,688.41	3,083.91	1,847.88	1,503.37	-	-	144,705.29
Inter-segment revenue	102,795.33	2.57	-	5,245.23	-	-	(108,043.13)	-
<b>Total revenue</b>	<b>130,377.05</b>	<b>110,690.98</b>	<b>3,083.91</b>	<b>7,093.11</b>	<b>1,503.37</b>	<b>-</b>	<b>(108,043.13)</b>	<b>144,705.29</b>
Group's EBITDA	5,756.23	2,527.47	2,559.45	326.01	322.58	99.01	(227.77)	11,362.98
Depreciation and amortization								(4,734.38)
Gain on foreign exchange								236.78
Reversed of allowance for loss from impairment of assets								36.80
Finance costs								(1,483.80)
Income tax expense								(688.97)
<b>Profit for the year</b>								<b>4,729.41</b>
Interest revenue	66.53	93.22	26.76	0.59	0.21	227.77	(227.77)	187.31
Financial costs	929.12	133.98	370.42	42.52	238.11	0.64	(230.99)	1,483.80
Depreciation and amortisation	2,597.89	640.33	603.52	123.15	761.19	8.30	-	4,734.38
Segments assets	52,887.93	11,228.52	25,485.05	4,831.66	6,832.41	517.29	-	101,782.86
Investments in associate and joint ventures	43.06	-	-	795.59	-	0.97	-	839.62
Capital expenditure	4,089.42	1,705.35	3,231.24	1,271.87	39.60	0.25	-	10,337.73

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### Bangchak Corporation Public Company Limited and its Subsidiaries

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#### Geographical segments

In presenting information on the basis of geographical segments, segment sales are based on the entity's country of domicile. Segment non-current assets (exclude derivatives and deferred tax) are based on the geographical location of the assets.

#### Geographical information

	Revenue	
	2017	2016
	<i>(in million Baht)</i>	
Thailand	151,789.56	133,846.26
Malaysia	5,216.75	3,948.73
Japan	481.48	253.31
Korea	3,275.37	1,379.63
Philippines	71.82	35.06
Singapore	8,398.05	2,953.66
Others	2,905.21	2,288.64
<b>Total</b>	<b>172,138.24</b>	<b>144,705.29</b>

	Non-current assets	
	2017	2016
	<i>(in million Baht)</i>	
Thailand	50,104.50	47,987.49
Japan	5,864.53	6,065.40
Philippines	4,393.64	2,486.66
Indonesia	12,344.59	113.81
Other	4,112.26	6.07
<b>Total</b>	<b>76,819.52</b>	<b>57,088.85</b>

#### Major customer

Revenues from one customer of the Group's 1 and 2 segments represents approximately Baht 16,011 million (2016: Baht 14,103 million) of the Group's total revenues.

## 26 Interest and dividend income

Note	Consolidated financial statements		Separate financial statements		
	2017	2016	2017	2016	
	<i>(in million Baht)</i>				
<b>Dividend income</b>					
Related parties	5	0.73	3.23	1,016.03	864.26
		<b>0.73</b>	<b>3.23</b>	<b>1,016.03</b>	<b>864.26</b>
<b>Interest income</b>					
Related parties	5	-	-	136.41	327.27
Other investment income		154.80	187.31	106.88	154.02
		<b>154.80</b>	<b>187.31</b>	<b>243.29</b>	<b>482.23</b>
<b>Total</b>		<b>155.53</b>	<b>190.54</b>	<b>1,259.32</b>	<b>1,346.49</b>



## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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#### 27 Other income

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Fee for land utilisation and management fee for NGV service station	50.58	66.78	45.55	59.79
Gain on sale of investments	-	-	247.66	-
Management service fee for subsidiaries	-	-	74.97	69.47
Interest income from tax refund	401.38	-	401.38	-
Penalty income	174.98	-	174.98	-
Others	458.23	276.48	202.20	186.74
<b>Total</b>	<b>1,085.17</b>	<b>343.26</b>	<b>1,146.75</b>	<b>316.00</b>

#### 28 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Personnel	1,107.19	1,015.37	537.27	466.92
Advertising	499.61	437.45	360.76	341.27
Depreciation and amortisation	715.90	572.84	673.05	562.32
Distribution	500.82	382.35	464.76	381.98
Rental	263.84	195.23	237.51	189.60
Others	938.49	1,182.68	647.85	775.75
<b>Total</b>	<b>4,025.85</b>	<b>3,785.92</b>	<b>2,921.20</b>	<b>2,717.84</b>

#### 29 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Personnel	1,299.02	987.96	718.50	636.69
Advertising	144.64	159.92	139.06	131.29
Depreciation and amortisation	258.07	195.53	178.52	138.69
Professional and consultant fees	462.16	480.45	181.67	177.40
Others	974.29	525.65	539.07	405.83
<b>Total</b>	<b>3,138.18</b>	<b>2,349.51</b>	<b>1,756.82</b>	<b>1,489.90</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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#### 30 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Wages and salaries	2,138.22	1,970.37	1,111.33	1,029.43
Defined contribution plans	113.94	102.67	87.38	80.36
Pension	179.34	152.78	164.46	126.59
Others	845.83	678.00	545.82	484.41
<b>Total</b>	<b>3,277.33</b>	<b>2,903.82</b>	<b>1,908.99</b>	<b>1,720.79</b>

##### *Defined contribution plans*

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 15% of their basic salaries and by the Group at rates ranging from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

#### 31 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b><i>Included in cost of sales of goods:</i></b>				
Changes in inventories of finished goods and work in progress	530.26	2,463.86	655.91	2,752.93
Raw materials and consumables used	95,252.48	68,706.38	88,628.25	69,794.23
Tax expenses and oil fuel fund	28,523.42	26,520.22	28,523.42	26,520.22
Depreciation	4,078.59	3,906.44	2,620.72	2,495.21
(Reversed of) loss on decline in value of inventories	7.83	(98.22)	-	(104.95)
<b><i>Included in selling expenses:</i></b>				
Depreciation	517.68	408.88	474.83	398.36
<b><i>Included in administrative expenses:</i></b>				
Depreciation	184.12	146.00	127.44	91.82

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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#### 32 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<i>(in million Baht)</i>					
<b>Interest expense</b>					
Financial institutions		796.51	727.58	303.56	435.23
Debentures		705.79	762.03	705.79	762.03
<b>Total interest expense</b>		<b>1,502.30</b>	<b>1,489.61</b>	<b>1,009.35</b>	<b>1,197.26</b>
Amortisation of transaction costs capitalised		62.82	105.42	17.71	82.13
Others finance costs		15.29	11.41	2.44	3.46
		<b>1,580.41</b>	<b>1,606.44</b>	<b>1,029.50</b>	<b>1,282.85</b>
Less Amount included in the cost of qualifying assets:					
- Property, plant and equipment under construction	14	(128.13)	(122.64)	(125.49)	(74.52)
<b>Net</b>		<b>1,452.28</b>	<b>1,483.80</b>	<b>904.01</b>	<b>1,208.33</b>

#### 33 Income tax

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<i>(in million Baht)</i>					
<b>Current tax expense</b>					
Current year		1,441.96	872.34	1,405.52	786.12
Over provided in prior years		(922.13)	(76.01)	(921.50)	(76.01)
		<b>519.83</b>	<b>796.33</b>	<b>484.02</b>	<b>710.11</b>
<b>Deferred tax expense</b>					
Movements in temporary differences	17	(478.95)	(107.36)	(375.07)	58.18
		<b>(478.95)</b>	<b>(107.36)</b>	<b>(375.07)</b>	<b>58.18</b>
<b>Total tax expense</b>		<b>40.88</b>	<b>688.97</b>	<b>108.95</b>	<b>768.29</b>

#### Reconciliation of effective tax rate

	Rate (%)	Consolidated financial statements	
		2017 <i>(in million Baht)</i>	2016 <i>(in million Baht)</i>
Profit before income tax expense		6,445.83	5,418.38
Income tax using the Thai corporation tax rate	20.00	1,289.17	1,083.68
Effect of difference tax rates in foreign jurisdictions		(192.84)	(40.62)
Income not subject to tax / Expenses that are deductible at a greater amount		(643.47)	(524.90)
Expenses not deductible / Other adjustments		255.86	182.86
Current year losses for which no deferred tax assets was recognised		269.03	103.05
Over provided in prior years		(922.13)	(76.01)
Others		(14.74)	(39.09)
<b>Total</b>		<b>0.63</b>	<b>688.97</b>

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#### Reconciliation of effective tax rate

	Separate financial statements			
	2017		2016	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		6,260.62		5,270.59
Income tax using the Thai corporation tax rate	20.00	1,252.12	20.00	1,054.12
Income not subject to tax / Expenses that are deductible at a greater amount		(245.57)		(200.18)
Expenses not deductible / Other adjustments		23.89		(9.64)
Over provided in prior years		(921.50)		(76.01)
<b>Total</b>	<b>1.74</b>	<b>108.95</b>	<b>14.58</b>	<b>768.29</b>

#### Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

### 34 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to Petroleum Refinery process, production of Biodiesel and production of electricity from solar cell. The privileges granted include:

#### Production of electricity from solar cell

- Exemption from payment of import duty on machinery approved by the Board;
- Exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations.
- A 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above.

#### Production of Biodiesel

- Exemption from payment of import duty on machinery approved by the Board;
- Exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations.

#### Production of Ethanol

- Exemption from payment of import duty on machinery approved by the Board;
- Exemption from payment of income tax for certain operations for a period of six and eight years from the date on which the income is first derived from such operations.

#### Production of Biogas

- Exemption from payment of import duty on machinery approved by the Board;
- Exemption from payment of income tax for certain operations for a period of six and eight years from the date on which the income is first derived from such operations.

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As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2017			2016		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	98.66	30,717.55	30,816.21	31.99	12,314.64	12,346.63
Local sales	10,500.40	177,993.18	188,493.58	7,678.94	158,912.92	166,591.86
Eliminations	-	-	(47,171.55)	-	-	(34,233.20)
<b>Total Revenue</b>	<b>10,599.06</b>	<b>208,710.73</b>	<b>172,138.24</b>	<b>7,710.93</b>	<b>171,227.56</b>	<b>144,705.29</b>

The Company has no revenue from promoted business.

### 35 Earnings per share

#### Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December 2017 and 2016 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	5,778.24	4,773.38	6,151.67	4,502.30
Number of ordinary shares outstanding	1,376.92	1,376.92	1,376.92	1,376.92
<b>Earnings per share (basic)</b> <i>(in Baht)</i>	<b>4.20</b>	<b>3.47</b>	<b>4.47</b>	<b>3.27</b>

### 36 Dividends

At the Board of Directors meeting of the Company held on 31 August 2017, the meeting approved the appropriation of interim dividend from retained earnings as of 30 June 2017 at Baht 1.05 per share, amounting to Baht 1,445.48 million. The dividend was paid to the shareholders on 26 September 2017.

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 2,478.38 million, of which Baht 0.80 per share, totalling Baht 1,101.52 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 1,376.86 million. The dividend was paid to the shareholders on 21 April 2017.

At the Board of Directors meeting of the Company held on 25 August 2016, the meeting approved the appropriation of interim dividend from retained earnings as of 30 June 2016 at Baht 0.80 per share, amounting to Baht 1,101.52 million. The dividend was paid to the shareholders on 20 September 2016.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

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At the Annual General Meeting of the Shareholders, held on 5 April 2016, the shareholders approved a full year performance of 2015 dividend payment at the rate of Baht 2.00 per share, totalling Baht 2,753.62 million, of which Baht 1.00 per share, totalling Baht 1,376.69 million was paid as an interim dividend for the first half year of 2015 on 9 September 2015. The remaining dividend was paid for the second half year of 2015 at the rate of Baht 1.00 per share, totalling Baht 1,376.90 million. The dividend was paid to the shareholders on 21 April 2016.

### 37 Financial instruments

#### *Financial risk management policies*

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

#### *Capital management*

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

#### *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly floated. The Group is primarily exposed to interest rate risk from its borrowings (Note 19). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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For the year ended 31 December 2017

The Interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Interest rate (% per annual)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
<i>(in million Baht)</i>					
<b>2017</b>					
<b>Current</b>					
Loans from Financial institutions	0.3-5.3	6,264.19	-	-	6,264.19
<b>Non-current</b>					
Loans from Financial institutions	0.3-5.3	-	9,262.49	11,386.52	20,649.01
Debenture	4.3-5.3	-	7,496.31	6,493.96	13,990.27
<b>Total</b>		<b>6,264.19</b>	<b>16,758.80</b>	<b>17,880.48</b>	<b>40,903.47</b>
<b>2016</b>					
<b>Current</b>					
Loans from Financial institutions	0.3 – 4.2	9,141.40	-	-	9,141.40
Debenture	3.7	2,000.00	-	-	2,000.00
<b>Non-current</b>					
Loans from Financial institutions	0.3 – 4.2	-	6,353.92	8,103.91	14,457.83
Debenture	3.7 – 5.3	-	6,495.62	7,491.95	13,987.57
<b>Total</b>		<b>11,141.40</b>	<b>12,849.54</b>	<b>15,595.86</b>	<b>39,586.80</b>
	Interest rate (% per annual)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
<i>(in million Baht)</i>					
<b>2017</b>					
<b>Current</b>					
Loans from Financial institutions	4.2-5.0	3,605.45	-	-	3,605.45
<b>Non-current</b>					
Loans from Financial institutions	1.8-4.2	-	1,850.62	1,225.46	3,076.08
Debenture	4.3-5.3	-	7,496.31	6,493.96	13,990.27
<b>Total</b>		<b>3,605.45</b>	<b>9,346.93</b>	<b>7,719.42</b>	<b>20,671.80</b>
<b>2016</b>					
<b>Current</b>					
Loans from Financial institutions	1.8 – 4.2	7,489.40	-	-	7,489.40
Debenture	3.7	2,000.00	-	-	2,000.00
<b>Non-current</b>					
Loans from Financial institutions	1.7 – 4.2	-	1,200.62	2,200.61	3,401.23
Debenture	4.3 – 5.3	-	6,495.59	7,491.98	13,987.57
<b>Total</b>		<b>9,489.40</b>	<b>7,696.21</b>	<b>9,692.59</b>	<b>26,878.20</b>

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

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#### Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>USD</b>				
Cash and cash equivalents	1,048.98	2,058.16	581.36	627.38
Trade accounts receivable	1,807.33	1,299.46	1,269.18	988.45
Receivable from oil hedging contracts	149.69	9.79	149.69	9.79
Trade accounts payable	(2,474.43)	(1,075.61)	(1,055.84)	(306.71)
Interest-bearing liabilities	(3,822.64)	(7,189.25)	(3,280.30)	(7,189.25)
<b>Gross statement of financial position exposure</b>	<b>(3,291.07)</b>	<b>(4,897.45)</b>	<b>(2,335.91)</b>	<b>(5,870.34)</b>
<b>Currency forwards</b>	<b>717.25</b>	<b>(535.76)</b>	<b>717.25</b>	<b>(535.76)</b>

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>JPY and others</b>				
Cash and cash equivalents	1,024.97	851.79	-	-
Trade accounts receivable	30.56	16.07	-	-
Trade accounts payable	(44.75)	(14.93)	-	-
Interest-bearing liabilities	(9,094.92)	(4,264.03)	-	-
<b>Gross statement of financial position exposure</b>	<b>(8,032.14)</b>	<b>(3,411.10)</b>	<b>-</b>	<b>-</b>

#### Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

#### Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.



## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

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#### Fair values of financial assets and liabilities

As at 31 December 2017 and 2016, fair value of financial assets and liabilities is taken to approximately the carrying value, except the following items;

	Consolidated financial statements						
	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	<i>( in million Baht )</i>						
<b>31 December 2017</b>							
<b>Financial assets</b>							
Equity securities available for sale	-	4,060.66	4,060.66	4,060.66	-	-	4,060.66
Cross currency and interest rate swap contracts	-	-	-	-	6.71	-	6.71
Interest rate swap contracts	-	-	-	-	4.64	-	4.64
Crude and product oil price hedging contracts	-	-	-	-	69.82	-	69.82
<b>Financial liabilities</b>							
Debentures	-	13,990.27	13,990.27	-	15,283.07	-	15,283.07
Long-term loans (fixed rate)	535.46	5,444.29	5,979.74	-	6,172.47	-	6,172.47
Forward exchange contracts	3.21	-	3.21	-	2.65	-	2.65
Cross currency swap contracts	-	-	-	-	44.11	-	44.11
Crude and product oil price hedging contracts	-	-	-	-	293.29	-	293.29
	<b>Separate financial statements</b>						
	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	<i>( in million Baht )</i>						
<b>31 December 2017</b>							
<b>Financial assets</b>							
Crude and product oil price hedging contracts	-	-	-	-	69.82	-	69.82
<b>Financial liabilities</b>							
Debentures	-	13,990.27	13,990.27	-	15,283.07	-	15,283.07
Long-term loans (fixed rate)	300.15	2,101.08	2,401.23	-	2,455.73	-	2,455.73
Forward exchange contracts	3.21	-	3.21	-	2.65	-	2.65
Cross currency and interest rate swap contracts	-	-	-	-	25.96	-	25.96
Crude and product oil price hedging contracts	-	-	-	-	293.29	-	293.29

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

(Formerly: The Bangchak Petroleum Public Company Limited)

For the year ended 31 December 2017

	Consolidated financial statements						
	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	<i>( in million Baht )</i>						
<b>31 December 2016</b>							
<b>Financial assets</b>							
Equity securities available for sale	-	429.19	429.19	429.19	-	-	429.19
Cross currency and interest rate swap contracts	-	-	-	-	43.04	-	43.04
Crude and product oil price hedging contracts	-	-	-	-	35.56	-	35.56
<b>Financial liabilities</b>							
Debentures	2,000.00	13,987.57	15,987.57	-	17,117.54	-	17,117.54
Long-term loans (fixed rate)	300.15	2,401.23	2,701.38	-	2,762.67	-	2,762.67
Forward exchange contracts	65.59	-	65.59	-	57.64	-	57.64
Cross currency and interest rate swap contracts	-	-	-	-	219.54	-	219.54
Crude and product oil price hedging contracts	-	-	-	-	290.42	-	290.42

	Separate financial statements						
	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	<i>( in million Baht )</i>						
<b>31 December 2016</b>							
<b>Financial assets</b>							
Crude and product oil price hedging contracts	-	-	-	-	35.56	-	35.56
<b>Financial liabilities</b>							
Debentures	2,000.00	13,987.57	15,987.57	-	17,117.54	-	17,117.54
Long-term loans (fixed rate)	300.15	2,401.23	2,701.38	-	2,762.67	-	2,762.67
Forward exchange contracts	65.59	-	65.59	-	57.64	-	57.64
Cross currency and interest rate swap contracts	-	-	-	-	42.59	-	42.59
Crude and product oil price hedging contracts	-	-	-	-	290.42	-	290.42

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

### 38 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Capital commitment</b>				
Construction projects	600.22	1,828.16	24.45	47.07
<b>Total</b>	<b>600.22</b>	<b>1,828.16</b>	<b>24.45</b>	<b>47.07</b>
<b>Future minimum lease payments under non-cancellable operating leases</b>				
Within one year	890.76	2,112.34	495.54	504.43
After one year but within five years	2,081.80	2,230.84	1,987.95	1,907.30
After five years	2,888.87	2,780.40	2,781.64	2,736.04
<b>Total</b>	<b>5,861.43</b>	<b>7,123.58</b>	<b>5,265.13</b>	<b>5,147.77</b>
<b>Other commitment</b>				
Bank guarantees	164.37	660.21	32.81	623.52
<b>Total</b>	<b>164.37</b>	<b>660.21</b>	<b>32.81</b>	<b>623.52</b>

The Company entered into 12.52 million barrels oil price hedging contracts with foreign oil traders for the periods between January 2018 and June 2019.

The Company entered into foreign currency buying forward contracts cover the period to September 2018 amounting to USD 21.96 million equivalents to Baht 717.25 million.

The Company entered into an interest rate swap contract for the following loan agreements by swap from float rate to fixed rate as stipulated in the agreements. The details are as follows:

Facility <i>(in million Baht)</i>	Due date
1,000	30 December 2018

### 39 Contingent liabilities and contingent assets

The Company (the fifth defendant) was co-accused with the Ministry of Finance (the first defendant) for alleged land right transgression and a demand for Baht 1,055 million in compensation. The land in question is located at the pier of the Refinery that the Company lodged against the Ministry of Finance. On 3 June 2009, the Appeal court upheld the Civil court verdict to dismiss the case. The plaintiff has re-appealed with the Supreme Court. Subsequently, the Supreme Court affirmed the verdict of the Civil and Appeal court. The Company acknowledged the verdict on 29 May 2017.

## Notes to the financial statements

### Bangchak Corporation Public Company Limited and its Subsidiaries

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The Company has utilized the tax privilege on the allowance for corporate income tax calculation for its 2006 tax payment which was in accordance with the announcement of the Director General of the Revenue Department regarding the corporate income tax (No. 156) “Criteria, procedures and conditions for the exemption of corporate income tax for the companies that registered its shares in the Stock Exchange of Thailand according to the Securities and Exchange Acts for payments of investment or extension, modification, addition or improvement of assets but not the repair of assets according to Section 65 Tri (5) of the Revenue Codes” and change in inventory costing method from first in first out to weighted average cost which was approved by The Revenue Department. The Revenue Department has examined and assessed the additional income tax payment totaling Baht 50 million that had previously been submitted by the Company and filed for appeal. Subsequently on 20 July 2011, the Revenue Department issued its verdict ruling to dismiss the return of the tax payment. The Company has submitted a petition to the Central Tax Court to revoke the Revenue Department’s ruling and the Central Tax Court ruled in favour of the Company. Subsequently, the Revenue Department re-appealed to The Supreme Court and the matter is currently under the Supreme Court’s proceeding. Subsequently on 16 February 2017, the Supreme Court has ruled in favour of the Company by which the Revenue Department has to return tax refund which the Company excessively paid amounting Baht 50 million with the interest. The Company received the tax refund on 21 March 2017.

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 45.64 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 688.28 million. During the first quarter of 2017, the civil court ordered a dismiss on both cases. The plaintiff was re-appealed and currently under the consideration of Appeal Court. The Appeal Court set a court hearing date on 6 June 2018.

#### 40 Events after the reporting period

At the Board of Directors’ meeting held on 28 February 2018, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2017 dividend payment at the rate of Baht 2.15 per share, of which Baht 1.05 per share was paid as an interim dividend on 26 September 2017 as disclosed in note 36. Thus, the remaining dividend will be at the rate of Baht 1.10 per share payable to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 25 April 2018.

## General and Other Key Information

### Company Information

Bangchak Corporation Public Company Limited

Registration No. 0107536000269

### Company Establishment and Commercial Operation

November 8, 1984 and April 1, 1985

### Nature of Business:

Management of 120,000 - barrel/day Bangchak Refinery and sales of refined fuel products

### Customers:

- The public, via Bangchak service stations and those of dealers nationwide
- Industrial sector, including industrial plants
- Transport and service sectors, including airliners, ocean-going vessels, hotels, trucks, and construction work
- Agricultural sector, via Bangchak community service stations
- Overseas export markets.

### Contact

- Investor Relations Division  
Tel. +66 2335 4583 Fax. +66 2335 8000  
Email: [ir@bangchak.co.th](mailto:ir@bangchak.co.th)
- Internal Audit  
Tel. +66 2335 4566  
Email: [ico@bangchak.co.th](mailto:ico@bangchak.co.th)
- The Secretary to the Board of the Directors Division  
Tel. +66 2335 4638 Fax. +66 2016 3982  
Email: [bcpsecretary@bangchak.co.th](mailto:bcpsecretary@bangchak.co.th)
- Company Website  
[www.bangchak.co.th](http://www.bangchak.co.th)



## Office and Terminals:

### 1. Head Office\*:

2098 M Tower 8<sup>th</sup> floor, Sukumvit Road, Phra Khanong Tai,  
Phra Khanong, Bangkok 10260  
Tel. +66 2335 8888  
Fax. +66 2335 8000  
Email: info@bangchak.co.th

### 2. Bangchak Refinery and Terminal:

210 Soi Sukhumvit 64, Bangchak, Phra Khanong Tai, Phra Khanong  
Bangkok 10260  
Tel. +66 2335 4999  
Fax. +66 2335 4009

### 3. Central Region Business Office and Bang Pa-In Terminal:

99 Moo 9, Tambon Bang Krasan, Amphoe Bang Pa-in,  
Ayutthaya 13160  
Tel. +66 3535 0289, +66 3535 0292  
Fax. (Central Region Business Office) +66 3535 0290  
Fax. (Bang Pa-In Terminal) +66 3527 6999

### 4. Northern Region Business Office:

87/9 Yee-wan Building, 3<sup>rd</sup> Floor, Thung Hotel Road, Tambon Wat Ket, Amphoe Muang,  
Chiang Mai 50000  
Tel. +66 5330 0484  
Fax. +66 5330 0485

### 5. Northeastern Region Business Office:

499 Moo 12, Mitraphab Road, Tambon Muang Kao, Amphoe Muang,  
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Fax. +66 4326 1790

### 6. Southern Region Business Office:

Room 402, 4<sup>th</sup> Floor, P.C. Tower, 91/1 Moo 1, Kanchanawithi Road, Tambon Bang Kung,  
Amphoe Muang, Surat Thani 84000  
Tel. +66 7722 4790-2  
Fax. +66 7722 4793

### 7. Samut Sakhon Oil Distribution Center:

100/149 Moo 1, Tambon Tha Chin, Amphoe Muang,  
Samut Sakhon 74000  
Tel. +66 3482 0519-20

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\* The Company was relocated its head office from No. 555/1 Energy Complex Building A, 10<sup>th</sup> Floor, Vibhavadi Rangsit Rd., Chatuchak, Bangkok 10900 to the new office, effective from February 22, 2017

**8. Si Racha Oil Distribution Center:**

115/14 Moo 10, Tambon Thung Sukhla, Amphoe Si Racha,  
Chon Buri 20230,  
Tel. +66 3849 3179  
Fax. +66 3849 3129

**9. Rayong Oil Distribution Center:**

1, 3B Road, Tambon Map Ta Phut, Amphoe Muang,  
Rayong 21150,  
Tel. +66 3860 9389  
Fax. +66 3860 9413

**10. Surat Thani Oil Distribution Center:**

104/1 Moo 2, Surat-Pak Nam Road, Tambon Bang Kung, Amphoe Muang,  
Surat Thani 84000  
Tel. +66 7727 5056-8

**11. Song Kla Oil Distribution Center:**

13/1 Moo 6, Tambon Sa Ting Mor, Amphoe Singha Nakorn,  
Song Kla 90280  
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Fax. +66 7433 2783

**12. Suksawat Lubricant Oil Distribution Center:**

196 Moo 1, Suksawat Road, Tambon Pak Khlong Bang Pla Kot, Amphoe Phra Samut Chedi,  
Samut Prakan 10290  
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**Subsidiaries:****BCPG Public Company Limited**

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Tel. +66 2335 8999  
Fax. +66 2335 8900  
Email: [info@bcpggroup.com](mailto:info@bcpggroup.com)  
Website: [www.bcpggroup.com](http://www.bcpggroup.com)

**Bangchak Green Net Co., Ltd.**

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**Bangchak Retail Co., Ltd.**

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**BBGI Co., Ltd.**

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Fax. +66 2335 8800

**Bangchak Biofuel Co., Ltd.**

28 Moo 9 (Highway No. 3048), Tambon Bang Krasan, Amphoe Bang Pa-in,  
Ayudthaya 13160  
Tel. +66 3527 6500  
Fax. +66 3527 6549  
Website: [www.bangchakbiofuel.co.th](http://www.bangchakbiofuel.co.th)

**Bangchak Bioethanol (Chachoengsao) Co., Ltd.**

96/10-11 Moo 7, Tambon Koh Kanoon, Amphoe Panomsarakham,  
Chachoengsao 24120  
Tel. +66 3809 0670-2  
Fax. +66 3809 0673

**Bangchak Solar Energy Co., Ltd.**

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Ayudthaya 13160  
Tel. +66 3527 6000  
Fax. +66 3527 6014  
E-mail: [info-sunny@bangchak.co.th](mailto:info-sunny@bangchak.co.th)  
Website: [www.bangchak.co.th/sunny-bangchak](http://www.bangchak.co.th/sunny-bangchak)

**Bangchak Solar Energy (Prachinburi) Co., Ltd.**

99/1 Moo (Highway No. 3048), Tambon Bang Krasan, Amphoe Bang Pa-in,  
Ayudthaya 13160  
Tel. +66 3527 6000  
Fax. +66 3527 6014

**Bangchak Solar Energy (Chaiyaphum 1) Co., Ltd.**

99/1 Moo (Highway No. 3048), Tambon Bang Krasan, Amphoe Bang Pa-in,  
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Fax. +66 3527 6014



**Bangchak Solar Energy (Buriram) Co., Ltd.**

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Fax. +66 3527 6014

**Bangchak Solar Energy (Buriram 1) Co., Ltd.**

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**Bangchak Solar Energy (Nakhonratchasima) Co., Ltd.**

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**BCP Energy International Pte. Ltd.**

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**BCP Innovation Pte. Ltd.**

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**BCP Trading Pte. Ltd.**

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**Nido Petroleum Limited**

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**Others:****Bangchak Initiative and Innovation Center (BiIC)**

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**Happiness Sharing Foundation**

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## Reference Persons

### Securities Registrar

#### The Stock Exchange of Thailand

93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Thailand  
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Fax. +66 2009 9991

### Auditor

#### KPMG Phoomchai Audit Limited

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### Registrar and Debenture Holders Representative

#### Bangkok Bank Public Company Limited

333 Silom Road, Silom, Bangrak, Bangkok 10500 Thailand  
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#### Bank of Ayudhya Public Company Limited

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Website: [www.krungsri.com](http://www.krungsri.com)

### Legal Advisor

#### Baker & Mckenzie Ltd.

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#### Chandler and Thong-ek Law Officers Limited

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### Others

- Investor support
- Reporting losses of share certificates
- Shareholders' information change

### Contact

Issuer Service Unit  
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