

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

Financial statements for the year ended
31 December 2019
and
Independent Auditor's Report

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 2019, 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 2018 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.

Fair value assessment of net assets acquired from an acquisition of investment in associate in Norway	
Refer to Notes 4 (a) and 5 (a) to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>During 2019, the Group has completed the fair value assessment of net assets acquired from an acquisition of investment in associate in Norway which operates petroleum exploration and production during 2018.</p> <p>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>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Inquired management and understood on the procedures on identification of fair value on net assets acquired which was prepared by the management. - Read the share sale and purchase agreement, evaluated the appropriateness of the identification of the net assets acquired at the date of acquisition. - Evaluated the independence and competency of independent appraiser. - Involved KPMG specialist to evaluate valuation methodology and financial parameters applied to the discount rate of intangible assets. - Evaluated significant assumptions underpinning the valuations reference to internal and external information and mathematical accuracy. - Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standard.

Acquisition of investment in subsidiary	
Refer to Notes 4 (a), 5 (b) and 12 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>In September 2019, the Group has completed the acquisition of hydropower plant project in The Lao People's Democratic Republic. The management has estimated the fair value of net assets acquired including consideration transferred with the differences which was recognised as goodwill.</p> <p>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>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Inquired management and understood on the procedures on identification of fair value on net assets acquired which was prepared by the management. - Read the share sale and purchase agreement and significant related agreements, evaluated the appropriateness of the identification of net assets acquired at the date of acquisition. - Evaluated the independence and competency of independent appraiser. - Involved KPMG specialist to evaluate valuation methodology and financial parameters applied to the discount rate. - Evaluated significant assumptions underpinning the valuations reference to internal and external information and mathematical accuracy. - Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.

Impairment testing of investment in associates, investment in subsidiaries, oil exploration & production assets and goodwill	
Refer to Notes 4 (m), 12, 13, 16 and 18 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group has investment in many countries and there are risks from various external factors such as the fluctuation in economies, politics and laws. There is a risk that the operating results and the investments might be significantly less than the initial forecast and budget and might result in the assets' carrying value being higher than the recoverable amounts, which might represent losses from impairment.</p> <p>Due to the materiality of the transactions, the management's significant judgment and complexities involved in estimating a recoverable amount of investment in associates, investment in subsidiaries, oil exploration & production assets and goodwill from discounted cash flow method, I considered as the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Understood 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. - Assessed the key assumptions estimated by the management with reference to internally and externally derived sources after taking into account the historical forecasting accuracy. - Evaluated the appropriateness of valuation methodology and financial parameters applied to the discount rate. - Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.

Valuation of inventories	
Refer to Notes 4 (g) and 11 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
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>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Evaluated the appropriateness of inventories valuation by management. - Verified the appropriateness of the net realizable value calculation. - Checked the selling prices of finished goods with the reference market price and contract price. - Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standard.

Emphasis of Matter

I draw attention to note 5 (b) to the financial statements. The Group acquired a business in The Lao People's Democratic Republic in September 2019 for which the fair value of identifiable net assets and the allocation of purchase price have been provisionally determined and are subject to potential amendment. 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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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.

(Waiyawat Kosamarnchaiyakij)
Certified Public Accountant
Registration No. 6333

KPMG Phoomchai Audit Ltd.
Bangkok
20 February 2020

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		<i>(Baht)</i>			
Equity					
Share capital	25				
Authorised share capital		<u>1,376,923,157</u>	<u>1,376,923,157</u>	<u>1,376,923,157</u>	<u>1,376,923,157</u>
Issued and paid-up share capital (1,376,923,157 ordinary shares of Baht 1 each)		1,376,923,157	1,376,923,157	1,376,923,157	1,376,923,157
Treasury shares	26	(431,860,810)	-	(431,860,810)	-
Share premium on ordinary shares	25	11,157,460,051	11,157,460,051	11,157,460,051	11,157,460,051
Capital surplus on share reduction	25	189,617,759	189,617,759	189,617,759	189,617,759
Other surpluses	25	1,382,845,921	1,370,360,559	-	-
Surplus from business combination	25	1,170,410,780	1,170,410,780	-	-
Warrants		2,121,880	8,400,091	-	-
Retained earnings					
Appropriated					
Legal reserve	27	153,164,346	153,164,346	153,164,346	153,164,346
Treasury shares reserve	27	431,860,810	-	431,860,810	-
Unappropriated		27,146,932,121	27,453,937,691	26,069,027,367	26,983,747,098
Other components of equity		(916,343,328)	(165,309,358)	-	-
Equity attributable to owners of the parent		41,663,132,687	42,714,965,076	38,946,192,680	39,860,912,411
Subordinated perpetual debentures	28	9,940,796,710	-	9,940,796,710	-
Total owners of the parent		51,603,929,397	42,714,965,076	48,886,989,390	39,860,912,411
Non-controlling interests		7,211,114,913	6,822,589,012	-	-
Total equity		58,815,044,310	49,537,554,088	48,886,989,390	39,860,912,411
Total liabilities and equity		127,787,983,528	117,368,617,837	87,594,147,103	85,833,062,792

(Pichai Chunhavajira)
Chairman

(Chaiwat Kovavisarach)
Chief Executive Officer and President

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
					(Baht)
Revenue from sale of goods and rendering of services	6, 29, 38	190,488,588,378	192,025,318,117	162,226,974,145	175,036,170,746
Cost of sale of goods and rendering of services	6	(180,256,901,884)	(180,594,365,584)	(157,041,653,982)	(168,127,680,595)
Gross Profit		10,231,686,494	11,430,952,533	5,185,320,163	6,908,490,151
Interest income and dividend income	6, 30	157,902,057	55,140,379	1,076,222,049	1,005,929,422
Other income	6, 31	337,184,269	1,259,951,534	225,456,388	259,244,694
Selling expenses	6, 32	(4,533,076,061)	(4,360,312,226)	(3,146,217,384)	(3,028,580,163)
Administrative expenses	6, 33	(3,080,722,373)	(3,015,400,534)	(1,877,318,014)	(1,844,482,084)
Exploration and evaluation expense		(517,662)	(45,313,805)	-	-
Gain (loss) from crude and product oil price hedging contract		146,561,560	(441,941,380)	146,561,560	(328,050,706)
Gain (loss) from foreign currencies forward contract		13,473,248	161,782,598	(9,058,147)	87,191,479
Gain on foreign exchange		614,205,007	415,153,583	526,107,758	462,270,917
Loss from impairment of assets	12, 13	(33,750,058)	(440,822,936)	(33,750,058)	(301,020,595)
Share of profit of associates and joint ventures	13	404,380,979	254,002,734	-	-
Profit before finance costs and income tax expense		4,257,327,460	5,273,192,480	2,093,324,315	3,220,993,115
Finance costs	36	(1,701,161,120)	(1,545,146,230)	(1,029,963,025)	(919,834,053)
Profit before income tax expense		2,556,166,340	3,728,046,250	1,063,361,290	2,301,159,062
Income tax income (expense)	37	(67,673,449)	(493,350,516)	26,790,599	(238,346,587)
Profit for the year		2,488,492,891	3,234,695,734	1,090,151,889	2,062,812,475
Profit loss attributable to:					
Owners of the parent		1,731,572,179	2,462,881,096	1,090,151,889	2,062,812,475
Non-controlling interests		756,920,712	771,814,638	-	-
Profit for the year		2,488,492,891	3,234,695,734	1,090,151,889	2,062,812,475
Basic earnings per share	39	1.18	1.79	0.72	1.50

(Pichai Chunhavajira)
Chaiman

(Chaiwat Kovavisarach)
Chief Executive Officer and President

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(Baht)</i>			
Profit for the year	2,488,492,891	3,234,695,734	1,090,151,889	2,062,812,475
Other comprehensive income (loss)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(790,345,369)	(13,679,665)	-	-
Gains (losses) on remeasuring available-for-sale investments	5,016,074	(2,589,609,728)	-	-
Total items that will be reclassified subsequently to profit or loss	(785,329,295)	(2,603,289,393)	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gains (losses) on remeasurments of defined benefit plans	(192,688,353)	18,105,570	(196,104,328)	-
Share of other comprehensive income (loss) of assoicates	(3,649,598)	28,020,286	-	-
Total items that will not be reclassified subsequently to profit or loss	(196,337,951)	46,125,856	(196,104,328)	-
Other comprehensive income (loss) for the year, net of income tax	(981,667,246)	(2,557,163,537)	(196,104,328)	-
Total comprehensive income for the year	1,506,825,645	677,532,197	894,047,561	2,062,812,475
Total comprehensive income (loss) attributable to				
Owners of the parent	788,625,198	(98,779,643)	894,047,561	2,062,812,475
Non-controlling interests	718,200,447	776,311,840	-	-
Total comprehensive income for the year	1,506,825,645	677,532,197	894,047,561	2,062,812,475

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

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

Note	Consolidated financial statements														
	Retained earnings							Other components of equity							
	Issued and paid - up share capital	Share premium ordinary shares	Capital surplus on share reduction	Other surpluses	Surplus from business combination	Warrants	Legal reserve	Unappropriated	Translating foreign operations	Available-for-sale investments	Share of other comprehensive income (loss) of associates	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	(Baht)														
Year ended 31 December 2018															
Balance at 1 January 2018	1,376,923,157	11,157,460,051	189,617,759	1,340,485,277	1,170,410,780	19,146,999	153,164,346	27,661,241,130	(546,284,200)	2,971,445,565	(14,066,348)	2,411,095,017	45,479,544,516	6,410,499,236	51,890,043,752
Transactions with owners, recorded directly in equity															
<i>Contributions by and distributions to owners of the parent</i>															
Share options exercised	-	-	-	21,721,290	-	-	-	-	-	-	-	-	21,721,290	31,876,204	53,597,494
Share-based payment transactions	-	-	-	15,585,779	-	(10,746,908)	-	-	-	-	-	-	4,838,871	2,058,037	6,896,908
Dividends	40	-	-	-	-	-	-	(2,684,928,171)	-	-	-	-	(2,684,928,171)	(405,588,092)	(3,090,516,263)
Total	-	-	-	37,307,069	-	(10,746,908)	-	(2,684,928,171)	-	-	-	-	(2,658,368,010)	(371,653,851)	(3,030,021,861)
<i>Changes in ownership interests in subsidiaries</i>															
Changes in an ownership interests in subsidiaries without a change in control	-	-	-	(7,431,787)	-	-	-	-	-	-	-	-	(7,431,787)	7,431,787	-
Total	-	-	-	(7,431,787)	-	-	-	-	-	-	-	-	(7,431,787)	7,431,787	-
Total transactions with owners, recorded directly in equity	-	-	-	29,875,282	-	(10,746,908)	-	(2,684,928,171)	-	-	-	-	(2,665,799,797)	(364,222,064)	(3,030,021,861)
Comprehensive income (loss) for the year															
Profit	-	-	-	-	-	-	-	2,462,881,096	-	-	-	-	2,462,881,096	771,814,638	3,234,695,734
Other comprehensive income (loss)	-	-	-	-	-	-	-	14,743,636	(6,439,670)	(2,589,609,728)	19,645,023	(2,576,404,375)	(2,561,660,739)	4,497,202	(2,557,163,537)
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	2,477,624,732	(6,439,670)	(2,589,609,728)	19,645,023	(2,576,404,375)	(98,779,643)	776,311,840	677,532,197
Balance at 31 December 2018	1,376,923,157	11,157,460,051	189,617,759	1,370,360,559	1,170,410,780	8,400,091	153,164,346	27,453,937,691	(552,723,870)	381,835,837	5,578,675	(165,309,358)	42,714,965,076	6,822,589,012	49,537,554,088

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

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

		Consolidated financial statements																		
		Retained earnings									Other components of equity									
Note	Issued and	Treasury	Share premium	Capital	Other	Surplus from	Warrants	Legal reserve	Treasury	Unappropriated	Translating	Available-	Share of other	Total other	Equity	Subordinated	Total owners	Non-	Total	
	paid - up	shares	ordinary shares	surplus on	surpluses	business			shares		financial	for-sale	comprehensive	components	attributable	perpetual	of the parent	controlling	equity	
	share capital			share reduction		combination		reserve	reserve	statements	investment	income (loss)	of equity	to owners	debtentures	of the parent	interests			
<i>(Baht)</i>																				
Year ended 31 December 2019																				
	1,376,923,157	-	11,157,460,051	189,617,759	1,370,360,559	1,170,410,780	8,400,091	153,164,346	-	27,453,937,691	(552,723,870)	381,835,837	5,578,675	(165,309,358)	42,714,965,076	-	42,714,965,076	6,822,589,012	49,537,554,088	
	-	-	-	-	-	-	-	-	-	(37,951,466)	-	-	-	-	(37,951,466)	-	(37,951,466)	(16,179,850)	(54,131,316)	
	1,376,923,157	-	11,157,460,051	189,617,759	1,370,360,559	1,170,410,780	8,400,091	153,164,346	-	27,415,986,225	(552,723,870)	381,835,837	5,578,675	(165,309,358)	42,677,013,610	-	42,677,013,610	6,806,409,162	49,483,422,772	
Transactions with owners, recorded directly in equity																				
<i>Contributions by and distributions to owners of the parent</i>																				
	-	(431,860,810)	-	-	-	-	-	-	431,860,810	(431,860,810)	-	-	-	-	(431,860,810)	-	(431,860,810)	-	(431,860,810)	
	-	-	-	-	9,944,533	-	-	-	-	-	-	-	-	-	9,944,533	-	9,944,533	14,565,800	24,510,333	
	-	-	-	-	7,109,376	-	(6,278,211)	-	-	-	-	-	-	-	831,165	-	831,165	354,213	1,185,378	
	-	-	-	-	-	-	-	-	-	(1,376,906,482)	-	-	-	-	(1,376,906,482)	-	(1,376,906,482)	(382,929,261)	(1,759,835,743)	
	-	(431,860,810)	-	-	17,053,909	-	(6,278,211)	-	431,860,810	(1,808,767,292)	-	-	-	-	(1,797,991,594)	-	(1,797,991,594)	(368,009,248)	(2,166,000,842)	
<i>Changes in ownership interests in subsidiaries</i>																				
	-	-	-	-	(4,568,547)	-	-	-	-	54,020	-	-	-	-	(4,514,527)	-	(4,514,527)	54,514,552	50,000,025	
	-	-	-	-	(4,568,547)	-	-	-	-	54,020	-	-	-	-	(4,514,527)	-	(4,514,527)	54,514,552	50,000,025	
Total transactions with owners, recorded directly in equity																				
	-	(431,860,810)	-	-	12,485,362	-	(6,278,211)	-	431,860,810	(1,808,713,272)	-	-	-	-	(1,802,506,121)	-	(1,802,506,121)	(313,494,696)	(2,116,000,817)	
Comprehensive income (loss) for the year																				
	-	-	-	-	-	-	-	-	-	1,731,572,179	-	-	-	-	1,731,572,179	-	1,731,572,179	756,920,712	2,488,492,891	
	-	-	-	-	-	-	-	-	-	(191,913,011)	(752,631,197)	5,016,075	(3,418,848)	(751,033,970)	(942,946,981)	-	(942,946,981)	(38,720,265)	(981,667,246)	
	-	-	-	-	-	-	-	-	-	1,539,659,168	(752,631,197)	5,016,075	(3,418,848)	(751,033,970)	788,625,198	-	788,625,198	718,200,447	1,506,825,645	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000,000,000	10,000,000,000	-	10,000,000,000	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(59,203,290)	(59,203,290)	-	(59,203,290)	
	1,376,923,157	(431,860,810)	11,157,460,051	189,617,759	1,382,845,921	1,170,410,780	2,121,880	153,164,346	431,860,810	27,146,932,121	(1,305,355,067)	386,851,912	2,159,827	(916,343,328)	41,663,132,687	9,940,796,710	51,603,929,397	7,211,114,913	58,815,044,310	

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements				Total equity	
		Issued and paid-up share capital	Share premium	Capital surplus on share reduction	Retained earnings		
				Legal reserve	Unappropriated		
				(Baht)			
Year ended 31 December 2018							
Balance at 1 January 2018		1,376,923,157	11,157,460,051	189,617,759	153,164,346	27,605,862,794	40,483,028,107
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends to owners of the Company	40	-	-	-	-	(2,684,928,171)	(2,684,928,171)
Total		-	-	-	-	(2,684,928,171)	(2,684,928,171)
Comprehensive income for the year							
Profit or loss		-	-	-	-	2,062,812,475	2,062,812,475
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	2,062,812,475	2,062,812,475
Balance at 31 December 2018		1,376,923,157	11,157,460,051	189,617,759	153,164,346	26,983,747,098	39,860,912,411

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

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

	Consolidated financial		Separate financial	
	statements		statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	2,488,492,891	3,234,695,734	1,090,151,889	2,062,812,475
<i>Adjustments for</i>				
Income tax (income) expense	67,673,449	493,350,516	(26,790,599)	238,346,587
Finance costs	1,701,161,120	1,545,146,230	1,029,963,025	919,834,053
Depreciation	4,478,309,278	4,456,864,246	3,413,775,531	3,254,990,764
Amortisation	553,522,651	445,420,819	434,971,128	377,667,685
Allowance for bad and doubtful debts expenses	3,446,697	10,618	3,369,760	387,711
Unrealised (gain) loss on foreign exchange	428,004,019	37,934,468	457,624,688	(23,907,255)
(Reversal of) losses on inventories devaluation	(706,635,160)	696,204,261	(688,560,092)	688,560,092
Loss from impairment of assets	33,750,058	440,822,936	33,750,058	301,020,595
(Gain) loss on disposal of property, plant and equipment	6,594,200	(760,630,886)	2,036,686	22,950,524
Loss on disposal of intangible assets	1,402,373	-	-	-
Gain on disposal of other investment	(318,512)	-	-	-
Gain on sale of investment in subsidiaries	-	(78,127,829)	-	-
Interest income and dividend income	(157,902,057)	(55,140,379)	(1,076,222,049)	(1,005,929,422)
Non-current provision for employee benefits	354,615,710	189,199,725	319,339,350	159,280,885
Provision for customer loyalty programmes	57,185,005	48,769,481	57,185,005	48,769,481
Deferred revenue	(7,190,211)	(7,130,622)	(7,190,211)	(7,130,622)
Share-based payment transactions	1,185,378	6,896,908	-	-
Share of profit of associates and joint ventures, net of tax	(404,380,979)	(254,002,734)	-	-
	<u>8,898,915,910</u>	<u>10,440,283,492</u>	<u>5,043,404,169</u>	<u>7,037,653,553</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(2,197,550,153)	514,434,825	430,850,200	133,828,682
Other receivables	(1,266,792,604)	(920,659,553)	(827,789,122)	(493,797,351)
Inventories	(34,741,998)	(399,678,656)	(148,620,747)	(485,574,211)
Other non-current assets	(105,123,343)	(393,724,699)	61,514,179	(236,024,451)
Trade accounts payable	4,076,867,330	(2,965,385,746)	2,059,199,778	(2,280,216,225)
Other payables	(487,863,766)	178,096,725	(451,536,733)	315,907,010
Other current liabilities	(1,861,927,294)	400,260,238	(1,876,466,489)	333,216,589
Non-current provisions for employee benefits	(60,253,172)	(47,819,526)	(58,585,462)	(42,874,346)
Other non-current liabilities	314,386,749	274,068,415	(6,257,947)	64,138,531
Net cash generated from operating activities	<u>7,275,917,659</u>	<u>7,079,875,515</u>	<u>4,225,711,826</u>	<u>4,346,257,781</u>
Income tax paid, net	<u>(526,649,603)</u>	<u>(1,129,843,546)</u>	<u>(152,087,556)</u>	<u>(1,046,216,548)</u>
Net cash from operating activities	<u>6,749,268,056</u>	<u>5,950,031,969</u>	<u>4,073,624,270</u>	<u>3,300,041,233</u>

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

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

	Consolidated financial		Separate financial	
	statements		statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	123,942,932	47,004,171	114,661,797	45,781,626
Dividend received	56	66,554,800	926,190,052	940,090,052
Increase in current investments	(26,222,031)	(42,455,248)	-	-
Payment for other investments	(373,629,366)	(100,130,745)	-	(3,164,959)
Proceeds from disposal of other investments	-	3,000,000	-	3,000,000
Net cash outflow from calling up of subsidiary's share capital	-	-	(357,198,400)	(840,148,380)
Proceeds from the increase of the subsidiary's share capital	49,999,975	-	-	-
Acquisition of subsidiaries and associates, net of cash acquired	(5,132,678,956)	(3,821,979,892)	-	-
Proceeds from capital reduction in associated companies	67,229,200	-	-	-
Proceeds from sale of investments	81,540,712	730,728,836	-	-
Acquisition of property, plant and equipment	(7,835,306,291)	(7,705,262,705)	(5,528,309,741)	(5,618,951,357)
Proceeds from sale of property, plant and equipment	19,674,032	3,030,875,431	49,050,686	26,263,291
Loans to related parties	(873,493,029)	(198,755,025)	(937,668,094)	(3,823,730,644)
Proceeds from loan to related party	-	-	-	818,000,000
Payment for leasehold right	(459,284,689)	(805,116,424)	(459,284,689)	(805,116,424)
Acquisition of intangible assets	(195,955,222)	(304,046,743)	(78,526,996)	(180,435,451)
Net cash used in investing activities	(14,554,182,677)	(9,099,583,544)	(6,271,085,385)	(9,438,412,246)
<i>Cash flows from financing activities</i>				
Financial cost paid	(2,073,199,811)	(1,617,613,105)	(1,481,514,267)	(1,019,568,613)
Dividend paid	(1,759,835,743)	(3,090,516,263)	(1,376,906,482)	(2,684,928,171)
Increase (decrease) in short-term loans from financial institutions	14,560,000	981,714,225	(3,290,440,000)	5,720,000
Proceeds from exercise of share options	24,510,333	53,597,494	-	-
Proceeds from issuance of debentures	-	11,000,000,000	-	11,000,000,000
Redemption of debentures	(4,000,000,000)	-	(4,000,000,000)	-
Proceeds from subordinated perpetual debentures	10,000,000,000	-	10,000,000,000	-
Redemption of treasury shares	(431,860,810)	-	(431,860,810)	-
Proceeds from long-term loans from financial institutions	6,817,408,331	1,628,848,750	2,550,616,000	-
Repayment of long-term loans from financial institutions	(4,879,426,423)	(4,231,101,209)	(2,900,769,846)	(325,153,846)
Net cash from (used in) financing activities	3,712,155,877	4,724,929,892	(930,875,405)	6,976,069,370
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(4,092,758,744)	1,575,378,317	(3,128,336,520)	837,698,357
Effect of exchange rate changes on cash and cash equivalents	(182,055,235)	(130,641,101)	-	-
Net increase (decrease) in cash and cash equivalents	(4,274,813,979)	1,444,737,216	(3,128,336,520)	837,698,357
Cash and cash equivalents at 1 January	11,550,619,801	10,105,882,585	7,215,200,606	6,377,502,249
Cash and cash equivalents at 31 December	7,275,805,822	11,550,619,801	4,086,864,086	7,215,200,606

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Change in accounting policies
4	Significant accounting policies
5	Acquisition of associate and subsidiary
6	Related parties
7	Cash and cash equivalents
8	Investments
9	Trade accounts receivable
10	Other receivables
11	Inventories
12	Investments in subsidiaries
13	Investments in associates and joint ventures
14	Investment property
15	Property, plant and equipment
16	Goodwill
17	Leasehold rights
18	Intangible assets
19	Deferred tax
20	Other non-current assets
21	Interest-bearing liabilities
22	Trade accounts payable
23	Other payables
24	Non-current provisions for employee benefits
25	Share capital
26	Treasury shares
27	Reserves
28	Subordinated perpetual debentures
29	Segments information
30	Interest and dividend income
31	Other income
32	Selling expenses
33	Administrative expenses
34	Employee benefit expenses
35	Expense by nature
36	Finance costs
37	Income tax
38	Promotional privileges
39	Earnings per share
40	Dividends
41	Financial instruments
42	Commitments with non-related parties
43	Contingent liabilities and contingent assets
44	Events after the reporting period
45	Thai Financial Reporting Standards (TFRS) not yet adopted

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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 authorised for issue by the Board of Directors on 20 February 2020.

1 General information

Bangchak Corporation Public Company Limited, the “Company” is incorporated in Thailand and was listed on the Stock Exchange of Thailand. The Company’s registered office as follows:

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

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

As at 31 December 2019, major shareholders of the Company were Vayupak Fund 1 and Social Security Office holding 14.66% and 14.77% of issued and paid-up capital, respectively (31 December 2018: 14.66% and 40.46%, respectively).

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

Details of the Company’s subsidiaries as of 31 December 2019 and 2018 are given in note 6 and 12.

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 and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initial applied TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue*, TAS 11 *Construction Contracts* and related interpretations. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 45.

(b) Functional and presentation currency

The financial statements are prepared in Thai Baht, which is the Company’s functional currency.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(c) *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 the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgment

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

5, 13	Consideration of investments using the equity method: whether the Group has significant influence in the businesses in which the Group invests
28	The classification of capital - similar debentures into equity

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

5, 13	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
12, 13, 16, 18	Impairment test: key assumption underlying recoverable amounts
19	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised
24	Measurement of defined benefit obligations: key actuarial assumptions

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

3 Changes in accounting policies

From 1 January 2019, the Group has adopted TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard only to contracts that were not completed before 1 January 2019 as an adjustment to the retained earnings at 1 January 2019. Therefore, the Group has not restated the information presented for 2018, as previously reported under TAS 18 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and after deduction of any trade discounts and volume rebates. Judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Under TAS 18, the Group recognised revenue from sale of goods when the significant risks and rewards of ownership of the goods were transferred to the buyer, and recognised revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue was recognised if there was continuing management involvement with the goods or there were significant uncertainties regarding recovery of the consideration due.

The detail and quantitative impact of the change in accounting policy policies are disclosed as follows:

Sale of steam under minimum take or pay arrangement

For the sale of steam under minimum take or pay arrangement of an associate in Indonesia. Under TFRS 15, revenue should be recognised upon fulfilment of the performance obligation.

TFRS 15 did not have any material impact on the Group's accounting policies with respect to other revenue streams.

The following table summarises the impact, net of tax, of adopting TFRS 15.

<i>As at 1 January 2019</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Asset</i>		
Decrease in investment in associate	54	-
Decrease in total assets	54	-
<i>Equity</i>		
Decrease in retained earnings	38	-
Decrease in non-controlling interest	16	-
Decrease in total equity	54	-

There is no material impacts on the consolidated and separate statement of cash flows for the year ended 31 December 2019 from the adoption of TFRS 15.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(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 associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

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.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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 recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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 recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised 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.

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.

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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(c) Derivatives

Derivatives are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivatives 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.

Hedge of oil prices

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, highly liquid short-term investments and 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 and contract assets

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice at value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) 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 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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(h) 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.

(i) 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.

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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(j) 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.

Any 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

No depreciation is provided on freehold land and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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.

(k) Leasehold rights

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.

(l) 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 4 (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 capitalised 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 recognised after 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.

Amortization is recognised 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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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
Right to connect electrical transmission line	20 - 25	years
Power purchase agreement	20	years
Power purchase agreement under concession agreement	28	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.

(m) 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 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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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.

(n) *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.

(o) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(p) *Contract liabilities*

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(q) *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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised 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 recognised 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 recognised 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.

(r) *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.

(s) *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.

(t) *Measurement of fair values*

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 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 or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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 same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(u) 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.

Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

(v) Subordinated perpetual debentures

Subordinated perpetual debentures are recognised as equity when the Company has the sole right and discretion to early redeem the debentures per conditions as stipulated in the terms of the debentures and to defer interest and cumulative interest payment without time and deferral amount limitation and the coupon payments are discretionary. Accordingly, any coupon payments are accounted for as dividends and are recognised directly in equity at the time the payment obligation arises. Coupon payments are recognised in the statement of cash flows in the same way as dividends to ordinary shareholders.

(w) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services rendered

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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 some 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.

Sale of steam under minimum take or pay arrangement

For the sale of steam under minimum take or pay arrangement of an associate in Indonesia. Under TFRS 15, revenue should be recognised upon fulfilment of the performance obligation.

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 consideration received are allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognised as contract liabilities and revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The stand-alone selling prices of the points is estimated based on discount provided to customers and the likelihood that the customers will redeem the points, and the estimate shall be reviewed at the end of the reporting period.

(x) Rental income

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the lease term. The initial expenses which are incurred specifically for the occurrence of the lease are recognised as a part of the total rental fee under the contract. The rental fee that may occur is recognised as income in the accounting period in which the rent is incurred.

(y) Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(z) Finance costs

Finance costs is recognised using the effective interest method and comprises interests 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.

(aa) 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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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.

(bb) 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 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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(cc) 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 period, adjusted for own shares held.

(dd) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(ee) 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.

5 Acquisition of associate and subsidiary

(a) Acquisition of investment in associate OKEA ASA

At the Board of Director meeting of the Company held on 14 June 2018, the meeting approved the Company's investment plan to establish BCPR Co., Ltd. which is a subsidiary in Thailand. BCPR Co., Ltd. established an indirect subsidiary in Singapore ("BCPR Pte. Ltd.") for the purpose of jointly invest with Seacrest Capital Group through the investment by means of subscribing new shares of OKEA AS (subsequently changed the name to OKEA ASA), a company established under Norwegian law, which has developed and produced petroleum in Norway. Subsequently, on 21 November 2018, BCPR Pte. Ltd. subscribed for newly issued shares of OKEA at the total investment amount of NOK 939 million (or equivalent to Baht 3,618 million), calculated as 49.33% of total authorised share capital in OKEA and received the shares.

The Group holds 43% ordinary shares and also hold non-voting right ordinary shares which can be converted to ordinary shares at any time. Effectively, the Group will be holding 49.33% of total OKEA authorised share capital.

TFRS required Management to make preliminary assessment of the fair values of the assets, liabilities and contingent liabilities specified at the acquisition date. The Group hired an independent appraiser to determine the fair value of assets and liabilities acquired during the measurement period, which must not exceed one year from the acquisition date to reflect new information obtained about facts and circumstance that existed as of the acquisition date. Finalisation of the valuation of net assets of investment was completed in November 2019.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

The following summarises the consideration transferred to acquire of investment, and the fair value of net assets acquired (liabilities) assumed at the acquisition date as interest in Group's investment:

	Recognised value as proportionate of to the acquisition	Adjustment <i>(in million Baht)</i>	Fair value as proportionate of to the acquisition
Trade and other receivable	5,791	-	5,791
Exploration and production of petroleum assets	1,941	21	1,962
Long-term loan from financial institution	(4,735)	-	(4,735)
Other net assets (liabilities)	(345)	8	(337)
Total identifiable net assets acquired (liabilities)	2,652	29	2,681
Goodwill	966	(29)	937
Consideration transferred - cash	3,618	-	3,618

The fair value of exploration and production of petroleum assets was determined based on income approach. Key assumptions included forecast oil and gas price, oil reserve, production capacity and discount rate.

Acquisition-related costs

The Group incurred acquisition-related costs of Baht 44 million related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of comprehensive income.

(b) Acquisition of investment in subsidiary Nam San 3A Power Sole Co., Ltd.

On 20 September 2019, BCPG Biopower 2 Co., Ltd., (an indirect Subsidiary of the Company which subsequently changed its the name to BCPG Indochina Co., Ltd.) invested in a hydropower plant project in Laos PDR with total installed capacity of 69 megawatts. The indirect subsidiary acquired 100% share of Nam San 3A Power Sole Co., Ltd. ("Nam San 3A") from Phongsubthavy Roads and Bridges Construction and Irrigation Sole Co., Ltd. ("Phongsubthavy") for an amount of not exceeding USD 174 million (equivalent to Baht 5,352 million) or including net working capital adjustments to be repaid to the seller the amount shall not exceed USD 174 million (equivalent to Baht 5,357 million) which consists of USD 96 million (equivalent to Baht 2,958 million) for the shares and USD 78 million (equivalent to Baht 2,400 million) for a repayment of loan which the hydropower plant company owed to Phongsubthavy. Currently, BCPG Indochina Co., Ltd. has already completed the share transfer from Phongsubthavy. During the period of acquisition date until 31 December 2019, the business contributed revenue of USD 5 million (equivalent to Baht 151 million) and net profit of USD 3 million (equivalent to Baht 81 million) to the Group's results. If the acquisition had occurred on 1 January 2019, management estimates that consolidated revenue would have increased by Baht 402 million and consolidated profit from normal operation for the year ended 31 December 2019 would have increased by Baht 236 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019.

Management believes that acquisition of this business will enable the Group to increase the Group's potential to expand their investment, development and operating renewable energy business within Asia.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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 subsidiary 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.

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

	Recognised value <i>(in million Baht)</i>
Cash	4,460
Contingent consideration	897
Total	5,357

In December 2019, the Group settled the payment of USD 150 million (equivalent to Baht 4,614 million). Subsequently, in January 2020 the Group additionally settled the payment of USD 23 million (equivalent to Baht 712 million).

Contingent consideration

In January 2020, the Group had entered into new power purchase agreement with Vietnam Electricity for Nam San 3A project, which is considered to be a completion of a contingent consideration at the amount of USD 23 million (equivalent to Baht 711 million), resulting in an increase in fair value of the power purchase agreement and a decrease in goodwill from the first assessment in September 2019.

In addition, with reference to the share purchase agreement, the Group has additional contingent consideration to be paid based on stipulated condition at the amount of USD 6 million (equivalent to Baht 185 million).

Identifiable assets acquired and liabilities assumed

	Book value	Adjustment <i>(in million Baht)</i>	Recognized value
Cash and cash equivalents	1	-	1
Trade accounts receivable	69	-	69
Property, plant and equipment	9	-	9
Intangible asset	3,130	2,067	5,197
Other payables	(64)	-	(64)
Long-term loan from Phongsubthavy group	(2,400)	-	(2,400)
Deferred tax liabilities	-	(179)	(179)
Total identifiable assets and liabilities	745	1,888	2,633
Repayment of loan from Phongsubthavy group under the condition of business acquisition	2,400		2,400
Net assets and liabilities acquired by the Group	3,145		5,033
Goodwill			324
Consideration transferred			5,357

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

The fair value of power purchase agreements under concession agreement which was classified as intangible asset was determined based on income approach using Multi-period Excess Earning Method (MEEM) with remaining operating period 28 years under power purchase agreement and related conditions. Key assumptions included forecast revenue and discount rate.

The investment in Nam San 3A creates an opportunity to expand the Group's business in Laos and its neighboring countries. This is a main factor that causes the goodwill arising from the acquisition.

Acquisition-related costs

The Group incurred acquisition-related costs of Baht 23 million related to external legal fees, due diligence, technical advisor and other costs which were included in administrative expenses in the consolidated statement of income for the Group's period which incurred.

6 Related parties

Relationships with subsidiaries, associates, joint venture and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Major shareholders</i>		
Vayupak Fund 1	Thailand	Some common directors
Social Security Office	Thailand	Some common directors
<i>Subsidiaries or indirect subsidiaries</i>		
Bangchak Green Net Co., Ltd.	Thailand	Representative from the Company as director
BCPG Public Company Limited	Thailand	Representative from the Company as director
BBGI Public Company Limited	Thailand	Representative from the Company as director
Bangchak Retail Co., Ltd.	Thailand	Representative from the Company as director
BCPR Co., Ltd.	Thailand	Representative from the Company as director
BCV Bio Based Co., Ltd.	Thailand	Representative from the Company as director
BCV Energy Co., Ltd.	Thailand	Representative from the Company as director
BCV Innovation Co., Ltd.	Thailand	Representative from the Company as director
BCV Partnership Co., Ltd.	Thailand	Representative from the Company as director
BCP Energy International Pte. Ltd.	Singapore	Representative from the Company as director
BCP Innovation Pte. Ltd.	Singapore	Representative from the Company as director
BCP Trading Pte. Ltd.	Singapore	Representative from the Company as director
BCPR Pte. Ltd.	Singapore	Representative from the Company as director
Bangchak Solar Energy Co., Ltd.	Thailand	Representative from the subsidiary as director

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Subsidiaries or indirect subsidiaries (Continue)</i>		
Bangchak Solar Energy (Prachinburi) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Buriram) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Buriram1) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd.	Thailand	Representative from the subsidiary as director
Thai Digital Development Company Limited (Formerly: BCPG Biopower 1 Co., Ltd.)	Thailand	Representative from the subsidiary as director
BCPG Indochina Company Limited (Formerly: BCPG Biopower 2 Co., Ltd.)	Thailand	Representative from the subsidiary as director
Lomligor Co., Ltd.	Thailand	Representative from the subsidiary as director
BCPG Investment Holdings Pte. Ltd.	Singapore	Representative from the subsidiary as director
BSE Energy Holdings Pte. Ltd.	Singapore	Representative from the subsidiary as director
BCPG Japan Corporation	Japan	Representative from the subsidiary as director
Greenergy Holdings Pte. Ltd.	Singapore	Representative from the subsidiary as director
Greenergy Power Pte. Ltd.	Singapore	Representative from the subsidiary as director
Tarumizu Solar Solutions Godo Kaisha	Japan	Representative from the subsidiary as director
Nakatsugawa PV Godo Kaisha	Japan	Indirect Subsidiary of the subsidiary, affiliate in TK investment
Godo Kaisha Inti	Japan	Representative from the Subsidiary as director
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
Godo Kaisha Aten	Japan	Representative from the Subsidiary as director
Nikaho PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Gotenba 2 PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Godo Kaisha Horus	Japan	Representative from the Subsidiary as director
Yabuki PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Komagane PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Godo Kaisha Helios	Japan	Representative from the Subsidiary as director

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Subsidiaries or indirect subsidiaries (Continue)</i>		
Godo Kaisha Lugh	Japan	Representative from the Subsidiary as director
Godo Kaisha Phoenix	Japan	Representative from the Subsidiary as director
Gotenba 1 PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Komagane Land Lease Godo Kaisha	Japan	Representative from the Subsidiary as director
Nagi PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Godo Kaisha Natosi	Japan	Representative from the Subsidiary as director
Godo Kaisha Amaterasu	Japan	Representative from the Subsidiary as director
Godo Kaisha Mithra	Japan	Representative from the Subsidiary as director
Godo Kaisha Sol	Japan	Representative from the Subsidiary as director
Godo Kaisha Saule	Japan	Representative from the Subsidiary as director
Godo Kaisha Shamash	Japan	Representative from the Subsidiary as director
Godo Kaisha Pusan	Japan	Representative from the Subsidiary as director
Godo Kaisha Apolo	Japan	Representative from the Subsidiary as director
Godo Kaisha Surya	Japan	Representative from the Subsidiary as director
Nagi Land Lease Godo Kaisha	Japan	Representative from the Subsidiary as director
Godo Kaisha Rangi	Japan	Representative from the Subsidiary as director
Godo Kaisha Dazbog	Japan	Representative from the Subsidiary as director
Godo Kaisha Narang	Japan	Representative from the Subsidiary as director
Godo Kaisha Malina	Japan	Representative from the Subsidiary as director
Godo Kaisha Legba	Japan	Representative from the Subsidiary as director
J2 Investor Godo Kaisha	Japan	Representative from the Subsidiary as director
J1 Investor Godo Kaisha	Japan	Representative from the Subsidiary as director
BCPG Engineering Company	Japan	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	Representative from the Subsidiary as director

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Subsidiaries or indirect subsidiaries (Continue)</i>		
BCPG Wind Cooperatief U.A.	Netherland	Representative from the Subsidiary as director
Nam San 3A Power Sole Co., Ltd.	Laos	Subsidiary's director and management as director and management
KSL Green Innovation Public Company Limited	Thailand	Representative from the Company as director
Bangchak Biofuel Co., Ltd.	Thailand	Representative from the Company as director
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	Thailand	Representative from the Company as director
Nido Petroleum Pty. Ltd. Group	Australia/ British Virgin Islands/ Bahrain	Representative from the Subsidiary as director
Bangchak Ventures Pte. Ltd.	Singapore	Representative from the Company as director
<i>Indirect associates and joint venture</i>		
Bongkot Marine Services Co., Ltd.	Thailand	Representative from the Company as director
Oam Suk Social Enterprise Co., Ltd.	Thailand	Representative from the Company as director
Ubon Bio Ethanol Public Company Limited (Formerly: Ubon Bio Ethanol Co., Ltd.)	Thailand	Representative from the Subsidiary as director
Ubon Agricultural Energy Co., Ltd.	Thailand	Representative from the Subsidiary as director
PetroWind Energy Inc.	Philippines	Representative from the Subsidiary as director
Star Energy Group Holdings Pte. Ltd.	Singapore	Representative from the Subsidiary as director
OKEA ASA (Formerly : OKEA AS)	Norway	Representative from the Company as director
Impact Energy Asia Development Limited	Hong Kong	Representative from the Subsidiary as director
<i>Other related parties</i>		
Fuel Pipeline Transportation Ltd.	Thailand	Representative from the Company as director
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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
Sale fixed assets and other assets	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:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Subsidiaries and indirect subsidiaries				
Sales of goods	-	-	43,966	42,272
Purchases of goods	-	-	31,774	28,891
Dividend income	-	-	911	916
Other income	-	-	110	239
Interest income	-	-	71	28
Other expenses	-	-	41	37
Sale fixed assets and other assets	-	-	42	-
Indirect associates and joint ventures				
Sales of goods	16	12	16	12
Purchases of goods	1,327	1,368	1,327	1,368
Dividend income	-	-	15	24
Other income	4	75	4	-
Other expenses	460	490	460	490
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	300	314	143	148
Post-employment benefits and other long-term benefits	14	34	9	8
Share-based payments	-	1	-	-
Total key management personnel compensation	314	349	152	156
Other related party				
Other income	4	5	5	5
Interest income	59	5	-	-
Pipeline transportation expenses	454	443	454	443

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Trade accounts receivable				
Subsidiaries and indirect subsidiaries	-	-	2,019	2,218
Direct and indirect associate	2	2	2	2
Total	2	2	2,021	2,220
Less allowance for doubtful accounts	-	-	-	-
Net	2	2	2,021	2,220

Bad and doubtful debts expense for the year

-	-	-	-
---	---	---	---

Other receivables

Subsidiaries and indirect subsidiaries	-	-	63	27
Indirect associate and joint ventures	-	74	-	-
Other related party	28	5	-	-
Total	28	79	63	27

	Interest rate	Consolidated financial statements			
		At 31 December (% per annum)	At 1 January	Increased rates (in million Baht)	Effect of change in exchange rates
Movement of loans to 2019					
Indirect associate					
Impact Energy Asia Development Limited	4.7	-	154	(2)	152
Other related party					
Lithium Americans Corp.	8.0	199	720	(35)	884
Total		199	874	(37)	1,036
Less current portion due within one year		-	-	-	-
Total loans to related parties		199			1,036
2018					
Other related party					
Lithium Americans Corp.	8.0	-	198	1	199
Total		-	198	1	199
Less current portion due within one year		-	-	-	-
Total loans to related parties		-			199

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Interest rate	Separate financial statements				
		At 31 December (% per annum)	At 1 January	Increased	Decrease	Effect of change in exchange rates
Movement of loans to 2019						
Subsidiaries						
Bangchak Retail Co., Ltd.	4.2	410	200	-	-	610
BCP Innovation Pte. Ltd.	4.5	198	738	-	(58)	878
Indirect subsidiaries						
Nido Petroleum Pty. Ltd.	0.5	1,291	-	-	(92)	1,199
BCPR Pte. Ltd.	0.5	3,229	-	-	(125)	3,104
Total		5,128	983	-	(275)	5,791
<i>Less current portion due within one year</i>		-				-
Total loans to related parties		5,128				5,791

2018

Subsidiaries						
Bangchak Retail Co., Ltd.	4.2	90	320	-	-	410
BCP Innovation Pte. Ltd.	4.5	-	202	-	(4)	198
Indirect subsidiaries						
Nido Petroleum Pty. Ltd.	0.5	2,113	-	(818)	(4)	1,291
BCPR Pte. Ltd.	0.5	-	3,302	-	(73)	3,229
Total		2,203	3,824	(818)	(81)	5,128
<i>Less current portion due within one year</i>		-				-
Total loans to related parties		2,203				5,128

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in million Baht)</i>				
Other non-current assets				
Indirect subsidiary	-	-	323	325
Other related party	7	10	7	10
Total	7	10	330	335
Trade accounts payable				
Subsidiaries and indirect subsidiaries	-	-	870	829
Indirect associate	149	110	149	110
Total	149	110	1,019	939
Other payable				
Subsidiaries and indirect subsidiary	-	-	18	9
Joint ventures	2	13	2	13
Other related parties	49	43	49	43
Total	51	56	69	65
Other current liabilities				
Subsidiaries	-	-	6	6
Total	-	-	6	6

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<i>Other non-current liabilities</i>				
Other related party	2	2	2	2
Total	2	2	2	2

Significant agreements with related parties

Fuel Pipeline Transportation Agreement

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

Oil Terminal Rental Agreement

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

Bio-diesel Sales and Purchase Agreement

The Company entered into a Bio-diesel Sales and Purchase Agreement with an indirect subsidiary. Such agreement has effective since April 2018 to October 2027 and will be automatically renewed unless terminated by either party as stipulated in the agreement. The Company will purchase bio-diesel oil at yearly average volumes not less than 60% of maximum bio-diesel production capacity of indirect subsidiary at the price reference to market as stipulated in the agreement.

Denature Ethanol Sales and Purchase Agreement

The Company entered into a Denatured Ethanol Sales and Purchase Agreement with a subsidiary. Such agreement has effective since April 2018 to October 2027 and will be automatically renewed unless terminated by either party as stipulated in the agreement. The Company will purchase denatured ethanol at yearly average volumes not less than 50% of denatured ethanol production per year of the indirect subsidiary within the same Group at the price reference to market as stipulated in the agreement.

Fuel Product Sale and Purchase Agreement

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

Service Station Operating Right Agreement

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Store Operation Right Agreement

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

Information Technology Service Agreement

The Company has entered into information technology service agreements with subsidiaries and indirect subsidiaries. Agreements will be reviewed annually. The Company is responsible for management information system, system structure, maintenance system and advisory in accordance with subsidiaries' direction. Service fees is as stipulated in the agreement.

Management Service Agreement

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

Land Rental Agreement

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

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

Joint Development Area Agreement

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

Lending Agreement

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

During the year 2018, the Company entered into an unsecured loan agreement with Bangchak Retail Company Limited, a subsidiary of the Company, for the credit facility of Baht 500 million. The interest rate and repayment schedule are as stipulated in the agreement. During the year 2019, the Company cancelled several original loan agreements with such subsidiary, which has a total outstanding loan of Baht 410 million and has entered into a new unsecured loan with such subsidiary with a credit facility of Baht 700 million. The loan bears interest and repayment schedule as stipulated in the agreement.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

The Company has an unsecured lending agreement with BCP Innovation Pte. Ltd. “BCPI”, a subsidiary of the Company for the credit facility of USD 80 million. The loan bears interest and repayment schedule as stipulated in the agreement. BCPI 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.

During 2018, the Company had an unsecured lending agreement with BCPR Pte. Ltd., an indirect subsidiary of the Company for the credit facility of USD 120 million. Subsequently in 2019, the Company amended the lending agreement by revision lending currency of the loan of USD 100 million to NOK 917 million. The loan has a repayment schedule, bears interest and conditions as stipulated in the agreement.

BCPG Public Company Limited, a subsidiary of the Group Company entered into an unsecured loan agreement with Impact Energy Asia Development Limited, an associated company of the subsidiary, in the total credit lines of USD 6 million. The loan has a repayment schedule, bears interest and conditions as stipulated in the agreement.

Guarantee Agreement

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

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

Lithium Purchase Agreement

BCPI and LAC have entered into Lithium Purchase Agreement. Such agreement grants BCPI the right to purchase 20% of all LAC right from Project Cauchari-Olaroz (Phase I) for 20 years from the commencement operation date. However, the Company has an obligations according to the agreement in case of BCPI is unable to pay the lithium purchase.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

7 Cash and cash equivalents

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Cash on hand	101	102	-	-
Cash at banks - current accounts	891	1,412	27	265
Cash at banks - savings accounts	4,146	5,955	2,060	2,950
Highly liquid short-term investments	2,138	4,082	2,000	4,000
Total	7,276	11,551	4,087	7,215

As at 31 December 2019, certain indirect subsidiaries has a restricted deposits at financial institution totaling Baht 259 million (2018: Baht 230 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.

8 Investments

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions	288	262	200	200
	288	262	200	200
<i>Other long-term investments</i>				
Available-for-sale equity security				
Lithium Americas Corp.	1,349	1,432	-	-
Non-marketable equity securities				
Fuel Pipeline Transportation Ltd.	234	234	234	234
Others	483	146	-	-
Non-marketable equity securities - net	2,066	1,812	234	234
Debt securities held to maturity				
Government bonds	3	3	3	3
Add: Premium on investments	-	-	-	-
Debt securities held to maturity - net	3	3	3	3
Other long-term investments	2,069	1,815	237	237
Total	2,357	2,077	437	437

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Movement of available-for-sale security during the year ended 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Other long-term investments				
Available-for-sale securities				
At 1 January	1,432	4,061	-	-
Increase	17	-	-	-
Disposal	(2)	-	-	-
Valuation adjustment	5	(2,590)	-	-
Effect of change in exchange rate	(103)	(39)	-	-
At 31 December	1,349	1,432	-	-

9 Trade accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in million Baht)</i>			
Related parties	6	2	2	2,021	2,220
Other parties		9,050	6,980	4,667	4,909
Total		9,052	6,982	6,688	7,129
<i>Less: allowance for doubtful accounts</i>		(14)	(13)	(14)	(13)
Net		9,038	6,969	6,674	7,116
Bad and doubtful debts expense for the year		3	-	3	-

Aging analyses for trade accounts receivable were as follows:

Related parties					
Within credit terms		2	2	2,021	2,220
<i>Less: allowance for doubtful accounts</i>		-	-	-	-
Net		2	2	2,021	2,220
Other parties					
Within credit terms		8,676	6,256	4,399	4,654
Overdue:					
Less than 3 months		296	678	223	229
3 - 6 months		23	11	20	3
6 - 12 months		23	15	7	8
Over 12 months		32	20	18	15
		9,050	6,980	4,667	4,909
<i>Less: allowance for doubtful accounts</i>		(14)	(13)	(14)	(13)
Net		9,038	6,969	6,674	7,116

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

10 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in million Baht)</i>			
Related parties	6	28	79	63	27
Other parties					
Receivable from oil hedging contract:		44	40	44	40
Receivable from forward exchange contracts		-	161	-	87
Prepaid expenses		160	132	76	58
Advance payment		662	223	-	-
Receivable from revenue department		278	537	160	304
Other accounts receivable		863	471	311	205
Total		2,035	1,643	654	721

11 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Crude oil and other raw materials	7,936	8,214	7,374	7,648
Finished oil products	6,743	6,575	5,926	5,544
Materials and supplies	1,114	1,047	1,032	992
Consumer products	73	72	-	-
Semi - finished products	145	87	-	-
	16,011	15,995	14,332	14,184
<i>Less: allowance for obsolete and slow moving</i>	(171)	(149)	(171)	(149)
<i>allowance for decline in value</i>	(5)	(711)	-	(689)
Net	15,835	15,135	14,161	13,346
Inventories recognised in cost of sale of goods (Note 35)				
- Cost	105,824	105,714	97,939	98,282
- (Reversal of) write-down to net realisable value	(706)	696	(689)	689
Total	105,118	106,410	97,250	98,971

As at 31 December 2019 and 2018, the Company's inventories included petroleum legal reserve of 413 million liters with approximated value of Baht 5,668 million and 389 million liters with approximated value of Baht 5,873 million, respectively.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

12 Investments in subsidiaries

	Separate financial statements	
	2019	2018
	<i>(in million Baht)</i>	
At 1 January	13,179	12,610
Increase	357	840
Impairment losses	-	(271)
At 31 December	<u>13,536</u>	<u>13,179</u>

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Investments in subsidiaries as at 31 December 2019 and 2018, and dividend income from the investment for the years then ended were as follows:

	Separate financial statements										Dividend income	
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		For the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)		(in million Baht)									
Subsidiaries												
Bangchak Green Net Co., Ltd.	49.00	49.00	1	1	-	-	-	-	-	-	15	20
BCPG Public Co., Ltd.	70.04	70.11	9,994	9,984	7,000	7,000	-	-	7,000	7,000	896	896
Bangchak Retail Co., Ltd.	100.00	100.00	800	800	800	800	-	-	800	800	-	-
BCP Energy International Pte. Ltd.	100.00	100.00	3,673	3,673	3,673	3,673	(2,203)	(2,203)	1,470	1,470	-	-
BCP Innovation Pte. Ltd.	100.00	100.00	1,790	1,433	1,790	1,433	-	-	1,790	1,433	-	-
BCP Trading Pte. Ltd.	100.00	100.00	35	35	35	35	-	-	35	35	-	-
BBGI Public Co., Ltd.	60.00	60.00	2,532	2,532	1,700	1,700	-	-	1,700	1,700	-	-
BCPR Co., Ltd.	100.00	100.00	661	661	661	661	-	-	661	661	-	-
BCV Bio Based Co., Ltd.	100.00	100.00	20	20	20	20	-	-	20	20	-	-
BCV Energy Co., Ltd.	100.00	100.00	20	20	20	20	-	-	20	20	-	-
BCV Innovation Co., Ltd.	100.00	100.00	20	20	20	20	-	-	20	20	-	-
BCV Partnership Co., Ltd.	100.00	100.00	20	20	20	20	-	-	20	20	-	-
Bangchak Ventures Pte. Ltd.	100.00	-	-	-	-	-	-	-	-	-	-	-
					15,739	15,382	(2,203)	(2,203)	13,536	13,179	911	916

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Change in investment in subsidiaries

During the year 2019, at the Extraordinary Meeting of the Shareholders of BCP Innovation Pte. Ltd., the meeting approved the increase of the registered capital in January, April, August and December from USD 42 million (divided into 42 million shares at par value of USD 1 per share) to USD 53 million (divided into 53 million shares at par value of USD 1 per share). The subsidiary had called up and received full payment of paid-up capital in January, April, August and December 2019, respectively.

On 6 August 2019, the Company established Bangchak Ventures Pte. Ltd., a registered company in Singapore, in which the company holds 100 percent of shares, registered capital of USD 0.1 million (divided into 0.1 million shares with a par value of 1 USD) to invest in start-up businesses specifically related to innovation. The Company has paid for the shares of 1 share at a value of USD 1 per share.

Impairment of oil exploration & production assets and investment in subsidiary

The recoverable amount of investment in BCP Energy International Pte. Ltd. "BCPE" 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 impairment test has been prepared by the management and no impairment charges are required for oil exploration and production assets and investment in subsidiary.

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 discount rate were to be increased by around 0.23% or the oil price assumption were to be decreased by around 0.79%, the estimated recoverable amount will be equal to the carrying amount.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

13 Investments in associates and joint ventures

<i>Year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in million Baht)</i>			
Indirect associates					
At 1 January -					
as previously reported		17,956	14,081	-	-
Effect from changing in accounting policies	3	(54)	-	-	-
At 1 January - as restated		17,902	14,081	-	-
Increase		226	3,618	-	-
Decrease		(77)	-	-	-
Share of net profit of associates		372	215	-	-
Share of other comprehensive					
Income (loss) of associates		(4)	28	-	-
Dividend income		(24)	-	-	-
Effect of change in exchange rates		(468)	14	-	-
At 31 December		17,927	17,956	-	-
Joint ventures					
At 1 January		92	77	73	73
Share of net profit of joint ventures		33	39	-	-
Dividend income		(15)	(24)	-	-
At 31 December		110	92	73	73
Total					
At 1 January -					
as previously reported		18,048	14,158	73	73
Effect from changing in accounting policies	3	(54)	-	-	-
At 1 January - as restated		17,994	14,158	73	73
Increase		226	3,618	-	-
Decrease		(77)	-	-	-
Share of net profit of associates and joint ventures		405	254	-	-
Share of other comprehensive					
Income (loss) of associates		(4)	28	-	-
Dividend income		(39)	(24)	-	-
Effect of change in exchange rates		(468)	14	-	-
At 31 December		18,037	18,048	73	73

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Investments in associates and joint ventures as at 31 December 2019 and 2018, and dividend income from those investments for the years then ended, were as follows:

	Consolidated financial statements												Dividend income	
	Ownership interest		Paid-up capital		Cost		Equity		Impairment		At equity - net		for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)		(in million Baht)											
Indirect associates														
Ubon Bio Ethanol Plc.	21.28	21.28	2,740	2,740	763	763	799	808	-	-	799	808	-	-
PetroWind Energy Inc.	40.00	40.00	895	895	922	922	1,126	1,206	-	-	1,126	1,206	24	-
Star Energy Group Holding Pte. Ltd.	33.33	33.33	28,169	28,237	11,889	11,956	12,497	12,295	-	-	12,497	12,295	-	-
OKEA ASA (Formerly: OKEA AS)	46.52	49.33	38	31	3,844	3,618	3,505	3,647	-	-	3,505	3,647	-	-
Impact Energy Asia Development Limited.	45.00	-	-	-	-	-	-	-	-	-	-	-	-	-
					17,418	17,259	17,927	17,956	-	-	17,927	17,956	24	-
Joint ventures														
Bongkot Marine Services Co., Ltd.	30.00	30.00	240	240	72	72	109	91	-	-	109	91	15	24
Oam Suk Social Enterprise Co., Ltd.	40.00	40.00	3	3	1	1	1	1	-	-	1	1	-	-
					73	73	110	92	-	-	110	92	15	24
Total					17,491	17,332	18,037	18,048	-	-	18,037	18,048	39	24

None of the Group's indirect associates and joint ventures equity-accounted investee is publicly listed and consequently does not have published price quotations, except for OKEA ASA, which is listed on the Norwegian Stock Exchange. As at 31 December 2019, fair value is NOK 831 million (equivalent to Baht 2,813 million) (2018: None).

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Ownership interest		Paid-up capital		Separate financial statements				Dividend income for the year			
	2019	2018	2019	2018	Cost		Impairment		At cost - net		2019	2018
	(%)				2019	2018	2019	2018	2019	2018		
Joint ventures												
Bongkot Marine Services Co., Ltd.	30.00	30.00	240	240	72	72	-	-	72	72	15	24
Oam Suk Social Enterprise Co., Ltd.	40.00	40.00	3	3	1	1	-	-	1	1	-	-
Total					73	73	-	-	73	73	15	24

None of the Company's joint ventures equity-accounted investee is publicly listed and consequently does not have published price quotations.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Changes in investments in associates

OKEA ASA and the initial public offering of OKEA ASA

On 5 April 2019, BCPR Pte. Ltd. (“BCPR”), an indirect subsidiary of the Company, converted 901,061 A ordinary shares in OKEA ASA (“OKEA”), which did not feature voting rights, to common ordinary shares with voting rights, bringing the total number of common ordinary shares owned by BCPR to 4,054,775 shares equivalent to 49.33% of total shareholders’ equity of OKEA. On 9 May 2019, OKEA split its shares by changing the par value from NOK 1 per share to NOK 0.1 per share, bringing the total number of shares owned by BCPR to 40,547,750 shares.

On 18 June 2019, OKEA increased its share capital for the purpose of the initial public offering (IPO) of its shares on the Oslo Stock Exchange in Norway by issuing 15,000,000 shares out of which BCPR acquired 2,891,574 shares at an offering price of NOK 21 per share. On the IPO date, BCPR also acquired an additional 4,171,570 ordinary shares under conditions which were part of the initial investment agreement. BCPR paid for new share acquisition with a price of 0.1 NOK per share, totaling NOK 61 million (equivalent to Baht 226 million). After the issuance of the new shares, OKEA has a registered and issued and paid-up share capital of 101,839,050 shares out of which BCPR held 47,610,894 ordinary shares, equivalent to 46.75% of the share capital of OKEA. As a result, the dilution of its interest, the Group has recognised a gain from changes in investment interest amounting to NOK 26 million (equivalent to Baht 94 million) which was recorded in the consolidated income statement under share of profit in an investment in associates and joint ventures.

Under the Greenshoe option arrangement with the managers of the IPO, BCPR lend 1,500,000 OKEA’s shares to the managers to facilitate price stabilization by the managers after the IPO until 17 July 2019. At that date, the Managers delivered back to the Group 1,366,669 shares and settled for the remaining balance at the IPO price, totaling NOK 3 million (equivalent to Baht 10 million) resulting in BCPR finally holding 47,477,563 shares, equivalent to 46.62% of OKEA’s share capital.

On 10 September 2019, OKEA issued 225,000 rights to purchase additional shares to their directors and employees. As a result, OKEA has 102,064,050 registered and paid-up share capital, which resulting in BCPR’s shareholding in OKEA to decrease from 46.6% to 46.52%.

Impact Energy Asia Development Limited

On 8 April 2019, BCPG Public Company Limited (“BCPG”) co-established Impact Energy Asia Development Limited (“IEAD”) which registered at Hong Kong Special Administrative Region of the People’s Republic of China with an initial registered capital of HKD 200 and a purpose to operate a renewable energy power plant development project in the future. BCPG acquired 90 shares with HKD 1 per share, totaling HKD 90 (equivalent to Baht 369). BCPG has 45% of shareholding in the total issued and paid up shares of IEAD.

Star Energy Group Holding Pte. Ltd.,

During the year ended 31 December 2019, Star Energy Group Holding Pte. Ltd. reduced its registered share capital from USD 840 million to USD 834 million and distributed USD 6 million back to its shareholders. The Group received a distribution based on the Group’s ownership interest at 33.33%, calculated as USD 2 million (equivalent to Baht 67 million).

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Impairment testing for cash generating unit containing goodwill in investment in associate, Star Energy Group Holdings Pte. Ltd.

The recoverable amount of investment in associate, Star Energy Group Holdings Pte. Ltd., which contained goodwill, was value-in-use by discounted future cash flow from the continuing operation of power plants in Indonesia.

The key assumptions used in the estimation of the future cash flows were based on the concession agreements, power purchase agreements, estimated selling price and production unit of electricity and steam, with reference to historical data and external source such as exchange rate and inflation.

The key assumption used in the estimation of value in use are as set out below:

	Consolidated financial statements	
	2019	2018
		(%)
Discount rate - Geothermal power plants	7.1 - 7.6	7.2 - 7.6

The discount rate was weighted average after-tax cost of capital by using Capital Asset Pricing Model (CAPM). Risk free rate was derived from long-term U.S. treasury bond yield. The adjustment for market risk premium to reflect risk of equity investment and country risk premium is also taking into consideration.

Revenue projection

The total revenue projections for the power plant assets was determined in accordance with the power purchase agreements, concession agreements and related announcements. The assumptions included electricity and steam selling price from thermal power plants, production unit, electricity unit, exchange rate, inflation and other related factors.

The impairment testing has been prepared by the Group's management. The estimate revenue and expenses were based on historical data, external source and other related factors which included management's estimate and long term business plan. The management have also conducted sensitivity test by increasing discount rate 0.6% - 0.7% and found no impairment for investment in associate, Star Energy Group Holdings Pte. Ltd.

Dispute with Government authority of Indonesia

As at 31 December 2019, an affiliate of Star Energy Group Holding Pte. Ltd. ("SEGHPL") has a dispute with Directorate General of Budget ("DGB"), the Bureau of the Budget under the Ministry of Finance Indonesia regarding the calculation of profit sharing distributed to the government. There is a different interpretation on the definition of expenditure relating to profit sharing calculation. SEGHPL paid additional profit sharing and recorded as a refundable tax. SEGHPL submitted an objection letter to request for a refund. This dispute is currently under resolution process. However, the Group has already reserved the allowance for doubtful account on the refundable tax in full in the consolidated financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Associates

The following table summaries the financial information of the associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	OKEA ASA.		Star Energy Group Holdings Pte. Ltd.	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Statement of income				
Revenue	11,015	1,303	15,860	16,939
Net profit (loss)	(267)	(599)	3,860	3,633
Other comprehensive income (loss)	-	-	(484)	484
Total comprehensive income (loss) for the year	(267)	(599)	3,376	4,117
Group's share of total comprehensive income (*)	26	(3)	324	192

(*) Group's share of total comprehensive income of OKEA ASA for the year 2018 was calculated from total comprehensive income since the acquisition date to end of period.

	OKEA ASA.		Star Energy Group Holdings Pte. Ltd.	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
As at 31 December				
Statement of financial position				
Current assets	8,175	6,242	9,029	10,960
Non-current assets	28,931	33,795	103,064	110,385
Current liabilities	(5,963)	(4,756)	(4,835)	(6,421)
Non-current liabilities	(25,622)	(29,534)	(71,169)	(78,840)
Net assets (100%)	5,521	5,747	36,089	36,084
Group's share of assets	2,568	2,681	8,124	7,922
Goodwill	937	966	4,373	4,373
Carrying amount of interest in associates	3,505	3,647	12,497	12,295

Immaterial associates and joint ventures

The following is summarised financial information for the Group's interest in immaterial of associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

	2019	2018
	<i>(in million Baht)</i>	
Carrying amount of interests in immaterial of associates and joint ventures	2,035	2,106
Share of net profit from investment in associates and joint ventures in Consolidated financial statements:		
- Profit for the year	51	93
- Other comprehensive income	-	-
- Total comprehensive income	51	93

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

14 Investment property

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<i>Cost</i>				
At 1 January	127	343	683	899
Transfer to property, plant and equipment	-	(216)	-	(216)
At 31 December	127	127	683	683
<i>Depreciation and impairment losses</i>				
At 1 January	-	-	-	-
At 31 December	-	-	-	-
<i>Net book value</i>				
At 1 January	127	343	683	899
At 31 December	127	127	683	683
Fair value	346	346	984	984

During the year 2018, the Company transferred partial of investment property to land, since the Company starting the land development for company's operation.

The fair value is appraised by an independent appraiser at market comparison value.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

15 Property, plant and equipment

	Consolidated financial statements										
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Exploration and production of petroleum assets	Marketing and office equipment	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
	<i>(in million Baht)</i>										
Cost											
At 1 January 2018	3,236	3,578	47,636	12,757	7,713	7,681	239	394	28	2,365	85,627
Additions	489	10	96	1	1	50	-	35	-	7,459	8,141
Transfers	216	227	2,515	647	(42)	1,058	-	1	-	(4,493)	129
Disposals	-	(56)	(1,036)	(2,097)	(7,587)	(360)	-	(37)	-	-	(11,173)
Effect of movement in exchange rate	4	-	-	31	(85)	-	-	-	-	8	(42)
At 31 December 2018 and 1 January 2019	3,945	3,759	49,211	11,339	-	8,429	239	393	28	5,339	82,682
Acquired from business acquisition (<i>Note 5</i>)	-	3	-	6	-	-	-	-	-	-	9
Additions	206	207	50	1	-	18	-	48	-	7,973	8,503
Transfers	4	179	988	640	-	535	-	-	-	(2,446)	(100)
Disposals	-	(84)	(161)	(2)	-	(157)	-	(21)	-	-	(425)
Effect of movement in exchange rate	(22)	(9)	-	(73)	-	(1)	-	-	-	(103)	(208)
At 31 December 2019	4,133	4,055	50,088	11,911	-	8,824	239	420	28	10,763	90,461

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Consolidated financial statements

	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Exploration and production of petroleum assets	Marketing and office equipment <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
<i>Depreciation and impairment losses</i>											
At 1 January 2018	(12)	(1,044)	(23,893)	(1,613)	(6,498)	(4,283)	-	(231)	(4)	-	(37,578)
Depreciation charge for the year	-	(174)	(2,972)	(566)	(133)	(567)	-	(44)	(1)	-	(4,457)
(Reversal of) impairment losses	6	-	(13)	-	(412)	1	-	-	-	-	(418)
Transfer	-	-	(2)	-	-	3	-	-	-	-	1
Disposals	-	18	1,011	200	6,963	340	-	37	-	-	8,569
Effect of movement in exchange rate	-	-	-	(2)	80	-	-	-	-	-	78
At 31 December 2018 and 1 January 2019	(6)	(1,200)	(25,869)	(1,981)	-	(4,506)	-	(238)	(5)	-	(33,805)
Depreciation charge for the year	-	(177)	(3,137)	(520)	-	(595)	-	(48)	(1)	-	(4,478)
Impairment losses	-	-	(10)	-	-	(1)	-	-	-	-	(11)
Transfer	-	-	-	-	-	1	-	-	-	-	1
Disposals	-	74	157	1	-	145	-	21	-	-	398
Effect of movement in exchange rate	-	6	-	11	-	1	-	-	-	-	18
At 31 December 2019	(6)	(1,297)	(28,859)	(2,489)	-	(4,955)	-	(265)	(6)	-	(37,877)

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Consolidated financial statements										
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Exploration and production of petroleum assets	Marketing and office equipment <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
<i>Net book value</i>											
At 1 January 2018	<u>3,224</u>	<u>2,534</u>	<u>23,743</u>	<u>11,144</u>	<u>1,215</u>	<u>3,398</u>	<u>239</u>	<u>163</u>	<u>24</u>	<u>2,365</u>	<u>48,049</u>
At 31 December 2018 and 1 January 2019	<u>3,939</u>	<u>2,559</u>	<u>23,342</u>	<u>9,358</u>	-	<u>3,923</u>	<u>239</u>	<u>155</u>	<u>23</u>	<u>5,339</u>	<u>48,877</u>
At 31 December 2019	<u>4,127</u>	<u>2,758</u>	<u>21,229</u>	<u>9,422</u>	-	<u>3,869</u>	<u>239</u>	<u>155</u>	<u>22</u>	<u>10,763</u>	<u>52,584</u>

As at 31 December 2019, certain subsidiaries have mortgaged its land, buildings and machinery as collateral with financial institutions for credit facilities totaling Baht 12,561 million (2018: Baht 13,478 million).

As at 31 December 2019, Capitalised borrowing costs relating to construction of the new factory amounted to Baht 196 million (2018: Baht 76 million), with a capitalization rate of 3.00 - 4.41% (2018: 1.85 - 4.55%) (see note 36).

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 11,113 million (2018: Baht 8,368 million).

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Separate financial statements									
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Marketing and office equipment <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
Cost										
At 1 January 2018	1,728	744	43,462	-	7,154	239	338	28	1,369	55,062
Additions	384	-	49	-	-	-	29	-	5,271	5,733
Transfers	216	29	2,255	72	1,006	-	-	-	(3,402)	176
Disposals	-	(16)	(1,032)	-	(352)	-	(36)	-	-	(1,436)
At 31 December 2018 and 1 January 2019	2,328	757	44,734	72	7,808	239	331	28	3,238	59,535
Additions	41	-	24	-	-	-	26	-	5,796	5,887
Transfers	-	10	570	-	477	-	-	-	(1,144)	(87)
Disposals	-	(151)	(153)	-	(178)	-	(16)	-	-	(498)
At 31 December 2019	2,369	616	45,175	72	8,107	239	341	28	7,890	64,837
Depreciation and impairment losses										
At 1 January 2018	(12)	(561)	(22,855)	-	(4,018)	-	(205)	(4)	-	(27,655)
Depreciation charge for the year (Losses) reversal of impairment losses	-	(26)	(2,702)	(3)	(488)	-	(35)	(1)	-	(3,255)
Disposals	6	-	(13)	-	1	-	-	-	-	(6)
Disposals	-	10	1,010	-	332	-	36	-	-	1,388
At 31 December 2018 and 1 January 2019	(6)	(577)	(24,560)	(3)	(4,173)	-	(204)	(5)	-	(29,528)
Depreciation charge for the year	-	(19)	(2,838)	(6)	(513)	-	(37)	(1)	-	(3,414)
Impairment losses	-	-	(10)	-	(1)	-	-	-	-	(11)
Disposals	-	113	153	-	164	-	16	-	-	446
At 31 December 2019	(6)	(483)	(27,255)	(9)	(4,523)	-	(225)	(6)	-	(32,507)

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Separate financial statements									Total
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Marketing and office equipment <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Other assets	Construction work in progress	
<i>Net book value</i>										
At 1 January 2018	1,716	183	20,607	-	3,136	239	133	24	1,369	27,407
At 31 December 2018 and 1 January 2019	2,322	180	20,174	69	3,635	239	127	23	3,238	30,007
At 31 December 2019	2,363	133	17,920	63	3,584	239	116	22	7,890	32,330

Capitalised borrowing costs relating to construction of the new plant amounted to Baht 188 million (2018: Baht 75 million), with a capitalization rate of 4.00 - 4.41% (2018: 4.12 - 4.55%) (see note 36).

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 10,580 million (2018: Baht 8,135 million).

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

16 Goodwill

	Consolidated financial statements (in million Baht)
<i>Cost</i>	
At 1 January 2018	1,602
At 31 December 2018 and 1 January 2019	1,602
Acquired from business acquisition (<i>Note 5</i>)	324
Effect of movement in exchange rate	(5)
At 31 December 2019	1,921
<i>Impairment losses</i>	
At 1 January 2018	-
At 31 December 2018 and 1 January 2019	-
At 31 December 2019	-
<i>Net book value</i>	
At 1 January 2019	1,602
At 31 December 2018 and 1 January 2019	1,602
At 31 December 2019	1,921

Impairment testing for the cash generating unit containing goodwill

For goodwill amounted to Baht 1,602 million from business combinations of BBGI Public Company Limited Group, the Group have calculated the recoverable amount by using the value in use models which was determined by discounting future cash flows for the next 5 years. The key assumptions used in the estimation of the recoverable amount included the discount rate which was a post-tax measure based on the rate of 10 year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally.

The discount rates of the relevant industries in which the subsidiary operates are ranged from 5 - 10%. The subsidiary's discount rate which applied in the calculation of recoverable amounts was fall within the industries' range.

The impairment test has been prepared by the management and no impairment charges are required for goodwill.

If the assumption used in the calculation on impairment tests for goodwill change, the discount rate increased by 1% per annum, there is still no impairment of goodwill.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

17 Leasehold rights

	Consolidated and Separate financial statements	
	2019	2018
	<i>(in million Baht)</i>	
<i>Cost</i>		
At 1 January	4,184	4,038
Additions	459	805
Disposals	(3)	(659)
At 31 December	4,640	4,184
<i>Amortisation and impairment losses</i>		
At 1 January	(1,283)	(1,727)
Amortisation charge for the year	(235)	(215)
Disposals	3	659
At 31 December	(1,515)	(1,283)
<i>Net book value</i>		
At 1 January	2,901	2,311
At 31 December	3,125	2,901

On 27 February 2004, The Treasury Department permitted the Company to settle by instalments, the leasehold fee of Baht 552 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 2019 and 2018, the Company has no remaining liability from the leasehold rights.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

18 Intangible assets

	Consolidated financial statements						Total
	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	Power purchase agreement under concession agreement		
<i>Cost</i>							
At 1 January 2018	1,175	3,435	114	1,607	-		6,331
Additions	294	8	2	-	-		304
Transfer	(5)	-	6	-	-		1
Disposals	(1)	-	(43)	(190)	-		(234)
Effect of movements in exchange rates	3	(25)	1	17	-		(4)
At 31 December 2018 and 1 January 2019	1,466	3,418	80	1,434	-		6,398
Acquired from business acquisition <i>(Note 5)</i>	-	-	-	-	5,197		5,197
Additions	91	74	8	-	-		173
Transfer	10	-	-	-	-		10
Disposals	(148)	-	-	-	-		(148)
Effect of movements in exchange rates	(17)	(242)	(2)	(84)	(101)		(446)
At 31 December 2019	1,402	3,250	86	1,350	5,096		11,184

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Consolidated financial statements					Total
	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	Power purchase agreement under concession agreement	
<i>Amortisation and impairment losses</i>						
At 1 January 2018	(445)	(2,097)	(8)	(49)	-	(2,599)
Amortisation for the year	(140)	-	(4)	(29)	-	(173)
Disposals	1	-	4	15	-	20
Effect of movements in exchange rates	-	14	-	(2)	-	12
At 31 December 2018 and 1 January 2019	(584)	(2,083)	(8)	(65)	-	(2,740)
Amortisation for the year	(169)	-	(4)	(22)	(54)	(249)
Disposals	147	-	-	-	-	147
Effect of movements in exchange rates	-	148	-	4	-	152
At 31 December 2019	(606)	(1,935)	(12)	(83)	(54)	(2,690)
<i>Net book value</i>						
At 1 January 2018	730	1,338	106	1,558	-	3,732
At 31 December 2018 and 1 January 2019	882	1,335	72	1,369	-	3,658
At 31 December 2019	796	1,315	74	1,267	5,042	8,494

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Separate financial statements	
	Right to use and cost of development of computer software	
	2019	2018
	<i>(in million Baht)</i>	
Cost		
At 1 January	969	789
Additions	79	181
Disposals	(145)	(1)
At 31 December	903	969
Amortisation and impairment losses		
At 1 January	(518)	(413)
Amortisation for the year	(131)	(106)
Disposals	145	1
At 31 December	(504)	(518)
Net book value		
At 1 January	451	376
At 31 December	399	451

19 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Total	1,187	1,063	(675)	(703)
Set off of tax	(66)	(236)	66	236
Net deferred tax assets (liabilities)	1,121	827	(609)	(467)
	Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Total	1,122	1,017	(52)	(225)
Set off of tax	(52)	(225)	52	225
Net deferred tax assets	1,070	792	-	-

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Movements in total deferred tax assets and liabilities during the year were as follows:

	At 1 January 2019	Consolidated financial statement (Charged)/Credited to:			Exchange differences	At 31 December 2019
		Profit/loss (Note 37)	Other comprehensive income	Net from disposal of assets and investment <i>(in million Baht)</i>		
<i>Deferred tax assets</i>						
Loss from impairment of assets	484	6	-	-	-	490
Property, plant and equipment	90	(13)	-	-	-	77
Non-current provisions for employee benefits	408	56	50	-	-	514
Loss carry forward	27	6	-	-	-	33
Others	54	19	-	-	-	73
Total	1,063	74	50	-	-	1,187
<i>Deferred tax liabilities</i>						
Property, plant and equipment	(233)	81	-	-	(1)	(153)
Intangible assets	(359)	96	-	(179)	26	(506)
Leasehold rights	(1)	-	-	-	-	(1)
Others	(110)	5	-	-	-	(15)
Total	(703)	182	-	(179)	25	(675)
Net	360	256	50	(179)	25	512

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Consolidated financial statement

(Charged)/Credited to:

	At 1 January 2018	Profit/loss (Note 37)	Other comprehensive income <i>(in million Baht)</i>	Net from disposal of assets and investment	Exchange differences	At 31 December 2018
<i>Deferred tax assets</i>						
Loss from impairment of assets	426	58	-	-	-	484
Property, plant and equipment	282	(9)	-	(181)	(2)	90
Non-current provisions for employee benefits	382	26	-	-	-	408
Loss carry forward	94	(4)	-	(63)	-	27
Others	43	11	-	-	-	54
Total	1,227	82	-	(244)	(2)	1,063
<i>Deferred tax liabilities</i>						
Property, plant and equipment	(304)	(87)	-	163	(5)	(233)
Intangible assets	(418)	6	-	52	1	(359)
Leasehold rights	(1)	-	-	-	-	(1)
Provision for the decommissioning cost	(77)	-	-	76	1	-
Others	(17)	(110)	-	17	-	(110)
Total	(817)	(191)	-	308	(3)	(703)
Net	410	(109)	-	64	(5)	360

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Separate financial statements

	At 1 January 2019	(Charged)/Credited to:		At 31 December 2019	At 1 January 2018	(Charged)/Credited to:		At 31 December 2018
		Profit/loss (Note 37) (in million Baht)	Other comprehensive income			Profit/loss (Note 37) (in million Baht)	Other comprehensive income	
<i>Deferred tax assets</i>								
Loss from impairment of assets	484	6	-	490	425	59	-	484
Property, plant and equipment	85	(15)	-	70	95	(10)	-	85
Non-current provisions for employee benefits	397	52	50	499	374	23	-	397
Others	51	12	-	63	43	8	-	51
Total	1,017	55	50	1,122	937	80	-	1,017
<i>Deferred tax liabilities</i>								
Property, plant and equipment	(128)	77	-	(51)	(36)	(92)	-	(128)
Inventories	(96)	96	-	-	-	(96)	-	(96)
Leasehold rights	(1)	-	-	(1)	(1)	-	-	(1)
Total	(225)	173	-	(52)	(37)	(188)	-	(225)
Net	792	228	50	1,070	900	(108)	-	792

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

20 Other non-current assets

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Fixed deposit for staff welfare	407	406	407	406
Investment in service stations	300	252	300	252
Deposit	372	611	363	538
Others	575	449	559	566
Total	1,654	1,718	1,629	1,762

21 Interest-bearing liabilities

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Current				
Short-term loan from financial institutions				
secured	3,030	280	-	-
unsecured	2,021	4,724	-	3,258
	5,051	5,004	-	3,258
Current portion of long-term loans from financial institutions				
secured	1,728	1,666	-	-
unsecured	470	550	375	350
	2,198	2,216	375	350
Debenture unsecured	3,000	4,000	3,000	4,000
	3,000	4,000	3,000	4,000
Total current	10,249	11,220	3,375	7,608
Non-current				
Long-term loans from financial institutions				
secured	17,125	15,538	-	-
unsecured	2,682	2,726	2,339	2,726
	19,807	18,264	2,339	2,726
Debenture unsecured	17,985	20,980	17,985	20,980
	17,985	20,980	17,985	20,980
Total non-current	37,792	39,244	20,324	23,706
Total	48,041	50,464	23,699	31,314

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Details of the Group's loans from financial institutions as at 31 December 2019 was as follows:

Currency	Facilities (million)	Interest rates (% per annum)	Principle's repayment Terms
Short-term loans from financial institutions			
<i>Subsidiary</i>			
Baht	300	MRR	Interest is payable monthly and at maturity date along with principal repayment. Promissory note period is not over 180 days.
Baht	2,500	BIBOR plus a margin	Interest is payable monthly and at maturity date along with principal repayment. Promissory note period is not over 12 months.
<i>Indirect subsidiary</i>			
Baht	500	Fixed Interest Rate	Repayment as stipulated in agreement
Baht	300	Fixed Interest Rate	Repayment as stipulated in agreement
Baht	400	Fixed Interest Rate	Repayment as stipulated in agreement
Baht	300	Fixed Interest Rate	Repayment as stipulated in agreement
Baht	200	Fixed Interest Rate	Repayment as stipulated in agreement
Long-term loans from financial institutions			
<i>The Company</i>			
Baht	4,200	Fixed Interest Rate	Semi-annually in 26 instalments starting in March 2013
Baht	3,500	THBFIX 6M plus a margin	Semi-annually in 23 instalments starting in December 2011
<i>Subsidiaries and Indirect subsidiaries</i>			
Baht	2,049	Fixed Deposit 6M Rate plus a margin	Quarterly in 24 instalments starting in January 2017
Baht	400	THBFIX 6M plus a margin	Semi-annually in 13 instalments starting in August 2017
Baht	170	THBFIX 6M plus a margin	Semi-annually in 11 instalments starting in August 2018
Baht	1,000	Fixed Interest Rate	Semi-annually in 10 instalments starting in April 2015
Baht	450	THBFIX 6M plus a margin	Semi-annually in 17 instalments starting in December 2016
Baht	270	THBFIX 6M plus a margin	Semi-annually in 17 instalments starting in December 2016
Baht	750	FDR 6M plus a margin	Semi-annually in 29 instalments starting in December 2016
Baht	1,050	THBFIX 6M plus a margin	Semi-annually in 15 instalments starting in December 2017
Baht	630	THBFIX 6M plus a margin	Semi-annually in 15 instalments starting in December 2017
Baht	1,750	FDR 6M plus a margin	Semi-annually in 27 instalments starting in December 2017
Baht	2,400	THBFIX 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
Baht	2,740	THBFIX 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
JPY	4,200	JPYTIBOR 6M plus a margin	Semi-annually in 17 instalments starting in December 2016
JPY	570	JPYTIBOR 6M plus a margin	Semi-annually in 17 instalments starting in December 2016

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Currency	Facilities (million)	Interest rates (% per annum)	Principle's repayment Terms
<i>Subsidiaries and Indirect subsidiaries (Con't)</i>			
JPY	9,800	JPYTIBOR 6M plus a margin	Semi-annually in 15 instalments starting in December 2017
JPY	1,330	JPYTIBOR 6M plus a margin	Semi-annually in 15 instalments starting in December 2017
JPY	7,896	JPYTIBOR 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
JPY	1,128	JPYTIBOR 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
JPY	8,310	JPYTIBOR 6M plus a margin	Principal repayment at year 3 from agreement signing date (Monthly interest payment)
USD	10	USDLIBOR 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
USD	40	USDLIBOR 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
USD	20	USDLIBOR 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
Baht	754	THBFIX 6M plus a margin	Semi-annually in 20 instalments starting in August 2013
Baht	754	Fixed interest rate 6 years	Semi-annually in 34 instalments starting in August 2013
USD	12	Fixed Interest Rate	Semi-annually in 34 instalments starting in August 2013
JPY	254	Fixed Interest Rate	Quarterly in 68 instalments starting in April 2015
JPY	355	Fixed Interest Rate	Quarterly in 68 instalments starting in July 2015
JPY	349	Fixed Interest Rate	Quarterly in 68 instalments starting in July 2015
JPY	2,578	Fixed Interest Rate	Quarterly in 68 instalments starting in March 2016

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 and total shares of issued and paid up capital of BCPG Indochina Company Limited, an indirect subsidiary of the Company.

As at 31 December 2019, the Group and the Company had unutilised credit facilities totalling Baht 15,126 million and Baht 10,675 million, respectively (2018: Baht 15,229 million and Baht 11,895 million, respectively).

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Debentures

Detail of debentures as at 31 December 2019 and 2018 were as follows:

	Consolidated and Separate financial statements	
	2019	2018
	<i>(in million Baht)</i>	
Debentures	21,000	25,000
Less Unamortised deferred expenses on debentures	(15)	(20)
	20,985	24,980
Less Current portion due within one year	(3,000)	(4,000)
Total	17,985	20,980

The Company issued long-term debentures which are named-registered, unsubordinated, unsecured and no bond holder (except debenture no. 8 to 11 have bond holder) and no early redemption with representative with a face value of Baht 1,000 each with interest is payable semi-annually. The details are as follows:

No.	Consolidated and Separate financial statements		Interest rate (% per annum)	Term (years)	Maturity Date
	2019	2018			
	<i>(in million Baht)</i>				
1	-	2,000	4.92	7	30 April 2019
2	1,000	1,000	5.35	10	30 April 2022
3	-	2,000	4.35	5	11 April 2019
4	2,500	2,500	4.81	7	11 April 2021
5	3,500	3,500	5.18	10	11 April 2024
6	2,000	2,000	4.72	12	3 March 2027
7	1,000	1,000	5.05	15	3 March 2030
8	3,000	3,000	2.13	2	10 August 2020
9	400	400	2.96	5	10 August 2023
10	600	600	3.42	7	10 August 2025
11	7,000	7,000	4.04	10	20 December 2028
	21,000	25,000			

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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Within one year	10,249	11,220	3,375	7,608
After one year but within five years	25,246	21,924	9,737	9,020
After five years	12,546	17,320	10,587	14,686
Total	48,041	50,464	23,699	31,314

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Property, plant and equipment	12,561	13,478	-	-
Investment in associates	12,505	12,295	-	-
Restricted cash at bank	52	52	-	-
Total	25,118	25,825	-	-

22 Trade accounts payable

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		<i>(in million Baht)</i>			
Related parties	6	149	110	1,019	939
Other parties		10,407	6,570	6,986	5,005
Total		10,556	6,680	8,005	5,944

23 Other payables

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		<i>(in million Baht)</i>			
Related parties	6	51	56	69	65
Other parties					
Accrued expenses		827	946	476	654
Accrued interest		124	296	67	273
Payable for project construction		388	97	82	-
Liabilities from forward contract		57	50	57	47
Other accounts payable		1,444	1,712	1,156	1,320
Total		2,891	3,157	1,907	2,359

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

24 Non-current provisions for employee benefits

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Statement of financial position				
Non-current provisions for:				
Post-employment benefits	2,531	2,008	2,438	1,942
Other long-term employee benefits	57	46	52	42
Total	2,588	2,054	2,490	1,984
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss				
Post-employment benefits	342	182	307	154
Other long-term employee benefits	13	7	12	5
Total	355	189	319	159
Recognised in other comprehensive income:				
Actuarial (gain) losses recognised in the year	239	(23)	245	-
Cumulative actuarial losses recognised	661	422	695	450
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.				
Present value of the defined benefit obligations				
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
At 1 January	2,054	1,949	1,984	1,867
Include in profit or loss:				
Current service costs and Interest on obligation	215	189	187	159
Past service cost	140	-	132	-
	355	189	319	159

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Included in other comprehensive income				
Actuarial (gain) loss				
- Demographic assumptions	-	(11)	-	-
- Financial assumptions	246	-	245	-
- Experience adjustment	(6)	(8)	-	-
Effect of movements in exchange rate	(1)	(4)	-	-
	239	(23)	245	-
Others				
Benefit paid	(60)	(48)	(58)	(42)
Acquired through business acquisition (disposal)	-	(13)	-	-
At 31 December	2,588	2,054	2,490	1,984

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(%)</i>			
Discount rate	0.1 - 3.95	0.32 - 3.95	1.61	2.57
Future salary growth	2 - 6	2 - 6	6	6
Turnover rate	0 - 64	0 - 64	1 - 8	1 - 8

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 10 - 29 years (2018: 10-29 years).

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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			
	1% increase in assumption		1% decrease in assumption	
	2019	2018	2019	2018
<i>Impact to the employee benefits obligation</i>	<i>(in million Baht)</i>			
<i>At 31 December</i>				
Discount rate	(226)	(206)	262	239
Future salary growth	292	243	(254)	(213)
Turnover rate	(113)	(90)	124	102
	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<i>Impact to the employee benefits obligation</i>				
<i>At 31 December</i>				
Discount rate	(217)	(199)	251	232
Future salary growth	281	236	(245)	(206)
Turnover rate	(101)	(83)	118	96

25 Share capital

	Par value per share <i>(in Baht)</i>	2019		2018	
		Number	Baht	Number	Baht
		<i>(million shares / million Baht)</i>			
Authorised shares at 31 December		<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>
<i>Issued and paid-up shares</i>					
At 1 January					
Ordinary shares	1	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>
At 31 December					
Ordinary shares	1	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>

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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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.

26 Treasury shares

On 21 November 2019, the meeting of the Board of Directors approved the share repurchase program for financial management purpose (Treasury Stock), in the maximum amount of share repurchase not exceeding Baht 2,100 million and maximum number of shares not exceed 70 million shares with a par value of Baht 1 per share. The number of shares to be repurchased is 5% of the total issued shares. The Company can purchase the share during the period from 6 December 2019 to 5 June 2020 with the condition that the share purchase must be resold after 6 months from the date that the repurchase is completed but must not exceed 3 years.

As at 31 December 2019, the Company has repurchased treasury shares under such program totaling 16 million shares, at Baht 432 million and presented as a separated item in equity and as a deduction item in equity in the consolidated financial statements. Accordingly, the Company has appropriated retained earnings at the same amount as treasury share reserve.

27 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Treasury shares reserve

The treasury shares reserve is the amount appropriated from the retained earnings equal to the cost of the Company's own shares held by the Company. The treasury shares 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.

28 Subordinated perpetual debentures

On 18 October 2019, the Company completed the issuance of Subordinated Perpetual Debentures of Baht 10,000 million. The debentures are unsecured, unconvertible, with debenture holder representatives and no scheduled repayment of principal. Bullet payment is upon dissolution of the Company or upon the exercise of the debenture issuer's early redemption right per conditions as stipulated in the terms and conditions of the debentures. These debentures bear fixed interest rate of 5% per annum during the first year to the fifth year. The debenture issuer will adjust the interest rate of the debentures every 5 years and interest is payable on a semi-annual basis throughout the term of the debentures. The Company has the sole right to unconditionally defer interest and cumulative interest payments to debentures holders without time and deferral amount limitation. If the Company defers the interest payment, the Company shall not declare and make any dividend payment. From the determination of the terms and conditions of the debentures, Subordinated perpetual debentures are classified as equity. Issuance cost of debentures of Baht 59 million are recognised as a part of equity in the consolidated and separate financial statements as at 31 December 2019.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

29 Operating segments

Management determined that the Group has six reportable segments, as described below, which are the Group's strategic divisions. For different products and services, and are managed separately because they require different technology and marketing strategies. 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>

Each segment's 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. Inter-segment pricing is determined on an arm's length basis.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	2019							
	Refinery and oil trading	Marketing	Electricity	Bio-based product	Natural resources	Others	Eliminations	Total
	<i>(in million Baht)</i>							
External revenue	48,694	136,045	3,427	2,313	9	1	-	190,489
Inter-segment revenue	126,786	6	-	7,700	-	-	(134,492)	-
Total revenue	175,480	136,051	3,427	10,013	9	1	(134,492)	190,489
Profit (loss) from operating segment	2,871	2,279	2,964	1,000	(36)	(369)	-	8,709
Depreciation and amortisation								(5,032)
Gain on foreign exchange								614
Loss from impairment of assets								(34)
Finance costs								(1,701)
Income tax expense								(68)
Profit for the year								2,488
Interest income	51	28	15	1	63	-	-	158
Financial costs	(648)	(218)	(568)	(103)	(113)	(51)	-	(1,701)
Depreciation and amortisation	(2,905)	(1,009)	(690)	(388)	(2)	(38)	-	(5,032)
Segments assets	53,547	17,404	37,134	8,914	10,879	-	-	127,878
Investments in associate and joint ventures	109	1	13,623	799	3,505	-	-	18,037
Capital expenditure	(5,102)	(1,036)	(6,506)	(1,037)	(78)	-	-	(13,759)

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	2018						Eliminations	Total
	Refinery and oil trading	Marketing	Electricity	Bio-based product	Natural resources	Others		
	<i>(in million Baht)</i>							
External revenue	43,411	140,524	3,320	3,807	963	-	-	192,025
Inter-segment revenue	131,404	9	-	5,981	-	-	(137,394)	-
Total revenue	174,815	140,533	3,320	9,788	963	-	(137,394)	192,025
Profit (loss) from operating segment	3,928	2,177	3,569	692	117	(268)	(14)	10,201
Depreciation and amortisation								(4,902)
Gain on foreign exchange								415
Loss from impairment of assets								(441)
Finance costs								(1,545)
Income tax expense								(493)
Profit for the year								3,235
Interest income	26	26	8	2	8	-	(15)	55
Financial costs	(633)	(197)	(521)	(103)	(52)	(64)	25	(1,545)
Depreciation and amortisation	(2,767)	(922)	(693)	(349)	(141)	(30)	-	(4,902)
Segments assets	48,360	20,251	31,550	7,332	9,876	-	-	117,369
Investments in associate and joint ventures	91	1	13,501	808	3,647	-	-	18,048
Capital expenditure	(4,393)	(2,327)	(1,499)	(623)	(8)	-	-	(8,850)

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Disaggregation of revenue

Timing of revenue recognition of major revenues of the Group and the Company are point in time.

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.

<i>Geographical information</i>	Consolidated financial statements			
	Revenue		Non-current assets	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Thailand	153,908	165,453	55,757	54,159
Malaysia	2,295	4,043	-	-
Japan	219	451	5,160	4,500
Korea	3,890	4,551	-	-
Philippines	18	57	2,392	2,562
Singapore	28,413	15,162	437	5
Indonesia	-	-	12,497	12,295
Norway	-	-	3,505	3,647
Laos	1,342	1,663	5,370	-
Others	404	645	3,928	1,777
Total	190,489	192,025	89,046	78,945

Major customer

Revenues from one customer of the Group's 1 and 2 segments represents approximately Baht 12,714 million (2018: Baht 17,069 million) of the Group's total revenues.

30 Interest and dividend income

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in million Baht)</i>			
<i>Dividend income</i>					
Related parties	6	-	-	926	940
		-	-	926	940
<i>Interest income</i>					
Related parties	6	59	5	68	28
Other parties		99	50	82	38
		158	55	150	66
Total		158	55	1,076	1,006

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

31 Other income

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Fee for land utilisation and management fee for NGV service station	30	39	29	35
Gain on sale of investments	-	78	-	-
Gain on sales of assets	-	793	-	-
Management service fee for subsidiaries	-	-	97	95
Penalty income from insurance	-	104	-	-
Others	307	246	102	129
Total	337	1,260	225	259

32 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Personnel	1,264	1,158	593	521
Advertising	503	536	364	389
Depreciation and amortisation	932	833	852	764
Distribution	503	548	405	450
Rental	351	314	317	290
Others	980	971	615	615
Total	4,533	4,360	3,146	3,029

33 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Personnel	1,391	1,241	849	721
Advertising	136	178	135	177
Depreciation and amortisation	280	270	208	208
Professional and consultant fees	327	362	150	179
Others	947	964	535	559
Total	3,081	3,015	1,877	1,844

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

34 Employee benefit expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Wages and salaries	2,415	2,313	1,262	1,198
Defined contribution plans	130	120	99	93
Pension	334	175	320	159
Others	730	702	455	439
Total	3,609	3,310	2,136	1,889

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 3% 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.

35 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		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<i>Included in cost of sales of goods and rendering of services:</i>				
Changes in inventories of finished goods and work in progress	636	642	382	290
Raw materials and consumables used	105,824	105,714	97,939	98,282
Tax expenses and oil fuel fund	30,471	26,763	30,471	26,763
Depreciation	3,664	3,701	2,717	2,599
(Reversal of) loss on decline in value of inventories	(706)	696	(689)	689
<i>Included in selling expenses:</i>				
Depreciation	638	580	559	511
<i>Included in administrative expenses:</i>				
Depreciation	176	176	138	145

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

36 Finance costs

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in million Baht)</i>					
Interest expense					
Financial institutions		904	826	268	249
Debentures		935	733	935	733
Total interest expense		1,839	1,559	1,203	982
Amortisation of transaction costs capitalised		53	58	13	11
Others finance costs		5	4	2	2
		1,897	1,621	1,218	995
<i>Less</i> Amount included in the cost of qualifying assets:					
- Property, plant and equipment under construction	15	(196)	(76)	(188)	(75)
Net		1,701	1,545	1,030	920

37 Income tax

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in million Baht)</i>					
Current tax expense					
Current year		332	400	215	153
Over provided in prior years		(8)	(16)	(14)	(23)
		324	384	201	130
Deferred tax expense					
Movements in temporary differences	19	(256)	109	(228)	108
		(256)	109	(228)	108
Total tax expense		68	493	(27)	238

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<i>Reconciliation of effective tax rate</i>				
Profit before income tax expense	2,556	3,728	1,063	2,301
Corporate income tax rate (%)	20.00	20.00	20.00	20.00
Income tax using the Thai corporation tax rate	511	746	212	460
Effect of difference tax rates in foreign jurisdictions	(4)	42	-	-
Income not subject to tax / Expenses that are deductible at a greater amount	(717)	(676)	(266)	(236)
Expenses not deductible / Other adjustments	92	295	41	37
Recognition of previously unrecognised tax losses	-	(96)	-	-
Current year losses for which no deferred tax assets was recognised	197	194	-	-
Over provided in prior years	(8)	(16)	(14)	(23)
Others	(3)	4	-	-
Total	68	493	(27)	238
Tax rate (%)	2.66	13.22	(2.54)	10.34

38 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 Biodiesel, Ethanol and Biogas

- (a) Exemption from payment of import duty on machinery approved by the Board;
- (b) 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 electricity from solar cell

- (a) Exemption from payment of import duty on machinery approved by the Board;
- (b) 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.
- (c) 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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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					
	2019			2018		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	41	43,370	43,411	49	57,010	57,059
Local sales	8,406	214,269	222,675	8,921	197,039	205,960
Eliminations	-	-	(75,597)	-	-	(70,994)
Total Revenue	8,447	257,639	190,489	8,970	254,049	192,025

The Company has no revenue from promoted business.

39 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht / million shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	1,732	2,463	1,090	2,063
<i>Less Cumulative</i> interest expense for the period on Subordinated perpetual debentures	(103)	-	(103)	-
Profit for calculating earnings per share	1,629	2,463	987	2,063
Number of ordinary shares outstanding	1,377	1,377	1,377	1,377
Effect of treasury shares	(1)	-	(1)	-
Weighted average number of ordinary shares outstanding	1,376	1,377	1,376	1,377
Earnings per share (basic) <i>(in Baht)</i>	1.18	1.79	0.72	1.50

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

40 Dividends

Dividends paid to shareholders are as follows:

	Approval Date	Dividend payment date	Baht per share (Baht)	Amount (in million Baht)
2019				
An interim dividend 2019	15 August 2019	10 September 2019	0.50	689
Annual dividend 2018	11 April 2019	24 April 2019	1.35	1,858
An interim dividend 2018	24 August 2018	19 September 2018	(0.85)	(1,170)
Dividend payment during the year 2019			1.00	1,377
2018				
An interim dividend 2018	24 August 2018	19 September 2018	0.85	1,170
Annual dividend 2017	25 April 2018	7 May 2018	2.15	2,960
An interim dividend 2017	31 August 2017	26 September 2017	(1.05)	(1,445)
Dividend payment during the year 2018			1.95	2,685

41 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 21). 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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Consolidated financial statements

	Effective interest rate <i>(% per annum)</i>	Maturity period			Total
		Within 1 year	After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years	
As at 31 December 2019					
Assets					
Non-current					
Loan to related party	4.5 - 8.0	-	1,036	-	1,036
Total		-	1,036	-	1,036
Liabilities					
Current					
Loans from financial institutions	1.3 - 5.3	7,249	-	-	7,249
Debentures	2.1	3,000	-	-	3,000
Non-current					
Loans from financial institutions	1.3 - 5.3	-	17,851	1,956	19,807
Debentures	2.9 - 5.4	-	7,396	10,589	17,985
Total		10,249	25,247	12,545	48,041
2018					
Assets					
Non-current					
Loan to related party	8.0	-	199	-	199
Total		-	199	-	199
Liabilities					
Current					
Loans from financial institutions	1.8 - 5.2	7,220	-	-	7,220
Debentures	4.3 - 4.9	4,000	-	-	4,000
Non-current					
Loans from financial institutions	1.8 - 5.6	-	15,030	3,234	18,264
Debentures	2.1 - 5.4	-	6,894	14,086	20,980
Total		11,220	21,924	17,320	50,464

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Separate financial statements				Total
	Maturity period				
	Effective interest rate <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years	After 5 years	
As at 31 December 2019					
Assets					
Non-current					
Loan to related party	0.5 - 4.5	-	5,791	-	5,791
Total		-	5,791	-	5,791
Liabilities					
Current					
Loans from financial institutions	4.2 - 4.4	375	-	-	375
Debentures	2.1	3,000	-	-	3,000
Non-current					
Loans from financial institutions	4.2 - 4.4	-	2,339	-	2,339
Debentures	3.0 - 5.4	-	7,396	10,589	17,985
Total		3,375	9,735	10,589	23,699
2018					
Assets					
Non-current					
Loan to related party	0.5 - 4.5	-	5,128	-	5,128
Total		-	5,128	-	5,128
Liabilities					
Current					
Loans from financial institutions	3.3 - 4.4	3,608	-	-	3,608
Debentures	4.4 - 4.9	4,000	-	-	4,000
Non-current					
Loans from financial institutions	4.1 - 4.4	-	2,126	600	2,726
Debentures	2.1 - 5.4	-	6,894	14,086	20,980
Total		7,608	9,020	14,686	31,314

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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.

Consolidated financial statements

<i>Assets and liabilities denominated in foreign currencies at 31 December</i>	2019				2018			
	United States Dollars	Japanese Yen	Other	Total	United States Dollars	Japanese Yen	Other	Total
				<i>(in million Baht)</i>				
Cash and cash equivalents	877	1,732	-	2,609	1,302	1,756	-	3,058
Trade accounts receivable and other receivables	5,134	196	-	5,330	1,719	195	-	1,914
Receivable from oil hedging contracts	44	-	-	44	6	-	-	6
Long-term loans to related parties	1,036	-	-	1,036	199	-	-	199
Trade accounts payable and other payables	(4,496)	(73)	(2)	(4,571)	(1,248)	(73)	(2)	(1,323)
Payable from oil hedging contracts	(21)	-	-	(21)	-	-	-	-
Interest-bearing liabilities	(2,276)	(6,571)	-	(9,027)	(4,356)	(6,563)	-	(10,919)
Gross statement of financial position exposure	298	(4,896)	(2)	(4,600)	(2,378)	(4,685)	(2)	(7,065)
Net currency forwards	40	-	-	40	(304)	-	-	(304)
Cross currency swap contracts	-	-	-	-	188	-	-	188
Net exposure	338	(4,896)	(2)	(4,560)	(2,494)	(4,685)	(2)	(7,181)

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

<i>Assets and liabilities denominated in foreign currencies at 31 December</i>	Separate financial statements	
	2019	2018
	United States Dollars	United States Dollars
	<i>(in million Baht)</i>	
Cash and cash equivalents	141	606
Trade accounts receivable and other receivables	1,434	1,422
Receivable from oil hedging contracts	44	-
Long-term loans to related parties	5,181	4,718
Trade accounts payable and other payables	(2,093)	(503)
Payable from oil hedging contracts	(21)	(6)
Interest-bearing liabilities	-	(3,258)
Gross statement of financial position exposure	4,686	2,979
Net currency forwards	-	(423)
Net exposure	4,686	2,556

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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Fair values of financial assets and liabilities

As at 31 December 2019 and 2018, fair value of financial assets and liabilities is taken to approximately the carrying value, except the following item;

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
31 December 2019					
<i>Financial assets and financial liabilities measured at fair value</i>					
<i>Financial assets</i>					
Equity securities available for sale	1,349	1,349	-	-	1,349
Cross currency and interest rate swap contracts	19	-	27	-	27
Loan to related party (fixed rate)	1,036	-	1,340	-	1,340
<i>Financial liabilities</i>					
Debentures	20,985	-	22,859	-	22,859
Long-term loans (fixed rate)	2,496	-	2,695	-	2,695
Cross currency contracts	-	-	6	-	6
Interest rate swap contracts	-	-	65	-	65
Cross interest rate swap contracts	-	-	52	-	52
Crude and product oil price hedging contracts	-	-	28	-	28
31 December 2018					
<i>Financial assets and financial liabilities measured at fair value</i>					
<i>Financial assets</i>					
Equity securities available for sale	1,432	1,432	-	-	1,432
Forward exchange contracts	161	-	161	-	161
Interest rate swap contracts	-	-	5	-	5
Crude and product oil price hedging contracts	-	-	143	-	143
Loan to related party (fixed rate)	199	-	245	-	245
<i>Financial liabilities</i>					
Debentures	24,980	-	25,888	-	25,888
Long-term loans (fixed rate)	2,932	-	3,011	-	3,011
Forward exchange contracts	-	-	16	-	16
Cross interest rate swap contracts	-	-	42	-	42
Crude and product oil price hedging contracts	-	-	139	-	139

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
31 December 2019					
<i>Financial assets and financial liabilities measured at fair value</i>					
<i>Financial assets</i>					
Cross currency and interest rate swap contracts	19	-	27	-	27
Loan to related party (fixed rate)	5,791	-	5,854	-	5,854
<i>Financial liabilities</i>					
Debentures	20,985	-	22,859	-	22,859
Long-term loans (fixed rate)	1,801	-	1,892	-	1,892
Forward exchange contracts	-	-	13	-	13
Crude and product oil price hedging contracts	-	-	28	-	28
31 December 2018					
<i>Financial assets and financial liabilities measured at fair value</i>					
<i>Financial assets</i>					
Crude and product oil price hedging contracts	-	-	143	-	143
Forward exchange contracts	87	-	76	-	76
Loan to related party (fixed rate)	1,489	-	1,373	-	1,373
<i>Financial liabilities</i>					
Debentures	24,980	-	25,888	-	25,888
Long-term loans (fixed rate)	2,101	-	2,133	-	2,133
Crude and product oil price hedging contracts	-	-	139	-	139

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.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

42 Commitments with non-related parties

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Capital commitment				
Construction projects	1,521	2,440	1,091	726
Total	1,521	2,440	1,091	726
Future minimum lease payments under non-cancellable operating leases				
Within 1 year	1,113	964	1,089	939
1 - 5 years	2,832	3,086	2,719	3,032
After 5 years	3,490	3,018	3,285	2,937
Total	7,435	7,068	7,093	6,908
Other commitment				
Bank guarantees	121	109	28	23
Total	121	109	28	23

As at 31 December 2019, the Company, subsidiaries and indirect subsidiaries have significant derivatives as follow

Company

- Oil price hedging contracts with foreign oil traders of 0.1 million barrels for the periods between April 2020 and June 2020.
- Foreign currency buying forward contracts cover the period to December 2020 amounting to USD 54 million and CHF 0.2 million or equivalents to Baht 1,631 million.
- Cross currency swap contract to buy U.S. Dollar currency of USD 180 million and sell Thai Baht currency of Baht 5,440 million. The contract expires in November 2020. All counter parties agree to pay the interest and the notional amount in accordance with the terms and conditions specified in the contract.

Subsidiary and indirect subsidiaries

- Interest rate swap agreement for loans from bank with a floating interest rate of 6M USDLIBOR plus margin, the swap portion is only 6M USDLIBOR to a fixed rate of 2.60% per annum. The total principal amount is USD 28 million with interest payments due every six months and the contract ends in 2023.
- The foreign currency buying forward contracts cover the period to June 2020 amounting to USD 4 million or equivalents to Baht 140 million.
- Cross currency swap contracts to buy U.S. Dollars currency of USD 12 million and sell Thai Baht currency of Baht 334 million. The contract expires in 2030. All counterparties agree to pay the interest and the notional amount in accordance with the terms and conditions specified in the contract.
- Interest rate swap agreements for loans from bank with a floating interest rate of 3M TIBOR plus 180 BPS per annum, to a fixed rate of 2.94% per annum. The total principal amount is JPY 2,577 million with interest payments due every three months and the contracts end in 2022.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

43 Contingent liabilities and contingent assets

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

44 Events after the reporting period

At the Board of Directors' meeting held on 20 February 2020, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2019 dividend payment at the rate of Baht 0.80 per share, of which Baht 0.50 per share was paid as an interim dividend on 10 September 2019 as disclosed in note 40. Thus, the remaining dividend will be at the rate of Baht 0.30 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 10 April 2020.

At the Board of Directors' meeting of the subsidiary held on 18 February 2020, the Board of subsidiary approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2019 dividend payment at the rate of Baht 0.64 per share, of which Baht 0.48 per share the subsidiary was paid as an interim dividend. Thus, the remaining dividend will be at the rate of Baht 0.16 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 9 April 2020.

On 13 February 2020, the subsidiary has entered into the Credit Facility Agreement with Export-Import Bank of Thailand in the amount of USD 3 million. The credit facility period is 5 years. The interest rate is USDLIBOR 6M plus a margin per annum. This credit facility will be used for foreign investments in the energy sector.

On 30 January 2020, BCPG Indochina Ltd., the Company's indirect subsidiary, has entered into the Credit Facility Agreement with Industrial and Commercial Bank of China (Thai) Plc. and Export-Import Bank of Thailand in the amount of USD 100 million. The credit facility period is 10 years. The interest rate is USDLIBOR 6M plus a margin per annum. This credit facility will be used for the acquisition of Nam San 3A Power Sole Co., Ltd. as disclosed in Note 5.

At the Board of Director's meeting No. 2/2020 of the Company's subsidiary held on 20 January 2020, the board approved BCPG Indochina Co., Ltd. ("BIC"), an indirect subsidiary of the Company, to invest in hydro power plant project in the Lao People's Democratic Republic and investment in the construction and operation of transmission line system and electrical substation to the Socialist Republic of Vietnam by acquiring 100% shares of Nam San 3B Power Sole Co., Ltd. Subsequently, on 10 February 2020, BIC entered into the share purchase agreement to invest in such project. In this regards, the Company's subsidiary and the seller are in progress of completing the condition precedents stipulated in the share purchase agreement. Once all of the condition precedents have been satisfied, the shares shall be transferred to the purchaser and the payment shall be made to the seller.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

45 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

(b) TFRS 16 Lease

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.