

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

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 2020
and
Independent auditor's review report

Independent Auditor’s Report on Review of Interim Financial Information

To the Board of Directors of Bangchak Corporation Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Bangchak Corporation Public Company Limited and its subsidiaries, and of Bangchak Corporation Public Company Limited, respectively, as at 30 June 2020; the consolidated and separate statements of income, comprehensive income for the three-month and six-month periods ended 30 June 2020, changes in equity and cash flows for the six-month period ended 30 June 2020; and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

I draw attention to the following:

- a) As disclosed in note 3 to the condensed interim financial statements, the Group has adopted TFRS - Financial instruments and TFRS16 Leases which became effective for fiscal years beginning on or after 1 January 2020. The Group elected to adjust the cumulative effects of initially applying such standards to the beginning balance of retained earnings and other components of equity.
- b) As disclosed in note 4 to the condensed interim financial statements, the Group acquired a business in The Lao People's Democratic Republic during the six-month period ended 30 June 2020 and during the year 2019 for which the fair value of identifiable net assets has been provisionally determined and is subject to potential amendment.

My conclusion is not modified in respect of these matters.

(Sakda Kaothanthong)
Certified Public Accountant
Registration No. 4628

KPMG Phoomchai Audit Ltd.
Bangkok
11 August 2020

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2020 (Unaudited)	31 December 2019	30 June 2020 (Unaudited)	31 December 2019
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		18,094,155	7,275,806	12,321,945	4,086,864
Current investments		-	288,261	-	200,000
Trade and other current receivables	6	4,661,675	11,072,591	3,380,815	7,327,455
Inventories	7	11,486,924	15,835,052	9,327,774	14,161,331
Current tax assets		48,784	461,092	34,482	257,059
Current portion of long-term loan to related parties	6	-	-	550,800	-
Other current financial assets		142,422	-	118,033	-
Non-current assets classified as held for sale	10	14,190	-	-	-
Oil fuel fund subsidies receivable		2,109,457	2,688,055	2,109,457	2,688,055
Total current assets		36,557,607	37,620,857	27,843,306	28,720,764
Non-current assets					
Other non-current financial assets		3,299,338	-	237,094	-
Investments in subsidiaries	8	-	-	11,835,572	13,536,055
Investments in associates and joint ventures	9	15,854,351	18,037,040	73,000	73,000
Long-term loan to related parties	6	1,218,232	1,035,872	2,849,277	5,791,464
Other long-term investmentes		-	2,068,972	-	237,124
Investment properties		126,966	126,966	682,953	682,953
Property, plant and equipment	10	54,061,922	52,584,001	33,739,033	32,329,932
Right-of-use assets	11	10,716,905	-	10,013,794	-
Goodwill	4	2,143,943	1,920,678	-	-
Leasehold rights		-	3,125,136	-	3,125,136
Intangible assets	12	10,432,023	8,493,908	344,340	398,563
Deferred tax assets		2,855,377	1,120,772	3,033,295	1,069,863
Other non-current assets	6	1,866,470	1,653,782	1,533,809	1,629,293
Total non-current assets		102,575,527	90,167,127	64,342,167	58,873,383
Total assets		139,133,134	127,787,984	92,185,473	87,594,147

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2020 (Unaudited)	31 December 2019	30 June 2020 (Unaudited)	31 December 2019
<i>(in thousand Baht)</i>					
Liabilities and equity					
Current liabilities					
Short-term loan from financial institutions	13	7,824,400	5,051,000	1,000,000	-
Trade and other current payables	6	5,010,770	13,446,859	4,039,516	9,912,215
Current portion of long-term loans					
from financial institutions	13	2,374,850	2,198,187	400,154	375,154
Current portion of lease liabilities					
(2019: Current portion of finance lease liabilities)		1,545,094	28,673	1,488,363	-
Current portion of debenture	13	5,500,000	3,000,000	5,500,000	3,000,000
Excise tax and oil fuel fund payable		2,708,059	1,241,894	2,708,059	1,241,894
Current income tax payable		174,047	144,540	-	64,804
Long-term provisions		-	733,047	-	-
Other current financial liabilities		266,708	-	217,892	-
Other current liabilities	6	1,303,702	1,238,858	1,218,816	1,201,088
Total current liabilities		26,707,630	27,083,058	16,572,800	15,795,155
Non-current liabilities					
Long-term loans from financial institutions	13	27,497,263	19,807,452	4,626,304	2,339,408
Lease liabilities (2019: Finance lease liabilities)		6,128,178	-	5,472,653	-
Debentures	13	23,477,268	17,984,746	23,477,268	17,984,746
Deferred tax liabilities		660,707	608,592	-	-
Liabilities on long-term lease		-	32,516	-	32,516
Non-current provisions for employee benefits		2,551,616	2,588,111	2,450,626	2,489,668
Provision for the decommissioning cost		280,448	322,897	-	-
Other non-current financial liabilities		82,269	-	-	-
Other non-current liabilities	6	177,629	545,567	43,399	65,665
Total non-current liabilities		60,855,378	41,889,881	36,070,250	22,912,003
Total liabilities		87,563,008	68,972,939	52,643,050	38,707,158

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
Liabilities and equity				
Equity				
Share capital				
Authorised share capital	<u>1,376,923</u>	<u>1,376,923</u>	<u>1,376,923</u>	<u>1,376,923</u>
Issued and paid-up share capital (1,376,923,157 ordinary shares of Baht 1 each)	1,376,923	1,376,923	1,376,923	1,376,923
Share premium on ordinary shares	11,157,460	11,157,460	11,157,460	11,157,460
Other surpluses	2,743,641	2,742,875	189,618	189,618
Warrants	1,865	2,122	-	-
Retained earnings				
Appropriated				
Legal reserve	153,164	153,164	153,164	153,164
Treasury shares reserve	505,406	431,861	505,406	431,861
Unappropriated	19,958,279	27,146,932	16,724,461	26,069,027
Treasury shares	(505,406)	(431,861)	(505,406)	(431,861)
Perpetual subordinated debentures	9,940,797	9,940,797	9,940,797	9,940,797
Other components of equity	<u>(951,576)</u>	<u>(916,343)</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the parent	44,380,553	51,603,930	39,542,423	48,886,989
Non-controlling interests	<u>7,189,573</u>	<u>7,211,115</u>	<u>-</u>	<u>-</u>
Total equity	51,570,126	58,815,045	39,542,423	48,886,989
Total liabilities and equity	139,133,134	127,787,984	92,185,473	87,594,147

(Pichai Chunchavajira)
Chairman

(Chaiwat Kovavisarach)
President and Chief Executive Officer

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

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

	Note	Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
Revenue from sale of goods and rendering of services	6	26,594,311	48,326,050	22,568,601	41,082,562
Cost of sale of goods and rendering of services	6	<u>(26,035,842)</u>	<u>(45,738,380)</u>	<u>(23,294,686)</u>	<u>(39,632,893)</u>
Gross profit		558,469	2,587,670	(726,085)	1,449,669
Dividend income	6	-	-	15,190	463,190
Other income	6	186,783	108,315	161,523	83,097
Selling expenses	6	(969,858)	(1,165,558)	(705,244)	(810,531)
Administrative expenses	6	(615,208)	(731,698)	(336,165)	(457,412)
Exploration and evaluation expense		-	(184)	-	-
Gain (loss) from derivatives		282,700	(1,087)	303,368	(35,831)
Gain on foreign exchange		132,244	167,693	233,661	135,331
Loss from impairment of assets		<u>(83,073)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit (loss) from operating activities		(507,943)	965,151	(1,053,752)	827,513
Finance costs		(517,335)	(421,326)	(268,223)	(266,474)
Impairment loss determined in accordance with TFRS 9	18	(894,990)	-	(893,877)	-
Share of profit of associates and joint ventures accounted for using equity method	9	<u>168,802</u>	<u>156,343</u>	<u>-</u>	<u>-</u>
Profit (loss) before income tax expense		(1,751,466)	700,168	(2,215,852)	561,039
Tax income (expense)	15	<u>26,042</u>	<u>(24,855)</u>	<u>249,752</u>	<u>(1,262)</u>
Profit (loss) for the period		<u>(1,725,424)</u>	<u>675,313</u>	<u>(1,966,100)</u>	<u>559,777</u>
Profit (loss) attributable to:					
Owners of parent		(1,910,718)	528,121	(1,966,100)	559,777
Non-controlling interests		<u>185,294</u>	<u>147,192</u>	<u>-</u>	<u>-</u>
Profit (loss) for the period		<u>(1,725,424)</u>	<u>675,313</u>	<u>(1,966,100)</u>	<u>559,777</u>
Basic earnings (loss) per share (in Baht)	16	<u>(1.50)</u>	<u>0.38</u>	<u>(1.54)</u>	<u>0.41</u>

(Pichai Chunhavajira)
Chairman

(Chaiwat Kovavisarach)
President and Chief Executive Officer

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	30 June		30 June	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Profit (loss) for the period	(1,725,424)	675,313	(1,966,100)	559,777
Other comprehensive income (loss)				
<i>Items that will be reclassified</i>				
<i>subsequently to profit or loss</i>				
Exchange differences on translating financial statements	(931,565)	(35,889)	-	-
Gain on remeasurement of available-for-sale investment	-	116,906	-	-
Gain on cash flow hedges	1,464	-	-	-
Gain on hedges of net investments in foreign operations	49,263	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method	1,160	-	-	-
Total items that will be reclassified subsequently to profit or loss	(879,678)	81,017	-	-
<i>Items that will not be reclassified</i>				
<i>subsequently to profit or loss</i>				
Gain on investments in equity instruments designated at fair value through other comprehensive income	1,103,560	-	-	-
Gain on remeasurements of defined benefit plans	5,097	-	-	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	(313)	(10,268)	-	-
Total items that will not be reclassified to profit or loss	1,108,344	(10,268)	-	-
Other comprehensive income (loss) for the period, net of income tax	228,666	70,749	-	-
Total comprehensive income (loss) for the period	(1,496,758)	746,062	(1,966,100)	559,777
Total comprehensive income (loss) attributable to				
Owners of the parent	(1,464,772)	610,292	(1,966,100)	559,777
Non-controlling interests	(31,986)	135,770	-	-
Total comprehensive income (loss) for the period	(1,496,758)	746,062	(1,966,100)	559,777

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

	Note	Consolidated financial statements		Separate financial statements	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
Revenue from sale of goods and rendering of services	6	69,664,767	93,861,379	57,725,223	80,732,443
Cost of sale of goods and rendering of services	6	<u>(70,322,503)</u>	<u>(89,093,107)</u>	<u>(60,940,877)</u>	<u>(78,307,747)</u>
Gross profit		(657,736)	4,768,272	(3,215,654)	2,424,696
Dividend income	6	-	-	239,190	463,190
Other income	6	291,813	226,807	289,319	178,229
Selling expenses	6	(2,069,888)	(2,187,216)	(1,477,599)	(1,507,730)
Administrative expenses	6	(1,277,881)	(1,431,072)	(726,277)	(859,221)
Exploration and evaluation expense		-	(4,599)	-	-
Gain (loss) from derivatives		(76,829)	16,600	(35,044)	(4,093)
Gain on foreign exchange		458,614	225,088	235,955	152,602
Loss from impairment of assets		<u>(1,487,250)</u>	<u>-</u>	<u>(1,834,636)</u>	<u>-</u>
Profit (loss) from operating activities		(4,819,157)	1,613,880	(6,524,746)	847,673
Finance costs		(981,258)	(864,140)	(496,996)	(554,875)
Impairment loss determined in accordance with TFRS 9	18	(889,715)	-	(3,128,199)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	9	<u>(913,345)</u>	<u>313,661</u>	<u>-</u>	<u>-</u>
Profit (loss) before income tax expense		(7,603,475)	1,063,401	(10,149,941)	292,798
Tax income	15	<u>1,561,928</u>	<u>6,724</u>	<u>1,865,913</u>	<u>43,534</u>
Profit (loss) for the period		<u>(6,041,547)</u>	<u>1,070,125</u>	<u>(8,284,028)</u>	<u>336,332</u>
Profit (loss) attributable to:					
Owners of parent		(6,571,488)	742,074	(8,284,028)	336,332
Non-controlling interests		<u>529,941</u>	<u>328,051</u>	<u>-</u>	<u>-</u>
Profit (loss) for the period		<u>(6,041,547)</u>	<u>1,070,125</u>	<u>(8,284,028)</u>	<u>336,332</u>
Basic earnings (loss) per share (in Baht)	16	<u>(5.02)</u>	<u>0.54</u>	<u>(6.28)</u>	<u>0.24</u>

(Pichai Chunhavajira)
Chairman

(Chaiwat Kovavisarach)
President and Chief Executive Officer

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

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Profit (loss) for the period	(6,041,547)	1,070,125	(8,284,028)	336,332
Other comprehensive income (loss)				
<i>Items that will be reclassified</i>				
<i>subsequently to profit or loss</i>				
Exchange differences on translating financial statements	(1,035,740)	(309,004)	-	-
Gain on remeasurement of available-for-sale investment	-	383,915	-	-
Loss on cash flow hedges	(33,167)	-	-	-
Loss on hedges of net investments in foreign operations	(38,587)	-	-	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	(68,720)	-	-	-
Total items that will be reclassified subsequently to profit or loss	(1,176,214)	74,911	-	-
<i>Items that will not be reclassified</i>				
<i>subsequently to profit or loss</i>				
Gain on investments in equity instruments designated at fair value through other comprehensive income	879,121	-	-	-
Gain on remeasurements of defined benefit plans	12,066	-	-	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	(313)	(10,268)	-	-
Total items that will not be reclassified to profit or loss	890,874	(10,268)	-	-
Other comprehensive income (loss) for the period, net of income tax	(285,340)	64,643	-	-
Total comprehensive income (loss) for the period	(6,326,887)	1,134,768	(8,284,028)	336,332
Total comprehensive income (loss) attributable to				
Owners of the parent	(6,511,434)	820,652	(8,284,028)	336,332
Non-controlling interests	184,547	314,116	-	-
Total comprehensive income (loss) for the period	(6,326,887)	1,134,768	(8,284,028)	336,332

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Consolidated financial statements														
	Note	Retained earnings				Other components of equity								
		Issued and paid share capital	Share premium on ordinary shares	Other surpluses (deficits)	Warrants	Legal reserve	Unappropriated	Exchange differences on translating financial statements	Gain on remeasurement of available-for-sale investment	Share of other comprehensive income (loss) of associates and joint ventures using equity method	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<i>(in thousand Baht)</i>														
Six-month period ended 30 June 2019														
Balance at 1 January 2019		1,376,923	11,157,460	2,730,390	8,400	153,164	27,415,986	(552,724)	381,836	5,579	(165,309)	42,677,014	6,806,409	49,483,423
Transactions with owners, recorded directly in equity														
<i>Contributions by and distributions to owners of the parent</i>														
Share options exercised		-	-	8,335	-	-	-	-	-	-	-	8,335	12,255	20,590
Share-based payment transactions		-	-	6,033	(5,202)	-	-	-	-	-	-	831	354	1,185
Dividends	17	-	-	-	-	-	(688,454)	-	-	-	-	(688,454)	(191,289)	(879,743)
Total		-	-	14,368	(5,202)	-	(688,454)	-	-	-	-	(679,288)	(178,680)	(857,968)
<i>Changes in ownership interests in subsidiary</i>														
Changes in an ownership interests in subsidiary without a change in control		-	-	(3,703)	-	-	-	-	-	-	-	(3,703)	3,703	-
Total		-	-	(3,703)	-	-	-	-	-	-	-	(3,703)	3,703	-
Total transactions with owners, recorded directly in equity														
		-	-	10,665	(5,202)	-	(688,454)	-	-	-	-	(682,991)	(174,977)	(857,968)
Comprehensive income (loss) for the period														
Profit		-	-	-	-	-	742,074	-	-	-	-	742,074	328,051	1,070,125
Other comprehensive income (loss)		-	-	-	-	-	-	(295,069)	-	(10,268)	(305,337)	(305,337)	(13,935)	(319,272)
Total comprehensive income (loss) for the period		-	-	-	-	-	742,074	(295,069)	-	(10,268)	(305,337)	436,737	314,116	750,853
Balance at 30 June 2019		1,376,923	11,157,460	2,741,055	3,198	153,164	27,469,606	(847,793)	381,836	(4,689)	(470,646)	42,430,760	6,945,548	49,376,308

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements					Total equity
		Issued and paid share capital	Share premium on ordinary shares	Capital surplus on share reduction	Retained earnings		
					Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>							
Six-month period ended 30 June 2019							
Balance at 1 January 2019		1,376,923	11,157,460	189,618	153,164	26,983,747	39,860,912
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends to owners of the Company	17	-	-	-	-	(688,454)	(688,454)
Total		-	-	-	-	(688,454)	(688,454)
Comprehensive income for the period							
Profit		-	-	-	-	336,332	336,332
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	336,332	336,332
Balance at 30 June 2019		1,376,923	11,157,460	189,618	153,164	26,631,625	39,508,790

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements								
		Issued and paid share capital	Share premium on ordinary shares	Capital surplus on share reduction	Retained earnings			Treasury shares	Perpetual subordinated debentures	Total equity
					Legal reserve	Treasury shares reserve	Unappropriated			
<i>(in thousand Baht)</i>										
Six-month period ended 30 June 2020										
Balance at 31 December 2019 - as reported		1,376,923	11,157,460	189,618	153,164	431,861	26,069,027	(431,861)	9,940,797	48,886,989
Impact of changes in accounting policies (net of tax)	3	-	-	-	-	-	(329,006)	-	-	(329,006)
Balance at 1 January 2020 - restated		1,376,923	11,157,460	189,618	153,164	431,861	25,740,021	(431,861)	9,940,797	48,557,983
Transactions with owners, recorded directly in equity										
<i>Distributions to owners</i>										
Treasury shares purchased		-	-	-	-	73,545	(73,545)	(73,545)	-	(73,545)
Dividends to owners of the Company	17	-	-	-	-	-	(407,302)	-	-	(407,302)
Total		-	-	-	-	73,545	(480,847)	(73,545)	-	(480,847)
Comprehensive income (loss) for the period										
Loss		-	-	-	-	-	(8,284,028)	-	-	(8,284,028)
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period		-	-	-	-	-	(8,284,028)	-	-	(8,284,028)
Coupon payment on perpetual subordinated debentures		-	-	-	-	-	(250,685)	-	-	(250,685)
Balance at 30 June 2020		1,376,923	11,157,460	189,618	153,164	505,406	16,724,461	(505,406)	9,940,797	39,542,423

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	(6,041,547)	1,070,125	(8,284,028)	336,332
<i>Adjustments for</i>				
Tax income	(1,561,928)	(6,724)	(1,865,913)	(43,534)
Finance costs	981,258	864,140	496,996	554,875
Depreciation and amortisation	3,248,948	2,445,085	2,488,622	1,895,376
Bad and doubtful debts expense	-	1,967	-	1,676
Unrealised loss from derivatives	112,196	-	90,909	-
Unrealised (gain) loss on foreign exchange	121,080	27,020	(85,176)	74,212
(Reversal of) losses on inventories devaluation	53,772	(691,959)	58,468	(673,301)
Impairment loss on assets	1,487,250	48	1,834,636	-
Impairment loss determined in accordance with TFRS 9	889,715	-	3,128,199	-
Loss on disposal of property, plant and equipment	9,237	1,335	427	237
Gain on sale of other investments	(17,471)	-	-	-
Interest income and dividend income	(82,084)	(68,093)	(381,894)	(532,518)
Non-current provision for employee benefits	109,757	242,719	94,200	221,137
(Reversal of) provision for customer loyalty programmes	(40,431)	30,377	(40,431)	30,377
Deferred revenue	(3,481)	(3,591)	(3,481)	(3,591)
Share-based payment transactions	-	1,185	-	-
Share of (profit) loss of associates and joint ventures (net of tax)	913,345	(313,661)	-	-
	<u>179,616</u>	<u>3,599,973</u>	<u>(2,468,466)</u>	<u>1,861,278</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	4,887,293	(987,893)	3,033,746	610,092
Other receivables	1,113,400	476,046	584,239	334,834
Inventories	4,295,060	(1,405,529)	4,775,089	(1,787,055)
Other non-current assets	(337,283)	503	(169,342)	60,358
Trade accounts payable	(7,415,794)	2,391,918	(4,930,968)	933,689
Other payables	(1,125,785)	(927,388)	(963,885)	(806,052)
Other current liabilities	1,486,593	(791,919)	1,530,741	(755,402)
Non-current provisions for employee benefit	(133,269)	(59,520)	(133,242)	(49,856)
Other non-current liabilities	(45,995)	5,757	(18,785)	(8,547)
Net cash generated from operating	<u>2,903,836</u>	<u>2,301,948</u>	<u>1,239,127</u>	<u>393,339</u>
Taxes received (paid)	<u>501,759</u>	<u>(300,458)</u>	<u>184,604</u>	<u>(24,599)</u>
Net cash from operating activities	<u>3,405,595</u>	<u>2,001,490</u>	<u>1,423,731</u>	<u>368,740</u>

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	44,962	47,997	36,228	67,451
Dividend received	37,040	7,292	239,190	463,190
Decrease in other current financial assets / current investments	267,975	39,647	200,000	-
Payment for investment in subsidiaries	(4,318,470)	(226,345)	-	(127,132)
Payment for other investments	(329,350)	(126,435)	-	-
Acquisition of property, plant and equipment	(3,758,578)	(3,022,432)	(2,667,603)	(1,681,234)
Proceeds from disposal of property, plant and equipment	4,692	4,433	2,803	45,798
Increase in loan to related parties	(173,767)	(732,934)	(163,581)	(857,668)
Acquisition of right-of-use assets	(54,500)	-	(54,500)	-
Payment for leasehold right	-	(174,259)	-	(174,259)
Acquisition of intangible assets	(11,456)	(59,418)	(9,531)	(21,891)
Net cash used in investing activities	<u>(8,291,452)</u>	<u>(4,242,454)</u>	<u>(2,416,994)</u>	<u>(2,285,745)</u>
<i>Cash flows from financing activities</i>				
Finance costs paid	(959,116)	(967,666)	(588,344)	(670,935)
Coupon payment on perpetual subordinated debentures	(250,685)	-	(250,685)	-
Dividends paid	(574,937)	(879,743)	(407,302)	(688,454)
Increase (decrease) in short-term loans from financial institutions	2,773,400	(197,000)	1,000,000	-
Proceeds from exercise of share options	972	20,590	-	-
Proceeds from issuance of debentures	8,000,000	-	8,000,000	-
Redemption of debentures	-	(4,000,000)	-	(4,000,000)
Proceeds from long-term loans from financial institutions	9,001,954	3,789,937	2,610,336	2,550,616
Repayment of long-term loans from financial institutions	(1,094,315)	(1,144,067)	(175,077)	(175,077)
Redemption of treasury shares	(73,545)	-	(73,545)	-
Payment of lease liabilities	(905,128)	-	(887,039)	-
Net cash from (used in) financing activities	<u>15,918,600</u>	<u>(3,377,949)</u>	<u>9,228,344</u>	<u>(2,983,850)</u>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	11,032,743	(5,618,913)	8,235,081	(4,900,855)
Effect of exchange rate changes on cash and cash equivalents	(214,394)	(228,456)	-	-
Net increase (decrease) in cash and cash equivalents	<u>10,818,349</u>	<u>(5,847,369)</u>	<u>8,235,081</u>	<u>(4,900,855)</u>
Cash and cash equivalents at 1 January	7,275,806	11,550,620	4,086,864	7,215,201
Cash and cash equivalents at 30 June	<u>18,094,155</u>	<u>5,703,251</u>	<u>12,321,945</u>	<u>2,314,346</u>

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2020 (Unaudited)

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

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 11 August 2020.

1 General information

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 green energy and investment in alternative energy business, manufacturing and distributing of biofuel product and relating products and exploration and production of petroleum.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

The Group has initially applied TFRS - Financial instruments standards and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2019, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS and COVID-19 outbreak as described in note 3 and 5, respectively.

Bangchak Corporation Public Company Limited and its Subsidiaries
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3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders' equity are as follows:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Retained earnings	Other components of equity <i>(in million Baht)</i>	Retained earnings	Other components of equity
At 31 December 2019 - as reported		27,147	(916)	26,069	-
<i>Increase (decrease) due to:</i>					
Adoption of TFRS - Financial instruments standards					
Classification of financial instruments	A(1)	21	(80)	23	-
Impairment losses on financial assets	A(2)	(47)	-	(599)	-
Lending at lower than market rate		-	-	123	-
Related tax		124	-	124	-
Adoption of TFRS 16 - net of tax	B	1	-	-	-
Classification of financial instruments of associate		-	(39)	-	-
At 1 January 2020 - restated		27,246	(1,035)	25,740	-

A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019.

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. The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

Under TFRS 9, derivatives are measured at FVTPL. Previously, the Group recognised the derivatives when they were exercised.

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Notes to the interim financial statements
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TFRS 9 introduces guidance on hedge accounting while previous TFRSs are silent. There are three hedge accounting models and the type of model applied depends on the hedged exposures consisting of a fair value exposure, a cash flow exposure or a foreign currency exposure on a net investment in a foreign operation. Under TFRS 9, the Group is required to ensure that hedge accounting relationships are aligned with the Group's risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

Derivative financial instrument and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

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Net investment hedges

When a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group's financial assets and financial liabilities as at 1 January 2020.

Consolidated financial statements					
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020			
Carrying amounts	Fair value - applied hedge accounting	Fair value through profit or loss <i>(in million Baht)</i>	Fair value through other comprehensive income	Amortised cost - net	
Debt and equity instruments available for sale	1,832	-	256	1,576	-
Other non-marketable equity instruments	234	-	-	234	-
Derivative assets	-	-	32	-	-
Derivative liabilities	-	80	11	-	-

Separate financial statements					
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020			
Carrying amounts	Fair value - applied hedge accounting	Fair value through profit or loss <i>(in million Baht)</i>	Fair value through other comprehensive income	Amortised cost - net	
Other non-marketable equity instruments	234	-	-	234	-
Derivative assets	-	-	32	-	-
Derivative liabilities	-	-	9	-	-

The Group intends to hold non-marketable equity securities amounted of Baht 234 million for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

(2) Impairment - Financial assets and contract assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

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The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI, lease receivables, except for investments in equity instruments.

The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2020 results in an additional allowance for impairment loss as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
Allowance for impairment losses at 31 December 2019		
Allowance for doubtful debts - trade and other current receivables	25	15
	25	15
<i>Additional impairment loss recognised at 1 January 2020 on:</i>		
- Loan to related parties and accrued interest	10	585
- Trade and other current receivables	37	14
Allowance for impairment losses at 1 January 2020	72	614

The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2020 (Unaudited)

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Decrease in other receivables	(3)	-
Decrease in property, plant and equipment	(397)	-
Decrease in leasehold rights	(3,071)	(3,071)
Increase in right-of-use assets	10,227	9,505
Decrease in other non-current assets	(66)	(66)
Increase in assets	6,690	6,368
Decrease in other current liabilities	(20)	-
Increase in lease liabilities	7,079	6,383
Decrease in other non-current liabilities	(370)	(15)
Increase in liabilities	6,689	6,368
Increase in retained earnings	1	-
	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	7,533	7,093
Recognition exemption for short-term leases and low-value assets	(151)	(42)
Extension and termination options reasonably certain to be exercised	101	60
Variable lease payments based on an index or a rate	(13)	(13)
Residual value guarantees	353	335
	7,823	7,433
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	6,695	6,383
Finance lease liabilities recognised as at 31 December 2019	384	-
Lease liabilities recognised at 1 January 2020	7,079	6,383
Weighted-average incremental borrowing rate (<i>% per annum</i>)	2.44 - 5.00	2.44

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2020 (Unaudited)

4 Acquisition of subsidiaries

Nam San 3A Power Sole Co., Ltd.

On 20 September 2019, BCPG Indochina Co., Ltd., which is an indirect subsidiary of the Group, invested in a hydropower plant project in Laos PDR with total installed capacity of 69 megawatts. The 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 (approximately Baht 5,352 million) or including net working capital adjustments to be repaid to the seller the amount shall not exceed USD 174 million (approximately Baht 5,357 million) which consists of USD 96 million (approximately Baht 2,958 million) for the shares and USD 78 million (approximately 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 (approximately Baht 151 million) and net profit of USD 3 million (approximately 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.

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	866
Total	5,326

At 30 June 2020, the Group had settled the payment of USD 173 million (approximately Baht 5,326 million).

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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 (approximately 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.

Contingent consideration adjustment

The consideration has been reduced by USD 1 million (approximately Baht 31 million) from the first assessment in September 2019 because the seller could not achieve certain conditions to receive all contingent consideration.

Identifiable assets acquired and liabilities assumed

	Book value	Adjustment <i>(in million Baht)</i>	Recognised 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 the Group	3,145		5,033
Goodwill			293
Consideration transferred			5,326

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.

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Nam San 3B Power Sole Co., Ltd.

On 26 February 2020, BCPG Indochina Co., Ltd., which is an indirect subsidiary of the Group, invested in a hydropower plant project in Laos PDR with total installed capacity of 45 megawatts. The subsidiary acquired 100% share of Nam San 3B Power Sole Co., Ltd. (Nam San 3B) from Phongsubthavy Roads and Bridges Construction and Irrigation Sole Co., Ltd. (Phongsubthavy) for an amount of not exceeding USD 113 million (approximately Baht 3,581 million). The amount after deducting net working capital adjustments to be repaid to the seller is USD 112 million (approximately Baht 3,549 million) which consists of USD 51 million (approximately Baht 1,610 million) for the shares and USD 61 million (approximately Baht 1,940 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 30 June 2020, the business contributed revenue of USD 2 million (approximately Baht 78 million) and net profit of USD 0.2 million (approximately Baht 7 million) to the Group's results. If the acquisition had occurred on 1 January 2020, management estimates that consolidated revenue would have increased by Baht 25 million and consolidated loss from normal operation for the six-month period ended 30 June 2020 would have increased by Baht 2 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 2020.

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.

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	3,549

At 30 June 2020, the Group had settled the payment of USD 113 million (approximately Baht 3,581 million), including net working capital adjustments to be repaid as consideration transferred, and revenue from performance of Nam San 3B at acquisition date which as a part of seller totalling USD 112 million (approximately Baht 3,549 million).

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Identifiable assets acquired and liabilities assumed

	Book value	Adjustment <i>(in thousand Baht)</i>	Recognised value
Trade accounts receivable	25	-	25
Property, plant and equipment	13	-	13
Intangible asset	2,600	786	3,386
Other payables	(57)	-	(57)
Long-term loan from Phongsubthavy group	(1,940)	-	(1,940)
Deferred tax liabilities	-	(70)	(70)
Total identifiable assets and liabilities	641	716	1,357
Repayment of loan from Phongsubthavy group under the condition of business acquisition	1,940		1,940
Net assets and liabilities acquired by the Group	2,581		3,297
Goodwill			252
Consideration transferred			3,549

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 3B 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 8 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.

5 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible. At 30 June 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

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(a) *Impairment of assets*

The Group considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account.

The Group elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment, investment properties, intangible assets, and elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of goodwill.

(b) *Lease right*

During the six-month period ended 30 June 2020, the Group was granted a partial rent concession as a result of the COVID-19 situation. The Group has monthly deducted lease liabilities in proportion to the reduced rental, reversed depreciation of ROU assets and interest on lease liabilities in proportion to the reduced rental, and recognised the differences to profit or loss for the three-month and six-month periods ended 30 June 2020.

(c) *Fair value measurement*

The Group elected to measure investment in non-marketable equity securities at 30 June 2020 using fair values at 1 January 2020.

(d) *Deferred tax assets*

The Group elected to exclude the factor of COVID-19 situation in considering sufficiency of future taxable profits to review the amount of deferred tax assets at 30 June 2020.

6 Related parties

Relationships with subsidiaries, associates and joint ventures are described in notes 8 and 9. Other Related parties which have material changes in relationships and that the Group had significant transactions during the period with were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Indirect subsidiaries</i>		
Nam San 3B Power Sole Co., Ltd.	Laos	Subsidiary's director and management as director and management.
BBGI Utility and Power Co., Ltd.	Thai	Subsidiary's director and management as director and management.

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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
Sales of fixed assets and other assets	Contractually agreed prices
Interest expense	Contractually agreed rate with reference to market rate and contract rate

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

<i>Three-month periods ended 30 June</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Subsidiaries and indirect subsidiaries				
Sales of goods	-	-	5,927	10,448
Purchases of goods	-	-	6,116	5,840
Dividend income	-	-	15	463
Other income	-	-	34	29
Interest income	-	-	52	18
Other expenses	-	-	8	8
Indirect associate and joint venture				
Sales of goods	2	3	1	3
Purchase of goods	186	297	186	297
Other expenses	118	118	118	118
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	51	60	22	25
Post-employment benefits and other long-term benefits	3	3	2	2
Total key management personnel compensation	54	63	24	27
Other related parties				
Other income	1	1	1	1
Interest income	21	15	-	-
Pipeline transportation expenses	62	114	62	114

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<i>Six-month periods ended 30 June</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Subsidiaries and indirect subsidiaries				
Sales of goods	-	-	14,470	21,011
Purchases of goods	-	-	16,070	15,634
Dividend income	-	-	239	463
Other income	-	-	64	55
Interest income	-	-	104	30
Other expenses	-	-	16	21
Sales of fixed assets and other assets	-	-	-	42
Indirect associate and joint venture				
Sales of goods	5	6	4	6
Purchase of goods	523	586	523	586
Other income	7	1	7	-
Other expenses	226	234	226	234
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	139	149	60	68
Post-employment benefits and other long-term benefits	6	7	4	4
Total key management personnel compensation	145	156	64	72
Other related parties				
Other income	2	2	2	2
Interest income	41	22	-	-
Pipeline transportation expenses	167	227	167	227

Balances as at 30 June 2020 and 31 December 2019 with related parties were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Trade accounts receivable				
Subsidiaries and indirect subsidiaries	-	-	1,037	2,019
Indirect associate	-	2	-	2
	<u>-</u>	<u>2</u>	<u>1,037</u>	<u>2,021</u>
<i>Less allowance for impairment (2019: allowance for doubtful accounts)</i>	-	-	-	-
Net	<u>-</u>	<u>2</u>	<u>1,037</u>	<u>2,021</u>

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	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Impairment losses				
<i>(2019: Bad and doubtful debts)</i> for the:				
Three-month period ended 30 June	-	-	-	-
Six-month period ended 30 June	-	-	-	-

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	<i>(in million Baht)</i>			
Other receivables				
Subsidiaries and indirect subsidiaries	-	-	86	63
Other related parties	32	28	-	-
	32	28	86	63
<i>Less allowance for impairment (2019: allowance for doubtful accounts)</i>	-	-	(10)	-
Net	32	28	76	63

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Impairment losses				
<i>(2019: Bad and doubtful debts)</i> for the:				
Three-month period ended 30 June	-	-	1	-
Six-month period ended 30 June	-	-	1	-

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	1 January 2020 - restated	Increase	Effect of change in exchange rates (in million Baht)	30 June 2020	1 January 2020 - restated	Increase	Effect of change in exchange rates (in million Baht)	30 June 2020
Loans to Subsidiaries								
Bangchak Retail Co., Ltd.	-	-	-	-	610	35	-	645
BCP Innovation Pte. Ltd.	-	-	-	-	878	129	22	1,029
Indirect subsidiaries								
Nido Petroleum Pty. Ltd.	-	-	-	-	1,199	-	30	1,229
BCPR Pte. Ltd.	-	-	-	-	3,104	-	(161)	2,943
Indirect associate								
Impact Energy Asia Development Ltd.	152	41	3	196	-	-	-	-
Other related party								
Lithium Americans Corp	884	133	18	1,035	-	-	-	-
Total	1,036	174	21	1,231	5,791	164	(109)	5,846
<i>Less current portion due within one year</i>	-			-	-			(551)
<i>Less allowance for impairment (2019: allowance for doubtful accounts)</i>	(10)			(13)	(585)			(2,446)
Net	1,026			1,218	5,206			2,849

Loans to related parties bear interest range from 0.5% per annum to 8.0% per annum.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Impairment losses (2019: <i>Bad and doubtful debts</i>) of loans to for the:				
Three-month period ended 30 June	-	-	-	-
Six-month period ended 30 June	3	-	1,907	-

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	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	<i>(in million Baht)</i>			
Other non-current assets				
Indirect subsidiary	-	-	400	323
Other related party	5	7	5	7
Total	5	7	405	330
Less allowance for impairment (2019: allowance for doubtful accounts)	-	-	(315)	-
Net	5	7	90	330

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Impairment losses (2019: <i>Bad and doubtful debts</i>) of loans to for the:				
Three-month period ended 30 June	-	-	-	-
Six-month period ended 30 June	-	-	334	-

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	<i>(in million Baht)</i>			
Trade accounts payable				
Subsidiaries and indirect subsidiaries	-	-	1,122	870
Indirect associate	96	149	96	149
Total	96	149	1,218	1,019
Other payable				
Subsidiaries and indirect subsidiary	-	-	23	18
Joint ventures	10	2	10	2
Other related parties	22	49	22	49
Total	32	51	55	69
Other current liabilities				
Subsidiaries	-	-	3	6
Total	-	-	3	6
Other non-current liabilities				
Other related party	1	2	1	2
Total	1	2	1	2

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7 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Crude oil and other raw materials	4,874	7,936	3,881	7,374
Finished oil products	5,636	6,743	4,622	5,926
Materials and supplies	1,096	1,114	1,054	1,032
Consumer products	47	73	-	-
Semi - finished products	63	145	-	-
	<u>11,716</u>	<u>16,011</u>	<u>9,557</u>	<u>14,332</u>
<i>Less:</i> allowance for obsolete and slow moving	(171)	(171)	(171)	(171)
allowance for decline in value	(58)	(5)	(58)	-
Net	<u>11,487</u>	<u>15,835</u>	<u>9,328</u>	<u>14,161</u>

As at 30 June 2020 and 31 December 2019, the Company's inventories included petroleum legal reserve of 278 million liters with approximated value of Baht 2,515 million and 413 million liters with approximated value of Baht 5,668 million, respectively.

8 Investments in subsidiaries

	<i>Six-month period ended 30 June</i>	<i>Note</i>	Separate	
			financial statements	financial statements
			2020	2019
			<i>(in million Baht)</i>	
At 1 January - as reported			13,536	13,179
Impact of changes in accounting policies		3	<u>123</u>	-
At 1 January - restated			13,659	13,179
Increase			-	127
Lending at lower than market rates			11	-
Loss from impairment			<u>(1,835)</u>	-
At 30 June			<u>11,835</u>	<u>13,306</u>

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Investments in subsidiaries as at 30 June 2020 and 31 December 2019, and dividend income from those investments for six-month periods ended 30 June were as follows:

	Separate financial statements										Dividend income	
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		for the six-month	
	30	31	30	31	30	31	30	31	30	31	30	30
	June	December	June	December	June	December	June	December	June	December	June	June
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(%)				(in million Baht)							
Subsidiaries												
Bangchak Green Net Co., Ltd.	49.00	49.00	1	1	-	-	-	-	-	-	15	15
BCPG Public Company Limited	70.04	70.04	9,995	9,994	7,000	7,000	-	-	7,000	7,000	224	448
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	(3,673)	(2,203)	-	1,470	-	-
BCP Innovation Pte. Ltd.	100.00	100.00	1,790	1,790	1,790	1,790	-	-	1,790	1,790	-	-
BCP Trading Pte. Ltd.	100.00	100.00	35	35	35	35	-	-	35	35	-	-
BBGI Public Company Limited	60.00	60.00	2,532	2,532	1,700	1,700	-	-	1,700	1,700	-	-
BCPR Co., Ltd.	100.00	100.00	661	661	661	661	(231)	-	430	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	100.00	-	-	-	-	-	-	-	-	-	-
Nido Petroleum Pty. Ltd.					134	-	(134)	-	-	-	-	-
					15,873	15,739	(4,038)	(2,203)	11,835	13,536	239	463

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Impairment of assets for petroleum exploration and production, investments in subsidiaries and investment in indirect associate

The recoverable amount of investment in BCPR Co., Ltd. in OKEA ASA 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 found that investment in BCPR Co., Ltd. has the recoverable amount lower than its carrying amount. The Company recognised impairment loss of investment in BCPR Co., Ltd. in the separate financial statements for the six-month period ended 30 June 2020 amounting to Baht 231 million.

The sensitivity analysis in the key assumption was estimated. The calculations were performed assuming a change to the variable being tested only. It is estimated that if the oil price assumption were to be decreased by around 21%, the estimated recoverable amount will be equal to the carrying amount.

Investment in BCP Energy International Pte. Ltd. (“BCPE”) in Nido Petroleum Pty. Ltd. has the recoverable amount lower than its carrying amount from the effect of change in its operation plan. The Group recognised impairment loss of oil exploration & production assets in the consolidated financial statements amounting to Baht 1,366 million and recognised impairment loss of investment in BCPE and investment in Nido Petroleum Pty Ltd. in the separate financial statements for the six-month period ended 30 June 2020 amounting to Baht 1,470 million and Baht 134 million, respectively.

9 Investments in associates and joint ventures

<i>Six-month period ended 30 June</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
Indirect associates					
At 1 January - as reported		17,927	17,902	-	-
Impact of changes in accounting policies	3	(39)	-	-	-
At 1 January - restated		17,888	17,902	-	-
Increase		-	226	-	-
Share of net profit (loss) of associates		(929)	297	-	-
Share of other comprehensive income (loss) from investments in associates		(69)	(10)	-	-
Dividend income		(12)	(7)	-	-
Effect of change in exchange rates		(1,150)	(246)	-	-
At 30 June		15,728	18,162	-	-
Joint ventures					
At 1 January		110	92	73	73
Share of net profit of joint ventures		16	17	-	-
At 30 June		126	109	73	73

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<i>Six-month period ended 30 June</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
Total					
At 1 January - as reported		18,037	17,944	73	73
Impact of changes in accounting policies	3	(39)	-	-	-
At 1 January - restated		17,998	17,994	73	73
Increase		-	226	-	-
Share of net profit (loss) of associates and joint ventures		(913)	314	-	-
Share of other comprehensive income (loss) from investments in associates		(69)	(10)	-	-
Dividend income		(12)	(7)	-	-
Effect of change in exchange rates		(1,150)	(246)	-	-
At 30 June		15,854	18,271	73	73

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Investments in associates and joint ventures as at 30 June 2020 and 31 December 2019 and dividend income from those investments for six-month periods ended 30 June were as follows:

	Consolidated financial statements												Dividend income for the six-month periods ended	
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		30	30
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	June 2020	June 2019
	(%)						<i>(in million Baht)</i>							
Indirect associates														
Ubon Bio Ethanol Plc.	21.28	21.28	2,740	2,740	763	763	814	799	-	-	814	799	-	-
PetroWind Energy Inc.	40.00	40.00	895	895	922	922	1,160	1,126	-	-	1,160	1,126	12	7
Star Energy Group Holding Pte. Ltd.	33.33	33.33	28,169	28,169	11,889	11,889	11,589	12,497	-	-	11,589	12,497	-	-
OKEA ASA	46.32	46.52	38	38	3,844	3,844	2,165	3,505	-	-	2,165	3,505	-	-
Impact Energy Asia Development Limited.	45.00	45.00	-	-	-	-	-	-	-	-	-	-	-	-
					17,418	17,418	15,728	17,927	-	-	15,728	17,927	12	7
Joint ventures														
Bongkot Marine Services Co., Ltd.	30.00	30.00	240	240	72	72	125	109	-	-	125	109	-	-
Oam Suk Social Enterprise Co., Ltd.	40.00	40.00	3	3	1	1	1	1	-	-	1	1	-	-
					73	73	126	110	-	-	126	110	-	-
Total					17,491	17,491	15,854	18,037	-	-	15,854	18,037	12	7

None of the Group's 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 and has a fair value of NOK 455 million or equivalent to Baht 1,461 million as at 30 June 2020 (31 December 2019: NOK 831 million or equivalent to Baht 2,813 million).

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	Ownership interest		Paid-up capital		Cost method		Impairment		At equity - net	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(%)		(in million Baht)							
Joint ventures										
Bongkot Marine Services Co., Ltd.	30.00	30.00	240	240	72	72	-	-	72	72
Oam Suk Social Enterprise Co., Ltd.	40.00	40.00	3	3	1	1	-	-	1	1
Total					73	73	-	-	73	73

The Company has no dividend income received during the six-month periods ended 30 June 2020 and 2019.

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

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10 Property, plant and equipment

Movements during the six-month period ended 30 June 2020 of property, plant and equipment were as follows:

		Consolidated financial statements							
	<i>Note</i>	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Marketing and office equipment	Other assets	Construction work in progress	Total
<i>(in million Baht)</i>									
At 1 January 2020 - as reported		4,127	2,758	21,229	9,422	3,869	416	10,763	52,584
Impact of changes in accounting policies	3	(156)	(205)	(22)	-	-	(15)	-	(398)
At 1 January 2020 - restated		3,971	2,553	21,207	9,422	3,869	401	10,763	52,186
Acquired from business acquisition	4	-	-	-	13	-	-	-	13
Additions		8	42	9	-	8	4	3,928	3,999
Transfers		-	46	217	13	199	(1)	(525)	(51)
Transfer to assets held for sale		-	(9)	-	-	(5)	-	-	(14)
Disposals		-	(8)	(1)	-	(4)	-	-	(13)
Depreciation charge for the period		-	(91)	(1,381)	(264)	(297)	(23)	-	(2,056)
Impairment loss		-	(97)	-	-	(38)	-	-	(135)
Effect of movement in exchange rate		14	2	-	36	-	-	81	133
At 30 June 2020		3,993	2,438	20,051	9,220	3,732	381	14,247	54,062

As at 30 June 2020, certain subsidiaries have mortgaged its land, buildings and machinery as collateral with financial institutions for credit facilities totaling Baht 12,213 million (31 December 2019: Baht 12,561 million).

As at 30 June 2020, certain subsidiary of the Group did not renew the grocery franchise agreement and the shareholders of such subsidiary had a resolution to sell building improvements and marketing equipment that related to the marketing business. The buyer has been identified and the selling price has been agreed already. The sale transaction is expected to complete within the third quarter of the year 2020. As a result, the subsidiary recognised loss from impairment of assets amounting to Baht 135 million and classified such assets as 'non-current assets classified as held for sale' at net book value of Baht 14 million.

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	Separate financial statements							Total
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Marketing and office equipment	Other assets	Construction work in progress	
At 1 January 2020	2,363	133	17,920	63	3,584	377	7,890	32,330
Additions	-	-	7	-	-	4	2,923	2,934
Transfers	-	41	201	-	191	-	(442)	(9)
Disposals	-	-	(1)	-	(2)	-	-	(3)
Depreciation for the period	-	(9)	(1,228)	(3)	(256)	(17)	-	(1,513)
At 30 June 2020	2,363	165	16,899	60	3,517	364	10,371	33,739

11 Right-of-use assets

Movement of right-of-use assets during the six-month period ended 30 June 2020 is as follows:

	Note	Consolidated financial statements					Total
		Land and building	Rental	Tank farm	Machinery, equipment refinery plants and terminal	Vehicle and oil tanker	
At 1 January 2020 - restated	3	8,334	10	1,125	22	736	10,227
Additions		511	1	891	-	3	1,406
Transfers		(7)	-	-	-	1	(6)
Depreciation for the period		(368)	(1)	(321)	(2)	(228)	(920)
Effect of movement in exchange rate		10	-	-	-	-	10
At 30 June 2020		8,480	10	1,695	20	512	10,717

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	Note	Separate financial statements				Total
		Land and building	Rental	Tank farm (in million Baht)	Vehicle and oil tanker	
At 1 January 2020 - restated	3	7,662	10	1,125	708	9,505
Additions		511	1	891	-	1,403
Transfers		(7)	-	-	-	(7)
Depreciation for the period		(341)	(1)	(321)	(224)	(887)
At 30 June 2020		7,825	10	1,695	484	10,014

12 Intangible assets

Movements of intangible assets during the six-month period ended 30 June 2020 were as follows:

	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	Power purchase agreement	Power purchase agreement under concession agreement	
At 1 January 2020	796	1,315	74	1,267	5,042	8,494
Acquired from business acquisition (Note 4)	-	-	-	-	3,386	3,386
Additions	12	-	-	-	-	12
Transfers	-	(60)	-	-	-	(60)
Amortisation for the period	(84)	-	(2)	(12)	(157)	(255)
Loss from impairment	-	(1,318)	-	-	-	(1,318)
Effect of movement in exchange rate	8	63	1	53	48	173
At 30 June 2020	732	-	73	1,308	8,319	10,432

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	Separate financial statements
	License fee and cost of development of computer software (in million Baht)
At 1 January 2020	399
Additions	9
Amortisation for the period	(64)
At 30 June 2020	344

13 Loans from financial institutions and debentures

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Six-month period ended 30 June</i>	<i>(in million Baht)</i>			
Loans from financial institutions and debentures				
At 1 January	48,041	50,464	23,699	31,314
Increase	19,775	3,789	11,611	2,550
Decrease	(1,094)	(5,341)	(175)	(4,175)
Transaction cost capitalised - net of amortisation	(14)	3	(6)	(18)
Effect of change in exchange rates	(34)	(451)	(125)	(247)
Total	66,674	48,464	35,004	29,434
<i>Less</i> Current portion of long-term loans from financial institutions	(2,375)	(2,251)	(400)	(350)
Current portion of debentures	(5,500)	-	(5,500)	-
Short term loans	(7,824)	(4,639)	(1,000)	(3,090)
At 30 June	50,975	41,574	28,104	25,994

During the six-month period ended 30 June 2020, the Company issued named-registered, unsubordinated, unsecured, debenture holders' representative amounting to Baht 8,000 million to institution investors and/or high net worth investors. These debentures have a par value of Baht 1,000 and interest is payable semi-annually.

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14 Segment information and disaggregation of revenue

The Group has six reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

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

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

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Information about reportable segments for the six-month periods ended 30 June 2020 and 2019 were as follow:

<i>For the six-month period ended 30 June 2020</i>	Consolidated financial statements							Total
	Refinery and oil trading	Marketing	Power plant	Bio-based product <i>(in million Baht)</i>	Natural resources	Others	Eliminations	
External revenue	18,325	48,144	1,852	1,343	-	1	-	69,665
Inter-segment revenue	43,783	1	4	4,725	-	-	(48,513)	-
Total revenue	62,108	48,145	1,856	6,068	-	1	(48,513)	69,665
Profit (loss) from operating segment	(3,375)	806	1,633	848	(1,166)	(161)	-	(1,415)
Depreciation and amortisation								(3,249)
Loss from derivatives								(41)
Gain on foreign exchange								459
Loss from impairment								(2,377)
Finance costs								(981)
Income tax revenue								1,562
Loss for the period								(6,042)

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<i>For the six-month period ended 30 June 2019</i>	Consolidated financial statements							Total
	Refinery and oil trading	Marketing	Power plant	Bio-based product <i>(in million Baht)</i>	Natural resources	Others	Eliminations	
External revenue	22,134	68,704	1,655	1,358	10	-	-	93,861
Inter-segment revenue	64,012	4	-	3,443	-	-	(67,459)	-
Total revenue	86,146	68,708	1,655	4,801	10	-	(67,459)	93,861
Profit (loss) from operating segment	1,167	1,240	1,458	330	122	(170)	-	4,147
Depreciation and amortisation								(2,445)
Gain on foreign exchange								225
Finance costs								(864)
Income tax revenue								7
Profit for the period								1,070

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Disaggregation of revenue for the six-month periods ended 30 June were as follow:

<i>Six-month periods ended 30 June</i>	Separate financial statements	
	2020	2019
	<i>(in million Baht)</i>	
Revenue from sales and rendering of services		
Refinery	10,452	12,941
Marketing	42,273	67,791
Total	57,725	80,732

Timing of revenue recognition of major revenues of the Group and the Company are point in time, except power plant segment, which timing of revenue recognition is over time.

15 Income tax

<i>Six-month periods ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Current tax expense				
Current period	111	185	-	137
Over provided in prior years	(1)	(15)	-	(15)
	110	170	-	122
Deferred tax expense				
Movements in temporary differences	(1,672)	(177)	(1,866)	(166)
	(1,672)	(177)	(1,866)	(166)
Total income tax revenue	(1,562)	(7)	(1,866)	(44)

16 Earnings per share

<i>Three-month periods ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht / million shares)</i>			
Profit (loss) for the period attributable to ordinary shareholders of the Company	(1,911)	528	(1,966)	560
Less Cumulative coupon payment for the period on perpetual subordinated debentures	(124)	-	(124)	-
Profit (loss) for calculating earnings per share	(2,035)	528	(2,090)	560
Number of ordinary shares outstanding	1,377	1,377	1,377	1,377
Effect of treasury shares	(19)	-	(19)	-
Weighted average number of ordinary shares outstanding	1,358	1,377	1,358	1,377
Earnings (loss) per share (basic) <i>(in Baht)</i>	(1.50)	0.38	(1.54)	0.41

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<i>Six-month periods ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht / million shares)</i>			
Profit (loss) for the period attributable to ordinary shareholders of the Company	(6,571)	742	(8,284)	336
Less Cumulative coupon payment for the period on perpetual subordinated debentures	(249)	-	(249)	-
Profit (loss) for calculating earnings per share	(6,820)	742	(8,533)	336
Number of ordinary shares outstanding	1,377	1,377	1,377	1,377
Effect of treasury shares	(19)	-	(19)	-
Weighted average number of ordinary shares outstanding	1,358	1,377	1,358	1,377
Earnings (loss) per share (basic) <i>(in Baht)</i>	(5.02)	0.54	(6.28)	0.24

17 Dividend

Dividends paid to shareholders are as follows:

	Approval Date	Dividend payment date	Baht per share <i>(Baht)</i>	Amount <i>(in million Baht)</i>
2020				
An interim dividend for second half year 2019	30 March 2020	24 April 2020	0.30	407
Dividend payment during the six-month period ended 30 June 2020			0.30	407
2019				
Annual dividend 2018	11 April 2019	24 April 2019	1.35	1,858
An interim dividend for second half year 2018	24 August 2018	19 September 2018	(0.85)	(1,170)
Dividend payment during the six-month period ended 30 June 2019			0.50	688

18 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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	Carrying amount					Fair value			
	Fair value – applied hedge accounting	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost - net <i>(in million Baht)</i>	Total	Level 1	Level 2	Level 3	Total
At 30 June 2020									
Financial assets									
Equity and debts instruments available for sale	-	147	2,587	-	2,734	2,225	509	-	2,734
Other non-marketable equity instruments	-	-	234	-	234	-	-	234	234
Loan to related parties (fixed interest rate)	-	-	-	1,224	1,224	-	1,391	-	1,391
Derivatives assets	4	121	-	-	125	-	125	-	125
Financial liabilities									
Loans from financial institutions (fixed interest rate)	-	-	-	2,320	2,320	-	2,484	-	2,484
Debentures	-	-	-	28,977	28,977	-	30,314	-	30,314
Derivatives liabilities	106	243	-	-	349	-	349	-	349

Separate financial statements

	Carrying amount					Fair value			
	Fair value – applied hedge accounting	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost - net <i>(in million Baht)</i>	Total	Level 1	Level 2	Level 3	Total
At 30 June 2020									
Financial assets									
Other non-marketable equity instruments	-	-	234	-	234	-	-	234	234
Loan to related parties (fixed interest rate)	-	-	-	5,846	5,846	-	5,213	-	5,213
Derivatives assets	-	118	-	-	118	-	118	-	118
Financial liabilities									
Loans from financial institutions (fixed interest rate)	-	-	-	1,651	1,651	-	1,747	-	1,747
Debentures	-	-	-	28,977	28,977	-	30,314	-	30,314
Derivatives liabilities	-	218	-	-	218	-	218	-	218

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	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 parties (fixed interest rate)	1,036	-	1,340	-	1,340
<i>Financial liabilities</i>					
Debentures	20,985	-	22,859	-	22,859
Long-term loans (fixed interest 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

	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 parties (fixed interest rate)	5,791	-	5,854	-	5,854
<i>Financial liabilities</i>					
Debentures	20,985	-	22,859	-	22,859
Long-term loans (fixed interest rate)	1,801	-	1,892	-	1,892
Forward exchange contracts	-	-	13	-	13
Crude and product oil price hedging contracts	-	-	28	-	28

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.

Level 3 fair values for investments in non-marketable securities, the fair values are based on cost which considered as estimated fair values, except there are significant changes in their operations.

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Impairment loss

Impairment on cash and cash equivalents was measured on a 12-month ECLs. The Group considers that cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Allowance for impairment loss for trade receivables and contract assets are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions.

Consolidated financial statements			
<i>At 30 June 2020</i>	Trade accounts receivables <i>(in million Baht)</i>	Weighted average loss rate <i>(%)</i>	Allowance for impairment losses <i>(in million Baht)</i>
Within credit terms	3,119	0.15	5
Overdue:			
Less than 3 months	1,080	82.87	894
3-6 months	26	9.38	3
6-12 months	22	12.48	3
Over 12 months	38	62.07	23
Total	4,285		928
Less allowance for impairment	<i>(928)</i>		
Net	3,357		

Separate financial statements			
<i>At 30 June 2020</i>	Trade accounts receivables <i>(in million Baht)</i>	Weighted average loss rate <i>(%)</i>	Allowance for impairment losses <i>(in million Baht)</i>
Within credit terms	2,652	-	-
Overdue:			
Less than 3 months	945	94.51	894
3-6 months	2	1.77	-
6-12 months	17	3.37	-
Over 12 months	18	70.58	13
Total	3,634		907
Less allowance for impairment	<i>(907)</i>		
Net	2,727		

During the six-month period ended 30 June 2020, certain trade account receivable of the Group entered into rehabilitation process under supervision of the Central Bankruptcy Court. The Group set up additional allowance for impairment to reflect the credit risk of this account receivable.

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<i>Trade accounts receivables</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
At 31 December 2019		
Within credit terms	8,678	6,420
Overdue:		
Less than 3 months	296	223
3-6 months	23	20
6-12 months	23	7
Over 12 months	32	18
	9,052	6,688
Less allowance for doubtful accounts	(14)	(14)
Net	9,038	6,674

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

<i>Allowance for impairment - simplified approach</i>		Consolidated financial statements	Separate financial statements
	<i>Note</i>	<i>(in million Baht)</i>	
Trade and other current receivables			
At 1 January 2020 - restated	3	52	29
Increase		888	888
Reversals		(2)	(1)
At 30 June 2020		938	916

<i>Allowance for impairment - general approach</i>	12-months ECL	Consolidated financial statements		
		Lifetime ECL - not credit- impaired	Lifetime ECL - credit- impaired	Total
		<i>(in million Baht)</i>		
Loans to related parties and accrued interest				
At 1 January 2020 - restated (see note 3)	-	10	-	10
New financial assets acquired	-	3	-	3
At 30 June 2020	-	13	-	13

<i>Allowance for impairment - general approach</i>	12-months ECL	Separate financial statements		
		Lifetime ECL - not credit- impaired	Lifetime ECL - credit- impaired	Total
		<i>(in million Baht)</i>		
Loans to related parties and accrued interest				
At 1 January 2020 - restated (see note 3)	107	478	-	585
Net remeasurement of loss allowance	68	1,017	1,156	2,241
Transfer to lifetime ECL - non credit - impaired	(43)	43	-	-
Transfer to lifetime ECL - credit - impaired	-	(478)	478	-
Effect of change in exchange rates	(2)	27	(90)	(65)
At 30 June 2020	130	1,087	1,044	2,761

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<i>Impairment loss of financial assets for the periods ended 30 June 2020</i>	Consolidated financial statements		Separate financial statements	
	Three-month period	Six-month period	Three-month period	Six-month period
	<i>(in million Baht)</i>			
Recognised in profit or loss				
Impairment loss of trade and other current receivables	894	886	894	887
Impairment loss of loans to related parties and accrued interest	1	4	-	2,241
Total	895	890	894	3,128

Exposure to foreign currency risk

<i>At 30 June 2020</i>	Consolidated financial statements			
	United States Dollars	Japanese Yen	Others	Total
	<i>(in million Baht)</i>			
Cash and cash equivalents	1,351	416	5	1,772
Trade and other receivables	460	-	-	460
Loan to related parties	183	-	-	183
Interest-bearing liabilities	(5,962)	(6,398)	-	(12,360)
Trade and other payables	(1,000)	(1)	(2)	(1,003)
Net statement of financial position exposure	(4,968)	(5,983)	3	(10,948)
Forward exchange contracts	5,604	-	-	5,604
Forward exchange purchase contracts	320	-	-	320
Forward exchange selling contracts	344	-	-	344
Net exposure	1,300	(5,983)	3	(4,680)

<i>At 30 June 2020</i>	Separate financial statements		
	United States Dollars	Others	Total
	<i>(in million Baht)</i>		
Cash and cash equivalents	362	-	362
Trade and other receivables	460	-	460
Loan to related parties	994	1,865	2,859
Interest-bearing liabilities	(2,485)	-	(2,485)
Trade and other payables	(985)	(11)	(996)
Net statement of financial position exposure	(1,654)	1,854	200
Forward exchange contracts	5,440	-	5,440
Forward exchange purchase contracts	320	-	320
Forward exchange selling contracts	344	-	344
Net exposure	4,450	1,854	6,304

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Exposure to interest rate risk

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Financial instruments with fixed interest rates</i>		
Financial assets	3,583	3,400
Financial liabilities	(34,773)	(34,104)
	<u>(31,190)</u>	<u>(30,704)</u>
<i>Financial instruments with variable interest rates</i>		
Financial liabilities	(26,558)	(900)
	(26,558)	(900)
Interest rate swaps	2,746	-
	<u>23,812</u>	<u>(900)</u>

19 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	<i>(in million Baht)</i>			
<i>Capital commitment</i>				
Construction projects	5,255	2,434	905	1,091
Total	<u>5,255</u>	<u>2,434</u>	<u>905</u>	<u>1,091</u>
<i>Other commitment</i>				
Bank guarantee	108	121	27	28
Total	<u>108</u>	<u>121</u>	<u>27</u>	<u>28</u>

20 Contingent liabilities

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.

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21 Events after the reporting period

Investment in preferred shares

In July 2020, BBGI Public Company Limited, which is a subsidiary of the Group, made a second payment for investment in preferred shares of Manus Bio Inc. amounting to USD 8 million or equivalent to Baht 244 million. The investment is classified as other investment.

Investment in solar power plant projects

On 21 July 2020, Board of Directors' Meeting No. 10/2020 of BCPG Public Company Limited ("BCPG"), which is a subsidiary of the Group, approved an investment in solar power plant project with total power purchase agreement capacity of 20 MW by the acquisition of 99.99% of RPV Energy Company Limited's shares. Subsequently, on 31 July 2020, BCPG entered into the share purchase agreement with Eternity Power Public Company Limited (seller) to invest in such project. BCPG and the seller are in progress of completing conditions stipulated in the share purchase agreement.

On 4 August 2020, BCPG registered an establishment of a 99.97% owned subsidiary (BSE Power Holding (Thailand) Company Limited) with a registered share capital of Baht 1 million. The objective is to invest in the solar power plant project under the share purchase agreement mentioned above. When all conditions have been satisfied, the shares shall be transferred to this subsidiary and the payment shall be made to the seller.

Investment in subsidiary

On 6 August 2020, BBGI Public Company Limited ("BBGI"), which is a subsidiary of the Group, registered for the establishment of WIN Ingredients Company Limited with a registered capital of Baht 1 million. BBGI has 100% of shareholding. WIN Ingredients Company Limited operates the business of production, selling, import and export biological products and chemicals in various categories.