

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

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Bangchak Corporation Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Bangchak Corporation Public Company Limited and its subsidiaries (the "Group") and of Bangchak Corporation Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Acquisition of subsidiaries	
Refer to Notes 4 (a), 6 and 11 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>In 2020, the Group completed the acquisition of a hydropower plant in The Lao People’s Democratic Republic and a solar power plant in Thailand. Management has determined the fair value of net assets acquired and the consideration transferred. The acquisition of the hydropower plant resulted in goodwill amounting to Baht 252.6 million. The acquisition of the solar power plant did not result in goodwill.</p> <p>Due to the materiality of the transactions and the significant judgment and complexities involved in determining the fair value, I considered this a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Made inquiries of management to obtain an understanding of management’s procedures on identification of assets acquired and liabilities assumed and on the determination of the fair value of net asset acquired. - Read the share sale and purchase agreement, evaluated the appropriateness of the identification of net assets acquired at the date of acquisition. - Evaluated the independence and competency of independent appraiser. - Involved KPMG specialist to evaluate valuation methodology and financial parameters applied to the discount rate. - Evaluated significant assumptions underpinning the valuations reference to internal and external information and mathematical accuracy. - Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.

Impairment testing of investment in associates, investment in subsidiaries, oil exploration & production assets and goodwill	
Refer to Notes 4 (m), 11, 12, 17 and 18 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group has investment in many countries and there are risks from various external factors such as the fluctuation in economies, politics and laws. There is a risk that the operating results and the investments might be significantly less than the initial forecast and budget and might result in the assets' carrying value being higher than the recoverable amounts, which might represent losses from impairment.</p> <p>Due to the materiality of the transactions, the management's significant judgment and complexities involved in estimating a recoverable amount of investment in associates, investment in subsidiaries, oil exploration & production assets and goodwill from discounted cash flow method, I considered as the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> – Understood the management's operation plan, process of the indicators identification and impairment testing process and tested the calculation of recoverable amount prepared by the management. – Assessed the key assumptions estimated by the management with reference to internally and externally derived sources after taking into account the historical forecasting accuracy. – Evaluated the appropriateness of valuation methodology and financial parameters applied to the discount rate. – Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.

Valuation of inventories	
Refer to Notes 4(g) and 10 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Inventories are measured at the lower of cost and net realizable value. As a result of fluctuation in crude oil and oil products price which may cause the net realizable value to be lower than cost.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> – Evaluated the appropriateness of inventories valuation by management. – Verified the appropriateness of the net realizable value calculation. – Checked the selling prices of finished goods with the reference market price and contract price. – Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to note 3 to the 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. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Sakda Kaothanthong)
Certified Public Accountant
Registration No. 4628

KPMG Phoomchai Audit Ltd.
Bangkok
18 February 2021

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	8	21,651,076,845	7,275,805,822	6,042,910,455	4,086,864,086
Current investments		-	288,260,757	-	200,000,000
Trade and other current receivables	7, 9	6,401,832,975	11,072,590,757	3,004,450,187	7,327,455,458
Inventories	10	16,162,353,035	15,835,052,377	13,387,573,029	14,161,331,011
Current tax assets		73,286,408	461,092,527	69,195,961	257,059,035
Current portion of long-term loan to related parties	7	-	-	550,800,115	-
Other current financial assets		80,551,409	-	55,624,900	-
Oil fuel fund subsidies receivable		2,926,502,670	2,688,054,699	2,926,502,670	2,688,054,696
Total current assets		47,295,603,342	37,620,856,939	26,037,057,317	28,720,764,286
Non-current assets					
Other non-current financial assets		1,696,318,642	-	237,064,163	-
Investments in subsidiaries	11	-	-	13,851,135,308	13,536,054,659
Investments in associates and joint ventures	12	14,331,209,255	18,037,040,351	73,000,000	73,000,000
Long-term loans	7	1,254,716,892	1,035,871,932	1,033,535,738	5,791,464,107
Other long-term investments		-	2,068,971,527	-	237,124,411
Investment properties	13	126,965,546	126,965,546	682,953,148	682,953,148
Property, plant and equipment	14	54,567,027,553	52,584,000,770	33,478,542,269	32,329,931,547
Right-of-use assets	15	11,086,968,337	-	10,386,998,257	-
Goodwill	6, 17	2,128,980,036	1,920,678,430	-	-
Leasehold rights		-	3,125,136,434	-	3,125,136,434
Intangible assets	18	11,179,679,221	8,493,907,664	356,290,524	398,563,147
Deferred tax assets	34	2,980,980,320	1,120,772,050	2,930,043,526	1,069,862,706
Other non-current assets	7, 19	1,674,142,789	1,653,781,885	1,336,340,000	1,629,292,658
Total non-current assets		101,026,988,591	90,167,126,589	64,365,902,933	58,873,382,817
Total assets		148,322,591,933	127,787,983,528	90,402,960,250	87,594,147,103

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Current liabilities					
Short-term loan from financial institutions	20	3,975,324,173	5,051,000,000	-	-
Trade and other current payables	7, 21	12,277,161,213	13,446,858,823	8,959,910,776	9,912,214,856
Current portion of long-term loans from financial institutions	20	2,674,132,316	2,198,187,068	425,153,846	375,153,846
Current portion of lease liabilities (2019: <i>Current portion of finance lease liabilities</i>)		1,316,127,944	28,673,646	1,283,743,076	-
Current portion of debentures	20	2,500,000,000	3,000,000,000	2,500,000,000	3,000,000,000
Excise tax and oil fuel fund payable		947,748,884	1,241,894,297	947,748,884	1,241,894,297
Current income tax payable		146,235,567	144,539,571	-	64,803,426
Long-term provisions		-	733,046,858	-	-
Other current financial liabilities		184,691,621	-	157,823,261	-
Other current liabilities		1,480,727,593	1,238,857,617	1,387,610,341	1,201,088,231
Total current liabilities		25,502,149,311	27,083,057,880	15,661,990,184	15,795,154,656
Non-current liabilities					
Long-term loans from financial institutions	20	30,614,930,636	19,807,451,813	5,334,217,785	2,339,407,988
Lease liabilities		6,581,482,721	-	5,906,993,560	-
Debentures	20	23,479,970,719	17,984,746,501	23,479,970,719	17,984,746,501
Deferred tax liabilities	34	794,627,463	608,592,026	-	-
Liabilities on long-term lease		-	32,515,789	-	32,515,789
Non-current provisions for employee benefits	22	2,336,038,743	2,588,110,805	2,231,625,137	2,489,668,146
Provision for the decommissioning cost		256,229,922	322,896,880	-	-
Other non-current financial liabilities		87,186,280	-	-	-
Other non-current liabilities	7	353,550,703	545,567,524	52,241,594	65,664,633
Total non-current liabilities		64,504,017,187	41,889,881,338	37,005,048,795	22,912,003,057
Total liabilities		90,006,166,498	68,972,939,218	52,667,038,979	38,707,157,713

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Equity					
Share capital	23				
Authorised share capital <i>(1,376,923,157 ordinary shares, par value at Baht 1 per share)</i>		<u>1,376,923,157</u>	<u>1,376,923,157</u>	<u>1,376,923,157</u>	<u>1,376,923,157</u>
Issued and paid-up share capital <i>(1,376,923,157 ordinary shares, par value at Baht 1 per share)</i>		1,376,923,157	1,376,923,157	1,376,923,157	1,376,923,157
Share premium on ordinary shares	23	11,157,460,051	11,157,460,051	11,157,460,051	11,157,460,051
Other surpluses	23	3,441,394,816	2,742,874,460	189,617,759	189,617,759
Warrants		1,811,785	2,121,880	-	-
Retained earnings					
Appropriated					
Legal reserve	25	153,164,346	153,164,346	153,164,346	153,164,346
Treasury shares reserve	25	505,406,210	431,860,810	505,406,210	431,860,810
Unappropriated		22,441,357,804	27,146,932,121	14,917,959,248	26,069,027,367
Treasury shares	24	(505,406,210)	(431,860,810)	(505,406,210)	(431,860,810)
Perpetual subordinated debentures	26	9,940,796,710	9,940,796,710	9,940,796,710	9,940,796,710
Other components of equity		<u>(2,146,945,146)</u>	<u>(916,343,328)</u>	-	-
Equity attributable to owners					
of the parent		46,365,963,523	51,603,929,397	37,735,921,271	48,886,989,390
Non-controlling interests		<u>11,950,461,912</u>	<u>7,211,114,913</u>	-	-
Total equity		<u>58,316,425,435</u>	<u>58,815,044,310</u>	<u>37,735,921,271</u>	<u>48,886,989,390</u>
Total liabilities and equity		<u>148,322,591,933</u>	<u>127,787,983,528</u>	<u>90,402,960,250</u>	<u>87,594,147,103</u>

(Pichai Chunchavajira)
Chairman

(Chaiwat Kovavisarach)
Chief Executive Officer and President

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Revenue from sale of goods and rendering of services	7, 27	136,450,288,879	190,488,588,378	114,445,188,348	162,226,974,145
Cost of sale of goods and rendering of services	7, 32	<u>(132,122,127,969)</u>	<u>(180,256,901,884)</u>	<u>(115,869,042,171)</u>	<u>(157,041,653,982)</u>
Gross profit (loss)		4,328,160,910	10,231,686,494	(1,423,853,823)	5,185,320,163
Dividend income	7	-	-	463,190,017	926,190,052
Other income	7, 28	532,528,699	495,086,326	511,379,830	375,488,385
Selling expenses	7, 29	(4,260,278,551)	(4,533,076,061)	(3,084,650,067)	(3,146,217,384)
Administrative expenses	7, 30	(2,880,755,707)	(3,081,240,035)	(1,576,356,775)	(1,877,318,014)
Gain from derivatives		16,555,015	160,034,808	55,415,169	137,503,413
Gain on foreign exchange		732,127,200	614,205,007	514,003,787	526,107,758
Loss from impairment of assets	11, 12, 14, 18	<u>(2,374,857,657)</u>	<u>(33,750,058)</u>	<u>(2,085,441,944)</u>	<u>(33,750,058)</u>
Profit (loss) from operating activities		(3,906,520,091)	3,852,946,481	(6,626,313,806)	2,093,324,315
Finance costs	33	(1,969,298,106)	(1,701,161,120)	(1,029,793,132)	(1,029,963,025)
Impairment loss determined in accordance with TFRS 9	37	(890,738,980)	-	(3,946,399,416)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	12	<u>(592,023,674)</u>	<u>404,380,979</u>	<u>-</u>	<u>-</u>
Profit (loss) before income tax expense		(7,358,580,851)	2,556,166,340	(11,602,506,354)	1,063,361,290
Tax income (expense)	34	<u>1,588,597,371</u>	<u>(67,673,449)</u>	<u>1,762,661,133</u>	<u>26,790,599</u>
Profit (loss) for the year		<u>(5,769,983,480)</u>	<u>2,488,492,891</u>	<u>(9,839,845,221)</u>	<u>1,090,151,889</u>
Profit (loss) attributable to:					
Owners of the parent		(6,967,069,656)	1,731,572,179	(9,839,845,221)	1,090,151,889
Non-controlling interests		<u>1,197,086,176</u>	<u>756,920,712</u>	<u>-</u>	<u>-</u>
Profit (loss) for the year		<u>(5,769,983,480)</u>	<u>2,488,492,891</u>	<u>(9,839,845,221)</u>	<u>1,090,151,889</u>
Basic earnings (loss) per share	35	<u>(5.50)</u>	<u>1.18</u>	<u>(7.62)</u>	<u>0.72</u>

(Pichai Chunhavajira)
Chairman

(Chaiwat Kovavisarach)
Chief Executive Officer and President

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

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

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Profit (loss) for the year	(5,769,983,480)	2,488,492,891	(9,839,845,221)	1,090,151,889
Other comprehensive income (loss)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	(1,504,726,256)	(790,345,369)	-	-
Gain on remeasurement of available-for-sale investments investments	-	5,016,074	-	-
Loss on cash flow hedges	(34,369,360)	-	-	-
Loss on hedges of net investment in foreign operations	(52,005,591)	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method	40,794,813	-	-	-
Total items that will be reclassified subsequently to profit or loss	(1,550,306,394)	(785,329,295)	-	-
<i>Items that will not be reclassified to profit or loss</i>				
Gain on investment in equity instruments designated at FVOCI	156,014,650	-	-	-
Gain on investment in equity instruments designated at FVOCI sold during the year	2,923,696,311	-	-	-
Gain (loss) on remeasurments of defined benefit plans	911,121	(192,688,353)	-	(196,104,328)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	15,205,727	(3,649,598)	-	-
Total items that will not be reclassified to profit or loss	3,095,827,809	(196,337,951)	-	(196,104,328)
Other comprehensive income (loss) for the year, net of income tax	1,545,521,415	(981,667,246)	-	(196,104,328)
Total comprehensive income (loss) for the year	(4,224,462,065)	1,506,825,645	(9,839,845,221)	894,047,561
Total comprehensive income (loss) attributable to				
Owners of the parent	(4,973,039,367)	788,625,198	(9,839,845,221)	894,047,561
Non-controlling interests	748,577,302	718,200,447	-	-
Total comprehensive income (loss) for the year	(4,224,462,065)	1,506,825,645	(9,839,845,221)	894,047,561

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

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

Note	Consolidated financial statements																
	Retained earnings								Other components of equity								
	Issued and paid share capital	Share premium on ordinary shares	Other surpluses (deficits)	Warrants	Legal reserve	Treasury shares reserve	Unappropriated	Treasury shares	Perpetual subordinated debentures	Exchange differences on translating financial statements	Gain (loss) 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	
	(in Baht)																
Year ended 31 December 2019																	
Balance at 1 January 2019 - as reported	1,376,923,157	11,157,460,051	2,730,389,098	8,400,091	153,164,346	-	27,415,986,225	-	-	(552,723,870)	381,835,837	5,578,675	(165,309,358)	42,677,013,610	6,806,409,162	49,483,422,772	
Transactions with owners, recorded directly in equity																	
<i>Contributions by and distributions to owners of the parent</i>																	
Treasury shares purchased	24	-	-	-	-	431,860,810	(431,860,810)	(431,860,810)	-	-	-	-	-	(431,860,810)	-	(431,860,810)	
Share options exercised		-	9,944,533	-	-	-	-	-	-	-	-	-	-	9,944,533	14,565,800	24,510,333	
Share-based payment transactions		-	7,109,376	(6,278,211)	-	-	-	-	-	-	-	-	-	831,165	354,213	1,185,378	
Dividends	36	-	-	-	-	-	(1,376,906,482)	-	-	-	-	-	-	(1,376,906,482)	(382,929,261)	(1,759,835,743)	
Total		-	17,053,909	(6,278,211)	-	431,860,810	(1,808,767,292)	(431,860,810)	-	-	-	-	-	(1,797,991,594)	(368,009,248)	(2,166,000,842)	
<i>Changes in ownership interests in subsidiary</i>																	
Changes in an ownership interests in subsidiary without a change in control		-	(4,568,547)	-	-	-	54,020	-	-	-	-	-	-	(4,514,527)	54,514,552	50,000,025	
Total		-	(4,568,547)	-	-	-	54,020	-	-	-	-	-	-	(4,514,527)	54,514,552	50,000,025	
Total transactions with owners, recorded directly in equity		-	12,485,362	(6,278,211)	-	431,860,810	(1,808,713,272)	(431,860,810)	-	-	-	-	-	(1,802,506,121)	(313,494,696)	(2,116,000,817)	
Comprehensive income (loss) for the year																	
Profit		-	-	-	-	-	1,731,572,179	-	-	-	-	-	-	1,731,572,179	756,920,712	2,488,492,891	
Other comprehensive income (loss)		-	-	-	-	-	(191,913,011)	-	-	(752,631,197)	5,016,075	(3,418,848)	(751,033,970)	(942,946,981)	(38,720,265)	(981,667,246)	
Total comprehensive income (loss) for the year		-	-	-	-	-	1,539,659,168	-	-	(752,631,197)	5,016,075	(3,418,848)	(751,033,970)	788,625,198	718,200,447	1,506,825,645	
Issue of perpetual subordinated debentures	26	-	-	-	-	-	-	-	10,000,000,000	-	-	-	-	10,000,000,000	-	10,000,000,000	
Issuance cost of perpetual subordinated debentures	26	-	-	-	-	-	-	-	(59,203,290)	-	-	-	-	(59,203,290)	-	(59,203,290)	
Balance at 31 December 2019		1,376,923,157	11,157,460,051	2,742,874,460	2,121,880	153,164,346	431,860,810	27,146,932,121	(431,860,810)	9,940,796,710	(1,305,355,067)	386,851,912	2,159,827	(916,343,328)	51,603,929,397	7,211,114,913	58,815,044,310

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

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

		Consolidated financial statements																
		Retained earnings							Other components of equity									
		Issued and paid - up share capital	Share premium ordinary shares	Other surpluses	Warrants	Legal reserve	Treasury shares reserve	Unappropriated	Treasury shares	Perpetual subordinated debentures	Exchange differences on translating financial statements	Loss on cash flow hedges	Gain (loss) on investment in equity designated at FVOCI	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
Note		<i>(in Baht)</i>																
Year ended 31 December 2020																		
Balance at 31 December 2019 - as reported		1,376,923,157	11,157,460,051	2,742,874,460	2,121,880	153,164,346	431,860,810	27,146,932,121	(431,860,810)	9,940,796,710	(1,305,355,067)	-	386,851,912	2,159,827	(916,343,328)	51,603,929,397	7,211,114,913	58,815,044,310
Impact of changes in accounting policies (net of tax)		3	-	-	-	-	-	102,300,988	-	-	-	(55,813,138)	-	(27,407,779)	(83,220,917)	19,080,071	(38,916,934)	(19,836,863)
Balance at 1 January 2020 - restated		1,376,923,157	11,157,460,051	2,742,874,460	2,121,880	153,164,346	431,860,810	27,249,233,109	(431,860,810)	9,940,796,710	(1,305,355,067)	(55,813,138)	386,851,912	(25,247,952)	(999,564,245)	51,623,009,468	7,172,197,979	58,795,207,447
Transactions with owners, recorded directly in equity																		
<i>Contributions by and distributions to owners of the parent</i>																		
Treasury shares purchased		24	-	-	-	-	73,545,400	(73,545,400)	(73,545,400)	-	-	-	-	-	-	(73,545,400)	-	(73,545,400)
Share options exercised			-	-	799,305	(310,095)	-	-	-	-	-	-	-	-	-	489,210	889,617	1,378,827
Dividends		36	-	-	-	-	-	(407,301,572)	-	-	-	-	-	-	-	(407,301,572)	(335,253,220)	(742,554,792)
Total			-	-	799,305	(310,095)	-	73,545,400	(480,846,972)	(73,545,400)	-	-	-	-	-	(480,357,762)	(334,363,603)	(814,721,365)
<i>Changes in ownership interests in subsidiary</i>																		
Acquisition of a subsidiary with non-controlling interests			-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,012,035	20,012,035
Changes in an ownership interests in subsidiaries without a change in control			-	-	697,721,051	-	-	-	-	-	-	-	-	-	-	697,721,051	4,344,038,199	5,041,759,250
Total			-	-	697,721,051	-	-	-	-	-	-	-	-	-	-	697,721,051	4,364,050,234	5,061,771,285
Total transactions with owners, recorded directly in equity																		
		-	-	698,520,356	(310,095)	-	73,545,400	(480,846,972)	(73,545,400)	-	-	-	-	-	-	217,363,289	4,029,686,631	4,247,049,920
Comprehensive income (loss) for the year																		
Profit (loss)			-	-	-	-	-	(6,967,069,656)	-	-	-	-	-	-	-	(6,967,069,656)	1,197,086,176	(5,769,983,480)
Other comprehensive income (loss)			-	-	-	-	-	3,141,411,190	-	-	(1,100,146,127)	(23,697,673)	(62,149,474)	38,612,373	(1,147,380,901)	1,994,030,289	(448,508,874)	1,545,521,415
Total comprehensive income (loss) for the year			-	-	-	-	-	(3,825,658,466)	-	-	(1,100,146,127)	(23,697,673)	(62,149,474)	38,612,373	(1,147,380,901)	(4,973,039,367)	748,577,302	(4,224,462,065)
Coupon payment on perpetual subordinated debentures																		
	26	-	-	-	-	-	-	(501,369,867)	-	-	-	-	-	-	-	(501,369,867)	-	(501,369,867)
Balance at 31 December 2020		1,376,923,157	11,157,460,051	3,441,394,816	1,811,785	153,164,346	505,406,210	22,441,357,804	(505,406,210)	9,940,796,710	(2,405,501,194)	(79,510,811)	324,702,438	13,364,421	(2,146,945,146)	46,365,963,523	11,950,461,912	58,316,425,435

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

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

	Note	Separate financial statements								
		Issued and paid-up share capital	Share premium	Other Surpluses	Retained earnings			Treasury shares	Perpetual subordinated debentures	Total equity
					Legal reserve	Treasury shares reserve	Unappropriated			
						(in Baht)				
Year ended 31 December 2019										
Balance at 1 January 2019		1,376,923,157	11,157,460,051	189,617,759	153,164,346	-	26,983,747,098	-	-	39,860,912,411
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners</i>										
Treasury shares purchased	24	-	-	-	-	431,860,810	(431,860,810)	(431,860,810)	-	(431,860,810)
Dividends to owners of the Company	36	-	-	-	-	-	(1,376,906,482)	-	-	(1,376,906,482)
Total		-	-	-	-	431,860,810	(1,808,767,292)	(431,860,810)	-	(1,808,767,292)
Comprehensive income (loss) for the year										
Profit		-	-	-	-	-	1,090,151,889	-	-	1,090,151,889
Other comprehensive income (loss)		-	-	-	-	-	(196,104,328)	-	-	(196,104,328)
Total comprehensive income for the year		-	-	-	-	-	894,047,561	-	-	894,047,561
Issue of perpetual subordinated debentures	26	-	-	-	-	-	-	-	10,000,000,000	10,000,000,000
Issuance cost of perpetual subordinated debentures	26	-	-	-	-	-	-	-	(59,203,290)	(59,203,290)
Balance at 31 December 2019		1,376,923,157	11,157,460,051	189,617,759	153,164,346	431,860,810	26,069,027,367	(431,860,810)	9,940,796,710	48,886,989,390

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements								
		Issued and paid-up share capital	Share premium	Other Surpluses	Retained earnings			Treasury shares	Perpetual subordinated debentures	Total equity
					Legal reserve	Treasury shares reserve	Unappropriated			
<i>(in Baht)</i>										
Year ended 31 December 2020										
Balance at 1 January 2019 - as reported		1,376,923,157	11,157,460,051	189,617,759	153,164,346	431,860,810	26,069,027,367	(431,860,810)	9,940,796,710	48,886,989,390
Impact of changes in accounting policies (net of tax)	3	-	-	-	-	-	(329,006,059)	-	-	(329,006,059)
Balance at 1 January 2020 - restated		1,376,923,157	11,157,460,051	189,617,759	153,164,346	431,860,810	25,740,021,308	(431,860,810)	9,940,796,710	48,557,983,331
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners</i>										
Treasury shares purchased	24	-	-	-	-	73,545,400	(73,545,400)	(73,545,400)	-	(73,545,400)
Dividends to owners of the Company	36	-	-	-	-	-	(407,301,572)	-	-	(407,301,572)
Total		-	-	-	-	73,545,400	(480,846,972)	(73,545,400)	-	(480,846,972)
Comprehensive income (loss) for the year										
Loss		-	-	-	-	-	(9,839,845,221)	-	-	(9,839,845,221)
Other comprehensive income (loss)		-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year		-	-	-	-	-	(9,839,845,221)	-	-	(9,839,845,221)
Coupon payment on perpetual subordinated debentures	26	-	-	-	-	-	(501,369,867)	-	-	(501,369,867)
Balance at 31 December 2020		1,376,923,157	11,157,460,051	189,617,759	153,164,346	505,406,210	14,917,959,248	(505,406,210)	9,940,796,710	37,735,921,271

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

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

	Consolidated financial		Separate financial	
	statements		statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	(5,769,983,480)	2,488,492,891	(9,839,845,221)	1,090,151,889
<i>Adjustments for</i>				
Tax (income) expense	(1,588,597,371)	67,673,449	(1,762,661,133)	(26,790,599)
Finance costs	1,969,298,106	1,701,161,120	1,029,793,132	1,029,963,025
Depreciation and amortisation	6,821,366,531	5,031,831,929	5,216,866,940	3,848,746,659
Allowance for bad and doubtful debts expenses	-	3,446,697	-	3,369,760
Unrealised gain from derivatives	(31,890,616)	-	(54,230,777)	-
Unrealised (gain) loss on foreign exchange	(296,502,554)	428,004,019	(310,443,260)	457,624,688
Reversal of losses on inventories devaluation	(4,682,087)	(706,635,160)	-	(688,560,092)
Impairment loss on assets	2,374,857,657	33,750,058	2,085,441,944	33,750,058
Impairment loss determined in accordance with TFRS 9	890,738,980	-	3,946,399,416	-
Loss on disposal of property, plant and equipment	134,870,409	6,594,200	2,726,744	2,036,686
Loss on disposal of intangible assets	33,604,726	1,402,373	-	-
Loss on fair value adjustment	21,716,960	-	-	-
Gain on disposal of other investment	-	(318,512)	-	-
Expense for disposal of other investment	21,455,271	-	-	-
Interest income and dividend income	(157,410,894)	(157,902,057)	(726,422,771)	(1,076,222,049)
Provision for employee benefits	230,478,108	354,615,710	209,736,821	319,339,350
(Reversal of) provision for customer loyalty programmes	(9,781,272)	57,185,005	(9,781,272)	57,185,005
Deferred revenue	(7,353,215)	(7,190,211)	(7,011,452)	(7,190,211)
Share-based payment transactions	-	1,185,378	-	-
Share of (profit) loss of associates and joint ventures (net of tax)	592,023,674	(404,380,979)	-	-
	<u>5,224,208,933</u>	<u>8,898,915,910</u>	<u>(219,430,889)</u>	<u>5,043,404,169</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	3,196,589,518	(2,197,550,153)	3,341,760,681	430,850,200
Other receivables	255,195,930	(1,266,792,604)	(222,627,469)	(827,789,122)
Inventories	(386,763,857)	(34,741,998)	750,095,874	(148,620,747)
Other non-current assets	(44,411,087)	(105,123,343)	80,629,994	61,514,179
Trade accounts payable	(1,321,458,596)	4,076,867,330	(1,209,336,540)	2,059,199,778
Other payables	(576,764,001)	(487,863,766)	(264,271,179)	(451,536,733)
Other current liabilities	21,284,434	(1,861,927,294)	(93,288,261)	(1,876,466,489)
Provision for employee benefits	(165,902,903)	(60,253,172)	(161,414,171)	(58,585,462)
Other non-current liabilities	(80,318,800)	314,386,749	(6,411,587)	(6,257,947)
Net cash generated from operating	<u>6,121,659,571</u>	<u>7,275,917,659</u>	<u>1,995,706,453</u>	<u>4,225,711,826</u>
Tax received (paid)	<u>217,922,463</u>	<u>(526,649,603)</u>	<u>149,889,790</u>	<u>(152,087,556)</u>
Net cash from operating activities	<u>6,339,582,034</u>	<u>6,749,268,056</u>	<u>2,145,596,243</u>	<u>4,073,624,270</u>

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

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

	Consolidated financial		Separate financial	
	statements		statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	239,844,849	123,942,932	149,450,444	114,661,797
Dividend received	62,342,773	56	463,190,017	926,190,052
(Increase) decrease in other current financial assets /				
current investments	267,931,247	(26,222,031)	200,000,000	-
Payment for other investments	(796,514,158)	(373,629,366)	-	-
Net cash outflow from calling up of subsidiary's share capital	-	-	-	(357,198,400)
Payment for investment in subsidiaries				
and associates, net of cash acquired	(5,015,464,810)	(5,132,678,956)	(2,226,702,335)	-
Proceeds from capital reduction in associates	842,336,487	67,229,200	-	-
Proceeds from sale of investments	4,251,704,493	81,540,712	-	-
Acquisition of property, plant and equipment	(5,596,818,930)	(7,835,306,291)	(3,585,741,089)	(5,528,309,741)
Proceeds from sale of property, plant and equipment	26,584,813	19,674,032	7,516,987	49,050,686
Increase in loan to related parties	(238,601,452)	(873,493,029)	(163,580,900)	(937,668,094)
Proceeds from repayment of loan to related parties	-	-	1,166,095,837	-
Acquisition of right-of-use assets	(196,600,000)	-	(196,600,000)	-
Payment for leasehold right	-	(459,284,689)	-	(459,284,689)
Acquisition of intangible assets	(199,808,029)	(195,955,222)	(110,383,426)	(78,526,996)
Net cash used in investing activities	(6,353,062,717)	(14,604,182,652)	(4,296,754,465)	(6,271,085,385)
<i>Cash flows from financing activities</i>				
Financial cost paid	(2,175,409,732)	(2,073,199,811)	(1,243,845,687)	(1,481,514,267)
Coupon payment on perpetual subordinated debentures	(501,369,867)	-	(501,369,867)	-
Dividend paid	(742,554,792)	(1,759,835,743)	(407,301,572)	(1,376,906,482)
Increase (decrease) in short-term loans from financial institutions	(1,075,675,827)	14,560,000	-	(3,290,440,000)
Proceeds from exercise of share options	1,378,826	24,510,333	-	-
Proceeds from increase in subsidiaries' share capital	5,149,074,814	49,999,975	-	-
Proceeds from issuance of debentures	8,000,000,000	-	8,000,000,000	-
Redemption of debentures	(3,000,000,000)	(4,000,000,000)	(3,000,000,000)	(4,000,000,000)
Proceeds from long-term loans from financial institutions	13,784,122,642	6,817,408,331	3,610,336,000	2,550,616,000
Repayment of long-term loans from financial institutions	(2,835,865,581)	(4,879,426,423)	(375,153,846)	(2,900,769,846)
Proceeds from perpetual subordinated debentures	-	10,000,000,000	-	10,000,000,000
Redemption of treasury shares	(73,545,400)	(431,860,810)	(73,545,400)	(431,860,810)
Payment of lease liabilities	(1,963,463,174)	-	(1,901,915,037)	-
Net cash from (used in) financing activities	14,566,691,909	3,762,155,852	4,107,204,591	(930,875,405)
Net increase (decrease) in cash and cash equivalents,				
before effect of exchange rates	14,553,211,226	(4,092,758,744)	1,956,046,369	(3,128,336,520)
Effect of exchange rate changes on cash and cash equivalents	(177,940,203)	(182,055,235)	-	-
Net increase (decrease) in cash and cash equivalents	14,375,271,023	(4,274,813,979)	1,956,046,369	(3,128,336,520)
Cash and cash equivalents at 1 January	7,275,805,822	11,550,619,801	4,086,864,086	7,215,200,606
Cash and cash equivalents at 31 December	21,651,076,845	7,275,805,822	6,042,910,455	4,086,864,086

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

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Bangchak Corporation Public Company Limited and its Subsidiaries
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 18 February 2021.

1 General information

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

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

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

As at 31 December 2020, major shareholders of the Company were Vayupak Fund 1 and Social Security Office holding 14.66% and 14.40% of issued and paid-up capital, respectively (2019: 14.66% and 14.77%, respectively).

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

Details of the Company’s subsidiaries as of 31 December 2020 and 2019 are given in note 7 and 11.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(b) *Functional and presentation currency*

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

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

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

4(k), 16	Leases: <ul style="list-style-type: none">- whether an arrangement contains a lease;- whether the Group is reasonably certain to exercise extension options;- whether the Group exercise termination options;- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
5	Impact of COVID-19 Outbreak;
26	The classification of capital - similar debentures into equity.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4(k)	Determining the incremental borrowing rate to measure lease liabilities;
5	Impact of COVID-19 Outbreak;
6, 11	Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;
11, 12, 14, 17, 18	Impairment test: key assumption underlying recoverable amounts;
22	Measurement of defined benefit obligations: key actuarial assumptions;
34	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and
37	Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate;
37	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16 *Lease*.

		Consolidated financial statements		Separate financial statements	
		Retained earnings	Other components of equity <i>(in million Baht)</i>	Retained earnings	Other components of equity
<i>Impact on changes in accounting policy</i>	<i>Note</i>				
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	<i>(a.1)</i>	-	-	-	-
Impairment losses on financial assets	<i>(a.2)</i>	(47)	-	(599)	-
Difference of interest rate per lending agreement and market rate		-	-	123	-
Derivative and hedge accounting	<i>(a.3)</i>	21	(80)	23	-
Related tax		124	-	124	-
Adoption of TFRS 16 – net of tax	<i>(b)</i>	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. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

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 details of accounting policies are disclosed in note 4(d) and 4(l). The impact from adoption of TFRS – Financial instruments standards are as follows:

(a.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 through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. 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.

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The following table shows classification and measurement categories under TAS 105 and TFRS 9.

Consolidated financial statements					
Classification under TAS 105 at 31 December 2019	Carrying amounts	Classification under TFRS 9 at 1 January 2020			
		FVTPL	FVOCI	Amortised cost - net	Total
		<i>(in million Baht)</i>			
<i>Current investments</i>					
Short-term deposits at financial institutions	288	-	-	288	288
<i>Other long-term investments</i>					
Debt and equity securities available for sale	1,832	256	1,576	-	1,832
Other non-marketable equity security	234	-	234	-	234
Other debt instruments held to maturity	3	-	-	3	3
	<u>2,069</u>	<u>256</u>	<u>1,810</u>	<u>3</u>	<u>2,069</u>
Separate financial statements					
Classification under TAS 105 at 31 December 2019	Carrying amounts	Classification under TFRS 9 at 1 January 2020			
		FVTPL	FVOCI	Amortised cost - net	Total
		<i>(in million Baht)</i>			
<i>Current investments</i>					
Short-term deposits at financial institutions	200	-	-	200	200
<i>Other long-term investments</i>					
Other non-marketable equity security	234	-	234	-	234
Other debt instruments held to maturity	3	-	-	3	3
	<u>237</u>	<u>-</u>	<u>234</u>	<u>3</u>	<u>237</u>

The Group and the Company 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.

(a.2) Impairment – Financial assets and contract assets

TFRS 9 introduces the ‘expected credit loss’ (ECL) model whereas previously the Group estimated the 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 are determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets, debt investments measured at FVOCI, and lease receivables.

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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	14	14
	14	14
<i>Additional impairment loss recognised at 1 January 2020 on:</i>		
- Trade and other current receivables	37	15
- Loan to related parties and accrued interest	10	585
Allowance for impairment losses at 1 January 2020	61	614

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

(a.3) Derivatives and hedge accounting

Under TFRS 9, all derivatives are measured at fair value in the statement of financial position.

The Group designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. The Group documents the relationship between the hedging instruments and hedged items, including the risk management objective, strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment of the effectiveness, both at inception of the hedge relationship and on an ongoing basis.

These hedging relationships are fair value hedges, cash flow hedges and net investment in a foreign operation hedge.

Previously, TFRS were silent on the requirements of hedge accounting and derivatives held for risk management purposes. In 2019, the Group accounted for these transactions as described in accounting policies in note 4(d.5) and 4(d.6).

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
Impact of derivative and hedge accounting as at 1 January 2020		
Increase in other current financial assets	32	32
Increase in deferred tax assets	4	4
Increase in current portion of long-term loan from financial institution	1	-
Increase in other current financial liabilities	21	9
Increase in long-term loan from finance institution	7	-
Increase in other non-current financial liabilities	61	-
Increase in retained earnings	26	27
Other components of equity:		
- Decrease in hedging reserve – cash flow hedge	(80)	-

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(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 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 has elected not to separate non-lease components and account for the transaction as a single lease component. As at 1 January 2020, the Group 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.

Impact from the adoption of TFRS 16	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
At 1 January 2020		
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	-

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	Consolidated financial statements	Separate financial statements
<i>Measurement of lease liability</i>		
	<i>(in million Baht)</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

4 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Business combinations

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

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

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

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Acquisitions from entities under common control

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

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

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

- an investment in equity securities designated as at FVOCI (2019: *available-for-sale equity investments*);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

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The revenues and expenses of foreign are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see note 4(d.6) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See note 4(d.6) for financial liabilities designated as hedging instruments.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 4(d.6)).

(d.6) Hedging

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 derivatives and 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.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships.

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When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of 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 until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it 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 and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

When a derivative instrument or 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, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or 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.

Accounting policies applicable before 1 January 2020

Investments in other debt and equity securities

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

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Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Derivatives

Derivatives were recognised when they were exercised.

(e) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of for the purpose of the statement of cash flows.

(f) *Trade and other accounts receivable and contract assets*

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

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

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No depreciation is provided on freehold land.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	10 - 50 years
Machinery, equipment refinery plants and terminal	2 - 30 years
Equipment solar plants	10 - 25 years
Marketing and office equipment	3 - 20 years
Vehicles	5 - 7 years
Other assets	21 years

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

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

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Oil and Gas Properties

When the technical and commercial feasibility of an undeveloped oil or gas field has been demonstrated, the field enters its development phase. The costs of oil and gas assets are transferred from exploration and evaluation expenditure and reclassified into development phase.

The costs of oil and gas properties include past exploration and evaluation costs, pre-production development costs and the ongoing costs of continuing to develop reserves for production as well as decommission costs.

Depletion charges are calculated using a unit of production method over the life of the estimated Proved plus Probable reserves.

(j) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised after profit or loss as incurred.

Amortisations

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative years are as follows:

Right to use and cost of development of computer software	3 - 10	years
Right to connect electrical transmission line	20 - 25	years
Power purchase agreement	20	years
Power purchase agreement under concession agreement	28	years

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

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Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is stated at cost as intangible assets and is accumulated in respect of each identifiable area of interest. These costs are capitalised until the viability of the area of interest is determined.

Accumulated costs in relation to an abandoned area are written off through profit or loss in the period in which the decision to abandon the area is made.

Once an area of interest enters the development phase, exploration and evaluation expenditures are transferred to oil and gas properties.

(k) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, amount under option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'other income.' Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease (See note 4(1)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

(1) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

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Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

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

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

The Group assumes that the credit risk on a financial asset has increased significantly if it significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

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Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(m) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those

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from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(o) Contract liabilities

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

(p) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed every 3 years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) *Share-based payments*

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(r) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(s) *Fair value measurement*

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(t) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Treasury shares

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

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(u) Perpetual subordinated debentures

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

(v) Revenue

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

Sale of goods and services rendered

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

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

Income from sale of electricity

Income from the sale of electricity is recognised in profit or loss in accordance with delivery units supplied as stipulated in the contract. Income from the sale of electricity for some entities within Thailand is entitled to receive ADDER for a period of 10 years from the commencement of commercial sales. Thereafter, subsequent to this initial period income from sale of electricity is recognised at normal rates.

Sale of steam under minimum take or pay arrangement

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

Income from operating rights

Income from operating right is recognised in accordance with the timing of the rights utilisation and with conditions as stipulated in the contract.

Loyalty programmes

The consideration received are allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognised as contract liabilities and revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The stand-alone selling prices of the points is estimated based on

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discount provided to customers and the likelihood that the customers will redeem the points, and the estimate shall be reviewed at the end of the reporting period.

(w) Rental income

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

(x) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. Interest income is recognised in profit or loss as it accrues.

(y) Interest

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(aa) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(bb) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(cc) *Related parties*

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

(dd) *Segment reporting*

Segment results that are reported to the Group's president (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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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 31 December 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:

(a) Impairment of assets

The Group considered impairment of trade accounts receivables under provision matrix 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 modifications

During the year ended 31 December 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 year ended 31 December 2020.

(c) Fair value measurement

The Group elected to measure investment in non-marketable equity securities at 31 December 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 31 December 2020.

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6 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 following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

	Fair value <i>(in million Baht)</i>
Cash	4,460
Contingent consideration	866
Total	5,326

At 31 December 2020, the Group had settled the payment of USD 173 million (approximately Baht 5,326 million).

Contingent consideration

In January 2020, the Group had entered into new power purchase agreement with Vietnam Electricity for Nam San 3A project, which is considered to be a completion of a contingent consideration at the amount of USD 23 million (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.

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Identifiable assets acquired and liabilities assumed

	Book value	Adjustment	Fair value
		<i>(in million Baht)</i>	
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.

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 31 December 2020, the business contributed revenue of USD 12 million (approximately Baht 374 million) and net profit of USD 6 million (approximately Baht 185 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 year ended 31 December 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.

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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.

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

	Fair value <i>(in million Baht)</i>
Cash	3,549

At 31 December 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).

Identifiable assets acquired and liabilities assumed

	Book value	Adjustment <i>(in million Baht)</i>	Fair 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.

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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.

The Group of RPV Energy Co., Ltd.

On 11 August 2020, BSE Power Holding Co., Ltd., which is an indirect subsidiary of the Group, invested in a solar power plant project in Thailand with total power purchase agreement capacity of 20 megawatts. The subsidiary acquired 99.99% shares of RPV Energy Co., Ltd. from Eternity Power Public Company Limited for an amount of not exceeding Baht 900 million. The details of RPV Energy Co., Ltd. and its subsidiaries were as follows:

Name of entity	Country of incorporation	Type of business	RPV's ownership interest) %
RPV Energy Co., Ltd.	Thailand	Production and distribution of electricity	
<i>Subsidiaries</i>			
JKR Energy Co., Ltd.	Thailand	Production and distribution of electricity	99.99
Aquatist Energy Co., Ltd.	Thailand	Holding company	99.99
Lopburi Solar Co., Ltd.	Thailand	Production and distribution of electricity	99.99
Prachin Solar Co., Ltd.	Thailand	Production and distribution of electricity	99.99

Currently, BSE Power Holding Co., Ltd. has already completed the share transfer from Eternity Power Public Company Limited. During the period of acquisition date until 31 December 2020, the business contributed revenue of Baht 122 million and net profit of Baht 29 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 212 million and consolidated profit from normal operation for the year ended 31 December 2020 would have increased by Baht 97 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 in Thailand.

The Group has hired an independent appraiser to determine the fair value of net assets acquired at acquisition date.

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

	Fair value <i>(in million Baht)</i>
Cash	750
Contingent consideration	150
Total	900

At 31 December 2020, the Group had settled the payment of Baht 750 million.

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Contingent consideration

The contingent consideration amounting to Baht 150 million will be paid on 17 October 2022 or on such earlier date as when the power purchase agreements of RPV Energy Co., Ltd. and JKR Energy Co., Ltd. have been renewed or the Group has transferred its shares in RPV Energy Co., Ltd. to any non-affiliated third party. The Group recognised this contingent consideration as non-current liability in the consolidated statement of financial position as at 31 December 2020.

Identifiable assets acquired and liabilities assumed

	Book value	Adjustment	Fair value
		<i>(in million Baht)</i>	
Cash and cash equivalents	44	-	44
Trade accounts receivable and other current receivables	77	-	77
Loans to others	48	-	48
Other current assets	10	-	10
Property, plant and equipment	1,100	(746)	354
Right-of-use assets	27	-	27
Intangible assets	56	1,053	1,109
Deferred tax assets	-	59	59
Loan from financial institutions	(583)	-	(583)
Loan from others	(5)	-	(5)
Lease liabilities	(25)	-	(25)
Other current liabilities	(10)	-	(10)
Other non-current financial liabilities	(7)	-	(7)
Deferred tax liabilities	-	(198)	(198)
Total identifiable assets and liabilities	732	168	900
Consideration transferred			900

The fair value of power purchase agreements which was classified as intangible assets was determined based on income approach using Multi-period Excess Earning Method (MEEM). For the power purchase agreement with defined contract term, the remaining operating period was approximately 21 years. The remaining operating periods for the power purchase agreements with automatic renewal for every 5 years were assumed to be approximately 27 - 28 years. Other key assumptions included forecasted revenue and discount rate.

Acquisition-related costs

The Group incurred acquisition-related costs of Baht 3 million which were included in administrative expenses in the consolidated statement of income for the Group's period which incurred.

Bangchak Corporation Public Company Limited and its Subsidiaries
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7 Related parties

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

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Major shareholders</i>		
Vayupak Fund 1	Thailand	Some common directors
Social Security Office	Thailand	Some common directors
<i>Subsidiaries or indirect subsidiaries</i>		
Bangchak Green Net Co., Ltd.	Thailand	Representative from the Company as director
BCPG Public Company Limited	Thailand	Representative from the Company as director
BBGI Public Company Limited	Thailand	Representative from the Company as director
Bangchak Retail Co., Ltd.	Thailand	Representative from the Company as director
BCPR Co., Ltd.	Thailand	Representative from the Company as director
BCV Bio Based Co., Ltd.	Thailand	Representative from the Company as director
BCV Energy Co., Ltd.	Thailand	Representative from the Company as director
BCV Innovation Co., Ltd.	Thailand	Representative from the Company as director
BCV Partnership Co., Ltd.	Thailand	Representative from the Company as director
BCP Energy International Pte. Ltd.	Singapore	Representative from the Company as director
BCP Innovation Pte. Ltd.	Singapore	Representative from the Company as director
BCP Trading Pte. Ltd.	Singapore	Representative from the Company as director
BCPR Pte. Ltd.	Singapore	Representative from the Company as director
Bangchak Solar Energy Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Prachinburi) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Chaiyaphum 1) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Buriram) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Buriram 1) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd.	Thailand	Representative from the subsidiary as director
Thai Digital Development Company Limited	Thailand	Representative from the subsidiary as director
BCPG Indochina Company Limited	Thailand	Representative from the subsidiary as director
Lomligor Co., Ltd.	Thailand	Representative from the subsidiary as director
BCPG Investment Holdings Pte. Ltd.	Singapore	Representative from the subsidiary as director
BSE Energy Holdings Pte. Ltd.	Singapore	Representative from the subsidiary as director
BCPG Japan Corporation Group	Japan	Representative from the subsidiary as director/ indirect subsidiary of the subsidiary affiliate in TK investment
Greenery Holdings Pte. Ltd.	Singapore	Representative from the subsidiary as director
Greenery Power Pte. Ltd.	Singapore	Representative from the subsidiary as director
BCPG Wind Cooperatief U.A.	Netherland	Representative from the Subsidiary as director
Nam San 3A Power Sole Co., Ltd.	Laos	Subsidiary's director and management as director and management

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Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Subsidiaries or indirect subsidiaries (Continue)</i>		
KSL Green Innovation Public Company Limited	Thailand	Representative from the Company as director
Bangchak Biofuel Co., Ltd.	Thailand	Representative from the Company as director
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	Thailand	Representative from the Company as director
Nido Petroleum Pty. Ltd. Group	Australia/ British Virgin Islands/ Bahrain	Representative from the Subsidiary as director
Bangchak Ventures Pte. Ltd.	Singapore	Representative from the Company as director (<i>See note 11</i>)
Nam San 3B Power Sole Co., Ltd.	Laos	Subsidiary's director and management as director and management.
BBGI Utility and Power Co., Ltd.	Thailand	Subsidiary's director and management as director and management.
RPV Energy Co., Ltd. Group	Thailand	Subsidiary's management as director and management.
BSE Power Holding (Thailand) Co., Ltd.	Thailand	Subsidiary's director and management as director and management.
Prathumwan Smart District Cooling Co., Ltd.	Thailand	Subsidiary's director and management as director.
<i>Indirect associates and joint venture</i>		
Bongkot Marine Services Co., Ltd.	Thailand	Representative from the Company as director
Oam Suk Social Enterprise Co., Ltd.	Thailand	Representative from the Company as director
Ubon Bio Ethanol Public Company Limited	Thailand	Representative from the Subsidiary as director
Ubon Agricultural Energy Co., Ltd.	Thailand	Representative from the Subsidiary as director
PetroWind Energy Inc.	Philippines	Representative from the Subsidiary as director
Star Energy Group Holdings Pte. Ltd.	Singapore	Representative from the Subsidiary as director
OKEA ASA	Norway	Representative from the Company as director
Impact Energy Asia Development Limited	Hong Kong	Representative from the Subsidiary as director
WIN Ingredients Co., Ltd.	Thailand	Representative from the Subsidiary as director
<i>Other related parties</i>		
Fuel Pipeline Transportation Ltd.	Thailand	Representative from the Company as director
Lithium Americas Corp.	Canada	Representative from the Subsidiary as director until 19 November 2020.
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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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
Sale fixed assets and other assets	Contractually agreed prices
Interest expense	Contractually agreed rate with reference to market rate and contract rate
Rental income	Market price/ Contractually agreed prices
Rental expense	Market price/ Contractually agreed prices

Significant transactions with related parties for the year ended 31 December as follows;

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Subsidiaries and indirect subsidiaries				
Sales of goods	-	-	30,109	43,966
Purchases of goods	-	-	35,446	31,774
Dividend income	-	-	463	911
Other income	-	-	124	110
Interest income	-	-	208	71
Other expenses	-	-	36	41
Sale fixed assets and other assets	-	-	-	42
Indirect associates and joint ventures				
Sales of goods	12	16	12	16
Purchases of goods	1,184	1,327	1,184	1,327
Dividend income	-	-	-	15
Other income	10	4	9	4
Interest income	10	-	-	-
Other expenses	454	460	454	460
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	276	300	122	143
Post-employment benefits and other long-term benefits	13	14	9	9
Total key management personnel compensation	289	314	131	152
Other related party				
Other income	4	4	4	5
Interest income	83	59	-	-
Pipeline transportation expenses	301	454	301	454

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

	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	
	<i>(in million Baht)</i>				
Trade accounts receivable					
Subsidiaries and indirect subsidiaries	-	-	661	2,019	
Direct and indirect associate	1	2	1	2	
Total	1	2	662	2,021	
Other receivables					
Subsidiaries and indirect subsidiaries	-	-	36	63	
Indirect associate and joint ventures	1	-	-	-	
Other related party	32	28	-	-	
Total	33	28	36	63	
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	-	-	(10)	-	
Net	33	28	26	63	
	Interest rate	Consolidated financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Effect of change in exchange rates	At 31 December
			<i>(in million Baht)</i>		
2020					
Indirect associate					
Impact Energy Asia Development Limited	4.7	152	107	(4)	255
Total		152	107	(4)	255
Less allowance for expected credit loss		(10)			(7)
Net		142			248
2019					
Indirect associate					
Impact Energy Asia Development Limited	4.7	-	154	(2)	152
Other related parties					
Lithium Americas Corp.	8.0	199	720	(35)	884
Total		199	874	(37)	1,036
	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Effect of change in exchange rates	At 31 December
			Decrease	<i>(in million Baht)</i>	
2020					
Subsidiaries					
Bangchak Retail Co., Ltd.	4.2	610	35	-	645
BCP Innovation Pte. Ltd.	4.5	878	129	(997)	-
Indirect subsidiaries					
Nido Petroleum Pty. Ltd.	0.5	1,199	-	(94)	1,105
BCPR Pte. Ltd.	4.0	3,104	-	85	3,189
Total		5,791	164	(1,091)	4,939
Less current portion due within one year		-			(551)
Less allowance for expected credit loss		(585)			(3,355)
Net		5,206			1,033

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	Interest rate	Separate financial statements				
		At 31 December (% per annum)	At 1 January	Increased	Decrease (in million Baht)	Effect of change in exchange rates
Loans to						
2019						
Subsidiaries						
Bangchak Retail Co., Ltd.	4.2	410	200	-	-	610
BCP Innovation Pte. Ltd.	4.5	198	738	-	(58)	878
Indirect subsidiaries						
Nido Petroleum Pty. Ltd.	0.5	1,291	-	-	(92)	1,199
BCPR Pte. Ltd.	0.5	3,229	-	-	(125)	3,104
Total		5,128	938	-	(275)	5,791
		Consolidated financial statements	Consolidated financial statements	Separate financial statements	Separate financial statements	
		2020	2019	2020	2019	
		<i>(in million Baht)</i>				
Expected credit losses (2019: <i>Bad and doubtful debts expense</i>) of loans to for the year		-	-	2,724	-	
Other non-current assets						
Indirect subsidiary		-	-	473	323	
Indirect associate		11	-	-	-	
Other related party		4	7	4	7	
Total		15	7	477	330	
Less allowance for expected credit loss (2019: <i>allowance for doubtful accounts</i>)		-	-	(311)	-	
Net		15	7	166	330	
Expected credit losses (2019: <i>Bad and doubtful debts expense</i>) for the year		-	-	333	-	
Trade accounts payable						
Subsidiaries and indirect subsidiaries		-	-	4,211	870	
Indirect associate		151	149	151	149	
Total		151	149	4,362	1,019	
Other payable						
Subsidiaries and indirect subsidiary		-	-	44	18	
Joint ventures		9	2	9	2	
Other related parties		27	49	27	49	
Total		36	51	80	69	
Other current liabilities						
Subsidiaries		-	-	6	6	
Total		-	-	6	6	
Other non-current liabilities						
Other related party		1	2	1	2	
Total		1	2	1	2	

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Significant agreements with related parties

Fuel Pipeline Transportation Agreement

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

Oil Terminal Rental Agreement

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

Bio-diesel Sales and Purchase Agreement

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

Denature Ethanol Sales and Purchase Agreement

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

Fuel Product Sale and Purchase Agreement

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

Service Station Operating Right Agreement

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

Store Operation Right Agreement

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

Information Technology Service Agreement

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

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Management Service Agreement

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

Land Rental Agreement

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

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

Joint Development Area Agreement

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

Lending Agreement

The Company has an unsecured lending agreement with Nido Petroleum Pty. Ltd., which is an indirect subsidiary of the Group for the credit facility of USD 120 million. The loan bears interest and repayment schedule as stipulated in the agreement.

The Company has an unsecured lending agreement with Bangchak Retail Company Limited, which is a subsidiary of the Group, for the credit facility of Baht 700 million. The interest rate and repayment schedule are as stipulated in the agreement.

The Company has an unsecured lending agreement with BCP Innovation Pte. Ltd. "BCPI", which is a subsidiary of the Group, for the credit facility of USD 80 million. The loan bears interest and repayment schedule as stipulated in the agreement. BCPI has entered into Amended and Restated Credit and Guarantee Agreement with Lithium Americas Corp. "LAC" to grant LAC a credit facility of USD 80 million for investment in Project Cauchari-Olaroz (Phase I). Such loan bears interest and repayment schedule as stipulated in the agreement.

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

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

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Guarantee Agreement

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

BCPG Public Company Limited, which is a subsidiary of the Group, has entered into guarantee agreement for loans from financial institutions of a subsidiary, in the amount not exceeding USD 172 million. As at December 31, 2020, the balance of loans from financial institutions is USD 166 million with a condition of installment payment of principal and interest within the year 2030.

8 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Cash on hand	167	101	-	-
Cash at banks - current accounts	4,351	891	36	27
Cash at banks - savings accounts	17,133	4,146	6,007	2,060
Highly liquid short-term investments	-	2,138	-	2,000
Total	21,651	7,276	6,043	4,087

As at 31 December 2020, certain indirect subsidiaries has a restricted deposits at financial institution totaling Baht 764 million (2019: Baht 259 million) under the long-term loan agreement with several financial institutions which required such indirect subsidiaries to obtain a permission on withdrawal of restricted deposits with the financial institution.

9 Other receivables

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
Related parties	7	33	28	26	63
Other parties					
Receivable from oil hedging contracts		-	44	-	44
Prepaid expenses		92	160	16	76
Advance payment		420	662	10	-
Receivable from revenue department		252	278	151	160
Other accounts receivable		685	863	385	311
Total		1,482	2,035	588	654

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10 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Crude oil and other raw materials	7,047	7,936	5,814	7,374
Finished oil products	8,052	6,743	6,704	5,926
Materials and supplies	1,104	1,114	1,064	1,032
Consumer products	49	73	-	-
Semi - finished products	105	145	-	-
	<u>16,357</u>	<u>16,011</u>	<u>13,582</u>	<u>14,332</u>
Less: allowance for obsolete and slow moving allowance for decline in value	(195)	(171)	(194)	(171)
	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>-</u>
Net	<u>16,162</u>	<u>15,835</u>	<u>13,388</u>	<u>14,161</u>
Inventories recognised in cost of sale <i>(Note 32)</i>				
- Cost of sale	75,074	105,824	65,723	97,939
- Reversal of write-down to net realisable value	(5)	(706)	-	(689)
Total	<u>75,069</u>	<u>105,118</u>	<u>65,723</u>	<u>97,250</u>

As at 31 December 2020 and 2019, the Company's inventories included petroleum legal reserve of 256 million liters with approximated value of Baht 2,477 million and 413 million liters with approximated value of Baht 5,668 million, respectively.

11 Investments in subsidiaries

<i>Year ended 31 December</i>	<i>Note</i>	Separate 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	123	-
At 1 January - restated		<u>13,659</u>	<u>13,179</u>
Addition		2,227	357
Difference of interest rate per lending agreement and market rate		11	-
Loss from impairment		(2,046)	-
At 31 December		<u>13,851</u>	<u>13,536</u>

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Investments in subsidiaries as at 31 December 2020 and 2019, and dividend income from the investment for the years then ended were as follows:

	Ownership interest		Paid-up capital		Separate financial statements				At cost - net		Dividend income	
	2020	2019	2020	2019	Cost		Impairment		2020	2019	2020	2019
	2020		2020		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 Co., Ltd.	60.36	70.04	13,202	9,994	9,227	7,000	-	-	9,227	7,000	448	896
Bangchak Retail Co., Ltd.	100.00	100.00	800	800	800	800	-	-	800	800	-	-
BCP Energy International Pte. Ltd.	100.00	100.00	3,673	3,673	3,673	3,673	(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 Co., Ltd.	60.00	60.00	2,532	2,532	1,700	1,700	-	-	1,700	1,700	-	-
BCPR Co., Ltd.	100.00	100.00	661	661	661	661	(442)	-	219	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)	-	-	-	-	-
					18,100	15,739	(4,249)	(2,203)	13,851	13,536	463	911

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Change in investment in subsidiaries

On 7 October 2020, the subsidiary's Extraordinary General Shareholder' Meeting No. 1/2020 approved an increase in the registered share capital of Baht 6,508.5 million of BCPG Public Company Limited ("BCPG"), which is a subsidiary of the Group, from the existing share capital of Baht 10,000 million to Baht 16,508.5 million through newly issued 1,301.7 million ordinary shares at a par value of Baht 5 each for the issuance and offering newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Rights Offering) and to the Private Placement investors and the issuance warrants to purchase newly issued ordinary shares to be allocated to the existing shareholders, Private Placement investors, BCPG's directors, BCPG and its subsidiaries' executives and employees. In November 2020, The Company has purchased for newly issued ordinary shares for 193.63 million shares at Baht 2,227 million. The Company's ownership interest in BCPG has changed to be at 60.36% without change in control.

On 28 October 2020, the Board of Directors of the Company resolved to approve the deregistration of Bangchak Ventures Pte. Ltd., a wholly-owned subsidiary of the Company in Singapore, as Bangchak Ventures Pte. Ltd. has no any operation or business activity.

Impairment of investment in subsidiary and oil exploration & production assets

Investment in BCP Energy International Pte. Ltd. ("BCPE") in Nido Petroleum Pty. Ltd. ("Nido") has the recoverable amount lower than its carrying amount from the effect of change in its operation plan. The Group recognised impairment loss of investment in BCPE and investment in Nido in the separate financial statements for year ended 31 December 2020 amounting to Baht 1,470 million and Baht 134 million, respectively and recognised impairment loss of oil exploration & production assets in the consolidated financial statements amounting to Baht 1,366 million.

12 Investments in associates and joint ventures

<i>Year ended 31 December</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 previously reported		17,927	17,902	-	-
Effect from changing in accounting policies	3	(39)	-	-	-
At 1 January - as restated		17,888	17,902	-	-
Increase		-	226	-	-
Decrease		(842)	(77)	-	-
Share of net profit (loss) of associates		(623)	372	-	-
Share of other comprehensive income (loss) of associates		56	(4)	-	-
Loss from impairment		(1,013)	-	-	-
Dividend income		(40)	(24)	-	-
Effect of change in exchange rates		(1,277)	(468)	-	-
At 31 December		14,149	17,927	-	-
Joint ventures					
At 1 January		110	92	73	73
Increase		41	-	-	-
Share of net profit of joint ventures		31	33	-	-
Dividend income		-	(15)	-	-
At 31 December		182	110	73	73

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<i>Year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
Total					
At 1 January - as previously reported		18,037	17,994	73	73
Effect from changing in accounting policies	3	(39)	-	-	-
At 1 January - as restated		17,998	17,994	73	73
Increase		41	226	-	-
Decrease		(842)	(77)	-	-
Share of net profit (loss) of associates and joint ventures		(592)	405	-	-
Share of other comprehensive income (loss) of associates		56	(4)	-	-
Loss from impairment		(1,013)	-	-	-
Dividend income		(40)	(39)	-	-
Effect of change in exchange rates		(1,277)	(468)	-	-
At 31 December		14,331	18,037	73	73

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Investments in associates and joint ventures as at 31 December 2020 and 2019, and dividend income for the years then ended, were as follows:

	Consolidated financial statements												Dividend income for the year			
	Ownership interest		Paid-up capital		Cost		Equity		Impairment		At equity - net				2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019				
	(%)															
Indirect associates																
Ubon Bio Ethanol Plc.	21.28	21.28	2,740	2,740	763	763	816	799	-	-	816	799	2	-		
PetroWind Energy Inc.	40.00	40.00	895	895	922	922	1,128	1,126	-	-	1,128	1,126	38	24		
Star Energy Group Holding Pte. Ltd.	33.33	33.33	25,214	28,035	10,949	11,889	10,595	12,497	-	-	10,595	12,497	-	-		
OKEA ASA	46.32	46.52	38	38	3,844	3,844	2,623	3,505	(1,013)	-	1,610	3,505	-	-		
Impact Energy Asia Development Limited	45.00	45.00	-	-	-	-	-	-	-	-	-	-	-	-		
					16,478	17,418	15,162	17,927	(1,013)	-	14,149	17,927	40	24		
Joint ventures																
Bongkot Marine Services Co., Ltd.	30.00	30.00	240	240	72	72	140	109	-	-	140	109	-	15		
Oam Suk Social Enterprise Co., Ltd.	40.00	40.00	3	3	1	1	1	1	-	-	1	1	-	-		
WIN Ingredients Co., Ltd.	51.00	-	81	-	41	-	41	-	-	-	41	-	-	-		
					114	73	182	110	-	-	182	110	-	15		
Total					16,592	17,491	15,344	18,037	(1,013)	-	14,331	18,037	40	39		

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 489 million or equivalent to Baht 1,708 million as at 31 December 2020 (2019: NOK 831 million or equivalent to Baht 2,813 million).

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	Ownership interest		Paid-up capital		Separate financial statements				Dividend income for the year			
	2020	2019	2020	2019	Cost		Impairment		At cost - net		2020	2019
	(%)				2020	2019	2020	2019	2020	2019		
Joint ventures												
Bongkot Marine Services Co., Ltd.	30.00	30.00	240	240	72	72	-	-	72	72	-	15
Oam Suk Social Enterprise Co., Ltd.	40.00	40.00	3	3	1	1	-	-	1	1	-	-
Total					73	73	-	-	73	73	-	15

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

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Changes in investments in associates

OKEA ASA

On 16 March 2020, OKEA ASA (“OKEA”) issued 438,600 rights to purchase additional shares to their directors and employees. As a result, OKEA has 102,502,650 registered and paid-up share capital, which resulting in BCPR Pte. Ltd.’s shareholding in OKEA to decrease from 46.52% to 46.32%.

Star Energy Group Holding Pte. Ltd.,

During the year ended 31 December 2020, Star Energy Group Holding Pte. Ltd. reduced its registered share capital from USD 834 million to USD 750 million and distributed USD 84 million back to its shareholders. The Group received a distribution based on the Group’s ownership interest at 33.33%, calculated as USD 28 million (equivalent to Baht 842 million).

WIN Ingredients Co., Ltd.,

In August 2020, BBGI Public Company Limited (“BBGI”), which is a subsidiary of the Group, established Win Ingredients Co., Ltd. to operate in the business of manufacturing, distributing, importing, exporting biological products and chemicals. In October 2020, BBGI entered into a joint venture agreement with a certain enterprise.

Impairment of investment in indirect associate and investments in subsidiaries

The recoverable amount of investment in OKEA an indirect associate, 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 assumptions 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 OKEA ASA, an indirect associate, has the recoverable amount lower than its carrying amount. The Group, therefore, recognised impairment loss of investment in OKEA in the consolidated financial statements for the year ended 31 December 2020 amounting to Baht 1,013 million and recognised impairment loss of investment in BCPR Co., Ltd., which is a subsidiary of the Group, in the separate financial statements for the year ended 31 December 2020 amounting to Baht 442 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 increased by 25%, the estimated recoverable amount will be equal to the carrying amount.

The recoverable amount of investment in associate, Star Energy Group Holdings Pte. Ltd., calculated by discounted future cash flow from the continuing operation of power plants in Indonesia. The key assumptions used in the estimation of the future cash flows were based on the concession agreements, power purchase agreements, estimated selling price and production unit of electricity and steam, with reference to historical data and external source such as exchange rate and inflation.

The impairment testing has been prepared by the Group’s management and found the investment in indirect associates, Star Energy Group Holding Pte. Ltd. had recoverable amount higher than carrying amount. Therefore, the Group did not recognise loss from impairment of investment.

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The sensitivity analysis in the key assumption was estimated. The calculation were performed assuming a change to the variable being tested only. It is estimated that if the discount rate assumption were to be increased by 0.6% - 0.7%, found no impairment.

Associates

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

	OKEA ASA.		Star Energy Group Holdings Pte. Ltd.	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Statement of income				
Revenue	5,506	11,015	16,925	15,860
Net profit (loss)	(2,008)	(267)	3,714	3,860
Other comprehensive income (loss)	(2)	-	321	(484)
Total comprehensive income (loss) for the year	(2,010)	(267)	4,035	3,376
Group's share of total comprehensive income (loss)	(914)	26	289	324

	OKEA ASA.		Star Energy Group Holdings Pte. Ltd.	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
As at 31 December				
Statement of financial position				
Current assets	6,668	8,175	13,158	9,029
Non-current assets	27,473	28,931	87,014	103,064
Current liabilities	(3,412)	(5,963)	(4,019)	(4,835)
Non-current liabilities	(26,948)	(25,622)	(70,874)	(71,169)
Net assets (100%)	3,781	5,521	25,279	36,089
<i>Less non-controlling interest in net asset associates</i>	-	-	(14,153)	-
Net assets of associates	3,781	5,521	11,126	36,089
Group's share of net assets	1,751	2,568	3,708	8,124
Goodwill	872	937	6,887	4,373
Carrying amount of interest in associates	2,623	3,505	10,595	12,497

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Immaterial associates and joint ventures

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

	2020	2019
	<i>(in million Baht)</i>	
Carrying amount of interests in immaterial of associates and joint ventures	2,125	2,035
Share of net profit from investment in associates and joint ventures in Consolidated financial statements:		
- Profit for the year	87	51
- Other comprehensive income	-	-
- Total comprehensive income	87	51

13 Investment properties

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Cost				
At 1 January	127	127	683	683
At 31 December	127	127	683	683
Depreciation and impairment losses				
At 1 January	-	-	-	-
At 31 December	-	-	-	-
Net book value				
At 1 January	127	127	683	683
At 31 December	127	127	683	683

The leases of investment properties comprise a number of commercial properties that are leased to BCPG Public Company Limited, which is a subsidiary of the Group (*see note 7*), are leased to third parties under operating leases. Each of the leases contains an initial non-cancellable period of 2-3 years. Subsequent renewals are negotiated with the lessee. For all investment property leases, the rental income is fixed under the contracts, but some leases require the lessee to reimburse the insurance costs of the Group. When this is the case, the amounts of insurance costs are determined annually.

The fair value is appraised by an independent appraiser at market comparison value. As at 31 December 2020, investment properties had fair value for consolidate and separate financial statements at Baht 346million and Baht 1,180 million, respectively (*2019: Baht 346 million and Baht 984 million, respectively*).

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14 Property, plant and equipment

	Consolidated financial statements										
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Exploration and production of petroleum assets	Marketing and office equipment <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
Cost											
At 1 January 2019	3,945	3,759	49,211	11,339	-	8,429	239	393	28	5,339	82,682
Additions	206	207	50	1	-	18	-	48	-	7,973	8,503
Acquired from business acquisition <i>(Note 6)</i>	-	3	-	6	-	-	-	-	-	-	9
Transfers	4	179	988	640	-	535	-	-	-	(2,446)	(100)
Disposals	-	(84)	(161)	(2)	-	(157)	-	(21)	-	-	(425)
Effect of movement in exchange rate	(22)	(9)	-	(73)	-	(1)	-	-	-	(103)	(208)
At 31 December 2019 and 1 January 2020	4,133	4,055	50,088	11,911	-	8,824	239	420	28	10,763	90,461
Impact of changes in accounting policies <i>(note 3)</i>	(156)	(206)	(23)	-	-	-	-	(15)	-	-	(400)
Additions	12	1	35	2	-	18	-	10	-	6,334	6,412
Acquired from business acquisition <i>(Note 6)</i>	87	24	-	256	-	-	-	-	-	-	367
Transfers	-	253	1,376	73	-	486	-	14	-	(2,245)	(43)
Disposals	-	(153)	-	(2)	-	(232)	-	(58)	-	-	(445)
Effect of movement in exchange rate	19	2	(71)	61	-	1	-	-	-	102	114
At 31 December 2020	4,095	3,976	51,405	12,301	-	9,097	239	371	28	14,954	96,466

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	Consolidated financial statements										
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Exploration and production of petroleum assets	Marketing and office equipment	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
<i>(in million Baht)</i>											
<i>Depreciation and impairment losses</i>											
At 1 January 2019	(6)	(1,200)	(25,869)	(1,981)	-	(4,506)	-	(238)	(5)	-	(33,805)
Depreciation charge for the year	-	(177)	(3,137)	(520)	-	(595)	-	(48)	(1)	-	(4,478)
Impairment losses	-	-	(10)	-	-	(1)	-	-	-	-	(11)
Transfer	-	-	-	-	-	1	-	-	-	-	1
Disposals	-	74	157	1	-	145	-	21	-	-	398
Effect of movement in exchange rate	-	6	-	11	-	1	-	-	-	-	18
At 31 December 2019 and 1 January 2020	(6)	(1,297)	(28,859)	(2,489)	-	(4,955)	-	(265)	(6)	-	(37,877)
Impact of changes in accounting policies	-	2	1	-	-	-	-	-	-	-	3
Depreciation charge for the year	-	(187)	(2,928)	(579)	-	(599)	-	(42)	(1)	-	(4,336)
Impairment losses	-	(4)	(16)	-	-	(3)	-	-	-	-	(23)
Transfer	-	1	-	-	-	(2)	-	(1)	-	-	(2)
Disposals	-	40	-	-	-	185	-	56	-	-	281
Effect of movement in exchange rate	-	(1)	67	(11)	-	-	-	-	-	-	55
At 31 December 2020	(6)	(1,446)	(31,735)	(3,079)	-	(5,374)	-	(252)	(7)	-	(41,899)
<i>Net book value</i>											
At 31 December 2019	<u>4,127</u>	<u>2,758</u>	<u>21,229</u>	<u>9,422</u>	<u>-</u>	<u>3,869</u>	<u>239</u>	<u>155</u>	<u>22</u>	<u>10,763</u>	<u>52,584</u>
At 31 December 2020	<u>4,089</u>	<u>2,530</u>	<u>19,670</u>	<u>9,222</u>	<u>-</u>	<u>3,273</u>	<u>239</u>	<u>119</u>	<u>21</u>	<u>14,954</u>	<u>54,567</u>

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As at 31 December 2020, certain subsidiaries have mortgaged its land, buildings and machinery as collateral with financial institutions for credit facilities totalling Baht 12,812 million (2019: Baht 12,561 million).

As at 31 December 2020, capitalised borrowing costs relating to construction of the new factory amounted to Baht 374 million (2019: Baht 196 million), with a capitalization rate of 0.95% - 4.52% p.a. (2019: 3.00% - 4.41% p.a.) (see note 33).

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 10,812 million (2019: Baht 11,113 million).

During the year ended 31 December 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. As a result, the subsidiary recognised loss from sale of assets amounting to Baht 135 million.

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	Separate financial statements									Total
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Marketing and office equipment <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Other assets	Construction work in progress	
Cost										
At 1 January 2019	2,328	757	44,734	72	7,808	239	331	28	3,238	59,535
Additions	41	-	24	-	-	-	26	-	5,796	5,887
Transfers	-	10	570	-	477	-	-	-	(1,144)	(87)
Disposals	-	(151)	(153)	-	(178)	-	(16)	-	-	(498)
At 31 December 2019 and 1 January 2020	2,369	616	45,175	72	8,107	239	341	28	7,890	64,837
Additions	-	-	33	-	-	-	9	-	4,365	4,407
Transfers	-	72	1,197	-	475	-	-	-	(1,772)	(28)
Disposals	-	(5)	(66)	-	(121)	-	(49)	-	-	(241)
At 31 December 2020	2,369	683	46,339	72	8,461	239	301	28	10,483	68,975
Depreciation and impairment losses										
At 1 January 2019	(6)	(577)	(24,560)	(3)	(4,173)	-	(204)	(5)	-	(29,528)
Depreciation charge for the year	-	(19)	(2,838)	(6)	(513)	-	(37)	(1)	-	(3,414)
Impairment losses	-	-	(10)	-	(1)	-	-	-	-	(11)
Disposals	-	113	153	-	164	-	16	-	-	446
At 31 December 2019 and 1 January 2020	(6)	(483)	(27,255)	(9)	(4,523)	-	(225)	(6)	-	(32,507)
Depreciation charge for the year (Losses) reversal of impairment losses	-	(19)	(2,621)	(6)	(524)	-	(32)	(2)	-	(3,204)
Disposals	-	-	(16)	-	1	-	-	-	-	(15)
Disposals	-	5	64	-	112	-	49	-	-	230
At 31 December 2020	(6)	(497)	(29,828)	(15)	(4,934)	-	(208)	(8)	-	(35,496)
Net book value										
At 31 December 2019	2,363	133	17,920	63	3,584	239	116	22	7,890	32,330
At 31 December 2020	2,363	186	16,511	57	3,527	239	93	20	10,483	33,479

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Capitalised borrowing costs relating to construction of the new plant amounted to Baht 360 million (2019: Baht 188 million), with a capitalization rate of 3.51% - 4.52% p.a. (2019: 4.00% - 4.41% p.a.) (see note 33).

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 10,707 million (2019: Baht 10,580 million). Right-of-use assets

15 Right-of-use assets

Consolidated financial statements							
	<i>Note</i>	Land and building	Rental	Tank farm	Machinery, equipment refinery plants and terminal	Vehicle and oil tanker	Total
				<i>(in million Baht)</i>			
Cost							
At 1 January 2020 - restated	3	9,860	10	1,125	23	736	11,754
Acquired from business acquisition	6	27	-	-	-	-	27
Additions		1,175	1	892	-	667	2,735
Transfers		-	-	-	-	(12)	(12)
Disposal		(50)	-	-	-	(1)	(51)
Effect of movement in exchange rate		13	-	-	-	-	13
At 31 December 2020		11,025	11	2,017	23	1,390	14,466
Depreciation and impairment losses							
At 1 January 2020 - restated	3	(1,526)	-	-	(1)	-	(1,527)
Depreciation for the year		(756)	(2)	(643)	(4)	(475)	(1,880)
Disposal		27	-	-	-	1	28
At 31 December 2020		(2,255)	(2)	(643)	(5)	(474)	(3,378)
Net book value							
At 1 January 2020		8,334	10	1,125	22	736	10,227
At 31 December 2020		8,770	9	1,374	18	916	11,087

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Separate financial statements

	<i>Note</i>	Land and building	Rental	Tank farm <i>(in million Baht)</i>	Vehicle and oil tanker	Total
<i>Cost</i>						
At 1 January 2020 - restated	3	8,690	10	1,125	708	10,533
Additions		1,161	1	892	662	2,716
Disposal		(44)	-	-	-	(44)
At 31 December 2020		9,807	11	2,017	1,370	13,205
<i>Depreciation and impairment losses</i>						
At 1 January 2020 - restated	3	(1,027)	-	-	-	(1,027)
Depreciation for the year		(703)	(2)	(643)	(467)	(1,814)
Disposal		24	-	-	-	24
At 31 December 2020		(1,706)	(2)	(643)	(467)	(2,818)
<i>Net book value</i>						
At 31 December 2019		7,663	10	1,125	708	9,506
At 31 December 2020		8,101	9	1,374	903	10,387

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16 Leases

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Interest on lease liabilities	201	-	176	-
Expenses relating to short-term leases	44	-	14	-
Expenses relating to leases of low-value assets	21	-	17	-
Variable lease payments	425	-	408	-

In 2020, total cash outflow for leases of the Group and the Company were Baht 1,963 million and Baht 1,902 million, respectively.

17 Goodwill

	Consolidated financial statements
	<i>(in million Baht)</i>
<i>Cost</i>	
At 1 January 2019	1,921
At 31 December 2019 and 1 January 2020	1,921
Acquired from business acquisition (<i>Note 6</i>)	253
Effect of contingent consideration adjustment (<i>Note 6</i>)	(31)
Effect of movement in exchange rate	(14)
At 31 December 2020	2,129

Impairment testing for the cash generating unit containing goodwill

Goodwill amounted to Baht 527 million from business combinations of BCPG Public Company Limited Group, the Group calculated the recoverable amount by using the value in use models which was determined by discounting future cash flows. The key assumptions used in the estimation of the future cash flows were based on the concession agreements, power purchase agreements, estimated selling production unit of electricity, with reference to historical data and external source such as inflation and exchange rate.

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

The estimated recoverable amount of the CGU exceeded its carrying amount, therefore no impairment loss is recognised at 31 December 2020.

The management have also conducted sensitivity test by increasing discount rate or inflation 0.5% and found no impairment for goodwill.

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

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in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally.

The discount rates of the relevant industries in which the Company operates are ranged from 4% - 9%. The subsidiary's discount rate which applied in the calculation of recoverable amounts was fall within the industries' range.

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

If the assumption used in the calculation on impairment tests for goodwill change, the selling price decrease by 1 Baht per Litre or cost of raw material increase by 1 Baht per litre, there is still no impairment of goodwill.

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18 Intangible assets

	Consolidated financial statements					Total
	Right to use and cost of development of computer software	Exploration and evaluation expenditure	Right to connect electric transmission line <i>(in million Baht)</i>	Power purchase agreement	Power purchase agreement under concession agreement	
Cost						
At 1 January 2019	1,466	3,418	80	1,434	-	6,398
Acquired from business acquisition <i>(Note 6)</i>	-	-	-	-	5,197	5,197
Additions	91	74	8	-	-	173
Transfer	10	-	-	-	-	10
Disposals	(148)	-	-	-	-	(148)
Effect of movements in exchange rates	(17)	(242)	(2)	(84)	(101)	(446)
At 31 December 2019 and 1 January 2020	1,402	3,250	86	1,350	5,096	11,184
Acquired from business acquisition <i>(Note 6)</i>	-	-	1,109	-	3,386	4,495
Additions	200	-	-	-	-	200
Transfer	3	(49)	-	-	-	(46)
Disposals	(110)	-	-	-	-	(110)
Effect of movements in exchange rates	15	(11)	2	71	(192)	(115)
At 31 December 2020	1,510	3,190	1,197	1,421	8,290	15,608

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	Consolidated financial statements					Total
	Right to use and cost of development of computer software	Exploration and evaluation expenditure	Right to connect electric transmission line <i>(in million Baht)</i>	Power purchase agreement	Power purchase agreement under concession agreement	
<i>Amortisation and impairment losses</i>						
At 1 January 2019	(584)	(2,083)	(8)	(65)	-	(2,740)
Amortisation for the year	(169)	-	(4)	(22)	(54)	(249)
Disposals	147	-	-	-	-	147
Effect of movements in exchange rates	-	148	-	4	-	152
At 31 December 2019 and 1 January 2020	(606)	(1,935)	(12)	(83)	(54)	(2,690)
Amortisation for the year	(193)	-	(20)	(23)	(333)	(569)
Disposals	76	-	-	-	-	76
Loss from impairment	-	(1,315)	-	-	-	(1,315)
Effect of movements in exchange rates	-	60	-	(4)	14	70
At 31 December 2020	(723)	(3,190)	(32)	(110)	(373)	(4,428)
<i>Net book value</i>						
At 31 December 2019	796	1,315	74	1,267	5,042	8,494
At 31 December 2020	787	-	1,165	1,311	7,917	11,180

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	Separate financial statements	
	Right to use and cost of development of computer software	
	2020	2019
	<i>(in million Baht)</i>	
Cost		
At 1 January	903	969
Additions	110	79
Disposals	-	(145)
At 31 December	1,013	903
Amortisation and impairment losses		
At 1 January	(504)	(518)
Amortisation for the year	(153)	(131)
Disposals	-	145
At 31 December	(657)	(504)
Net book value		
At 31 December	356	399

19 Other non-current assets

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Restricted cash at bank	480	407	407	407
Investment in service stations	310	300	310	300
Deposit	302	372	293	363
Others	582	575	326	559
Total	1,674	1,654	1,336	1,629

20 Loans from financial institutions and debentures

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Current				
Short-term loan from financial institutions				
secured	2,027	3,030	-	-
unsecured	1,948	2,021	-	-
	3,975	5,051	-	-
Current portion of long-term loans from financial institutions				
secured	1,957	1,728	-	-
unsecured	717	470	425	375
	2,674	2,198	425	375
Debenture unsecured	2,500	3,000	2,500	3,000
	2,500	3,000	2,500	3,000
Total current	9,149	10,249	2,925	3,375

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	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Non-current				
Long-term loans from financial institutions				
secured	21,897	17,125	-	-
unsecured	8,718	2,682	5,334	2,339
	30,615	19,807	5,334	2,339
Debenture				
unsecured	23,480	17,985	23,480	17,985
	23,480	17,985	23,480	17,985
Total non-current	54,095	37,792	28,814	20,324
Total	63,244	48,041	31,739	23,699

The loan agreements contain certain conditions such as maintaining certain financial ratios such as maintaining of certain debt to equity ratio, debt service coverage ratio and current ratio and transfer right of any agreements. These loans are secured by mortgage of the land, building, land improvement and infrastructure, machinery and 33.33% shares of issued and paid up capital of Star Energy Group Holdings Pte. Ltd which is an indirect associate of the group and total shares of issued and paid up capital of BCPG Indochina Company Limited, an indirect subsidiary of the Group.

The Group had unutilised credit facilities as follow:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Baht	15,078 million	15,346 million	7,530 million	10,675 million
USD	35 million	-	-	-
JPY	16 million	7 million	-	-

Debentures

Detail of debentures as at 31 December 2020 and 2019 were as follows:

	Consolidated and Separate financial statements	
	2020	2019
	<i>(in million Baht)</i>	
Debentures	26,000	21,000
Less Unamortised deferred expenses on debentures	(20)	(15)
	25,980	20,985
Less Current portion due within one year	(2,500)	(3,000)
Total	23,480	17,985

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The Company issued long-term debentures which are named-registered, unsubordinated, unsecured and no bond holder (except debenture no.6 to 12 have bond holder) and no early redemption with representative with a face value of Baht 1,000 each with interest is payable semi-annually. The details are as follows:

No.	Consolidated and Separate financial statements		Interest rate (% per annum)	Term (years)	Maturity Date
	2020	2019			
	<i>(in million Baht)</i>				
1	1,000	1,000	5.35	10	30 April 2022
2	2,500	2,500	4.81	7	11 April 2021
3	3,500	3,500	5.18	10	11 April 2024
4	2,000	2,000	4.72	12	3 March 2027
5	1,000	1,000	5.05	15	3 March 2030
6	-	3,000	2.13	2	10 August 2020
7	400	400	2.96	5	10 August 2023
8	600	600	3.42	7	10 August 2025
9	7,000	7,000	4.04	10	20 December 2028
10	3,000	-	2.60	2	8 May 2022
11	500	-	3.00	7	8 May 2027
12	4,500	-	3.40	10	8 May 2030
	26,000	21,000			

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

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Property, plant and equipment	12,812	12,561	-	-
Investment in associates	20,269	12,505	-	-
Restricted cash at bank	74	52	-	-
Total	33,155	25,118	-	-

21 Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
Related parties	7	36	51	80	69
Other parties					
Accrued expenses		971	827	524	476
Accrued interest		62	124	34	67
Payable for project construction		671	388	432	82
Payable for utilities		231	284	231	284
Other accounts payable		1,198	1,217	858	929
Total		3,169	2,891	2,159	1,907

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22 Provisions for employee benefits

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Statement of financial position				
Non-current provisions for:				
Post-employment benefits	2,580	2,531	2,481	2,438
Other long-term employee benefits	62	57	57	52
Total	2,642	2,588	2,538	2,490
Current	306	-	306	-
Non-current	2,336	2,588	2,232	2,490
Total	2,642	2,588	2,538	2,490
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss				
Post-employment benefits	216	342	203	307
Other long-term employee benefits	7	13	6	12
Total	223	355	209	319
Recognised in other comprehensive income:				
Actuarial (gain) losses recognised in the year	(3)	239	-	245
Cumulative actuarial losses recognised	658	661	695	695

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Present value of the defined benefit obligations	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
At 1 January	2,588	2,054	2,490	1,984
Include in profit or loss:				
Current service costs and interest on obligation	223	215	209	187
Past service cost	-	140	-	132
	223	355	209	319
Included in other comprehensive income				
Actuarial (gain) loss				
- Demographic assumptions	2	-	-	-
- Financial assumptions	3	246	-	245
- Experience adjustment	(8)	(6)	-	-
Effect of movements in exchange rate	-	(1)	-	-
	(3)	239	-	245

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<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Others				
Benefit paid	(166)	(60)	(161)	(58)
At 31 December	2,642	2,588	2,538	2,490

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	0.1 - 3.95	0.1 - 3.95	1.61	1.61
Future salary growth	2 - 6	2 - 6	6	6
Employee turnover	0 - 52	0 - 64	1 - 8	1 - 8

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

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 10 - 29 years (2019: 10-29 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Impact to the employee benefits obligation At 31 December</i>	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Discount rate	(227)	(226)	262	262
Future salary growth	318	292	(276)	(254)
Employee turnover	(115)	(113)	130	124

<i>Impact to the employee benefits obligation At 31 December</i>	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Discount rate	(219)	(217)	253	251
Future salary growth	308	281	(267)	(245)
Employee turnover	(104)	(101)	120	118

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23 Share capital

	Par value per share (in Baht)	2020		2019	
		Number	Baht	Number	Baht
		(million shares / million Baht)			
Authorised shares at 31 December		<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>
<i>Issued and paid-up shares</i>					
At 1 January					
Ordinary shares	1	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>
At 31 December					
Ordinary shares	1	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>

Share premium

Section 51 of the Public Companies Act B.E. 2535 (1992) requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Capital surplus on registered and paid-up share reduction

Capital surplus on share reduction is from capital is from capital surplus on registered and paid-up share reduction in the Company’s registered share capital from Baht 1,032,761,220 to Baht 843,143,461 and the paid-up share capital from Baht 753,040,940 to Baht 563,423,181. These changes were due to the reduction of 189,617,759 shares.

Other surplus

Surplus from the change in the ownership interest in subsidiaries

Change in parent’s ownership interest in subsidiaries within equity comprises of effect from dilution of percentage of holding of the Company in a subsidiary and difference from changes in parent’s ownership interest in subsidiaries that do not result in a loss of control.

Surplus from business combination

Surplus from business combination represents the measurement of net assets acquired and recognised at fair value from business combination.

24 Treasury shares

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

As at 31 December 2020, the Company has repurchased treasury shares under such program totaling 19 million shares, at Baht 505 million (2019: 16 million shares at Baht 432 million) and presented as a separated item in equity and as a deduction item in equity in the consolidated financial statements.

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Accordingly, the Company has appropriated retained earnings at the same amount as treasury share reserve.

25 Reserves

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 (1992) requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Treasury shares reserve

The treasury shares reserve is the amount appropriated from the retained earnings equal to the cost of the Company’s own shares held by the Company. The treasury shares reserve is not available for dividend distribution.

Other components of equity

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation (see note 4(d.6)).

Fair value reserve of 2020

The fair value reserve comprise: the cumulative net change in the fair value of equity securities designated at FVOCI.

Fair value reserve of 2019

The fair value changes in available-for-sale investments comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

26 Subordinated perpetual debentures

On 18 October 2019, the Company completed the issuance of Subordinated Perpetual Debentures of Baht 10,000 million. The debentures are unsecured, unconvertible, with debenture holder representatives and no scheduled repayment of principal. Bullet payment is upon dissolution of the Company or upon the exercise of the debenture issuer’s early redemption right per conditions as stipulated in the terms and conditions of the debentures. These debentures bear fixed interest rate of 5% per annum during the first year to the fifth year. The debenture issuer will adjust the interest rate of the debentures every 5 years and interest is payable on a semi-annual basis throughout the term of the debentures. The Company has the sole right to unconditionally defer interest and cumulative interest payments to debentures holders without time and deferral amount limitation. If the Company defers the interest payment, the Company shall not declare and make any dividend payment. From the determination of the terms and conditions of the debentures, Subordinated perpetual debentures are classified as equity. Issuance cost of debentures of Baht 59 million are recognised as a part of equity in the consolidated and separate financial statements as at 31 December 2019. During the year ended 31 December 2020, the Company paid coupon payment on perpetual subordinated debentures of Baht 501 million which were recognised as a part of equity in consolidated and separate financial statement as at 31 December 2020.

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27 Operating segments

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

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

Each segment's performance is measured based on segment profit (loss) 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. Inter-segment pricing determined on an arm's length basis.

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<i>For the year ended</i> <i>31 December 2020</i>	Consolidated financial statements							Total
	Refinery and oil trading	Marketing	Electricity	Bio-based product <i>(in million Baht)</i>	Natural resources	Others	Eliminations	
External revenue	34,191	95,325	4,223	2,710	-	1	-	136,450
Inter-segment revenue	86,791	5	8	9,860	-	-	(96,664)	-
Total revenue	120,982	95,330	4,231	12,570	-	1	(96,664)	136,450
Profit (loss) from operating segment	(2,169)	2,174	3,640	1,828	(1,004)	(365)	-	4,104
Depreciation and amortisation								(6,821)
Gain from derivatives								20
Gain on foreign exchange								732
Loss from impairment								(3,266)
Finance costs								(1,969)
Tax income								1,589
Others								(159)
Loss for the year								(5,770)
Interest income	22	23	25	2	85	-	-	157
Financial costs	(380)	(394)	(816)	(123)	(220)	(36)	-	(1,969)
Depreciation and amortisation	(3,863)	(1,413)	(1,072)	(420)	(3)	(50)	-	(6,821)
Segments assets	59,764	18,807	51,118	11,984	6,649	-	-	148,322
Investments in associates and joint ventures	139	1	11,723	858	1,610	-	-	14,331
Capital expenditure	(3,664)	(270)	(1,140)	(928)	-	-	-	(6,002)

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<i>For the year ended 31 December 2019</i>	Consolidated financial statements							Total
	Refinery and oil trading	Marketing	Electricity	Bio-based product <i>(in million Baht)</i>	Natural resources	Others	Eliminations	
External revenue	48,694	136,045	3,427	2,313	9	1	-	190,489
Inter-segment revenue	126,786	6	-	7,700	-	-	(134,492)	-
Total revenue	175,480	136,051	3,427	10,013	9	1	(134,492)	190,489
Profit (loss) from operating segment	2,871	2,279	2,964	1,000	(36)	(369)	-	8,709
Depreciation and amortisation								(5,032)
Gain on foreign exchange								614
Loss from impairment of assets								(34)
Finance costs								(1,701)
Tax expense								(68)
Profit for the year								2,488
Interest income	51	28	15	1	63	-	-	158
Financial costs	(648)	(218)	(568)	(103)	(113)	(51)	-	(1,701)
Depreciation and amortisation	(2,905)	(1,009)	(690)	(388)	(2)	(38)	-	(5,032)
Segments assets	53,547	17,404	37,134	8,914	10,879	-	-	127,878
Investments in associates and joint ventures	109	1	13,623	799	3,505	-	-	18,037
Capital expenditure	(5,102)	(1,036)	(6,506)	(1,037)	(78)	-	-	(13,759)

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Disaggregation of revenue

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.

Geographical segments

In presenting information on the basis of geographical segments, segment sales are based on the entity's country of domicile. Segment non-current assets (exclude derivatives and deferred tax) are based on the geographical location of the assets.

<i>Geographical information</i>	Consolidated financial statements			
	Revenue		Non-current assets	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Thailand	111,610	153,908	64,859	55,757
Malaysia	177	2,295	-	-
Japan	382	219	6,675	5,160
Korea	2,177	3,890	-	-
Philippines	2	18	1,143	2,392
Singapore	20,066	28,413	3,024	437
Indonesia	-	-	10,595	12,497
Norway	-	-	1,610	3,505
Laos	1,652	1,342	8,465	5,370
Others	384	404	1,674	3,928
Total	136,450	190,489	98,045	89,046

Major customer

Revenues from one customer of the Group's 1 and 2 segments represents approximately Baht 10,846 million (2019: Baht 12,714 million) of the Group's total revenues.

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment by virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520 for Petroleum Refinery process, production of Biodiesel and production of electricity from solar cell. The privileges granted include:

Production of Biodiesel, Ethanol and Biogas

- (a) Exemption from payment of import duty on machinery approved by the Board;
- (b) Exemption from payment of income tax for certain operations for a period of six and eight years from the date on which the income is first derived from such operations.

Production of electricity from solar cell

- (a) Exemption from payment of import duty on machinery approved by the Board;
- (b) Exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations.
- (c) A 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above.

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As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2020			2019		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	54	47,440	47,494	41	43,370	43,411
Local sales	9,155	145,497	154,652	8,406	214,269	222,675
Eliminations	-	-	(65,696)	-	-	(75,597)
Total	9,209	192,937	136,450	8,447	257,639	190,489

The Company has no revenue from promoted business.

28 Other income

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Interest income	157	158	263	150
Fee for land utilisation and management fee for NGV service station	46	30	45	26
Management service fee for subsidiaries	-	-	108	97
Others	330	307	95	102
Total	533	495	511	375

29 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Personnel	1,131	1,264	553	593
Depreciation and amortisation	1,315	932	1,241	852
Advertising	453	503	333	364
Distribution	367	503	292	405
Rental	83	351	51	317
Others	911	980	615	615
Total	4,260	4,533	3,085	3,146

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30 Administrative expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Personnel	1,353	1,391	809	849
Depreciation and amortisation	336	280	235	208
Advertising	67	136	66	135
Professional and consultant fees	284	327	139	150
Others	841	947	327	535
Total	2,881	3,081	1,576	1,877

31 Employee benefit expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Wages and salaries	2,220	2,415	1,300	1,262
Defined contribution plans	124	130	103	99
Pension	221	334	219	320
Others	837	730	543	455
Total	3,402	3,609	2,165	2,136

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

32 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<i>Included in cost of sales of goods and rendering of services:</i>				
Changes in inventories of finished goods and work in progress	844	636	777	382
Raw materials and consumables used	75,074	105,824	65,723	97,939
Tax expenses and oil fuel fund	27,529	30,471	27,529	30,471
Depreciation	4,704	3,664	3,647	2,717
Reversal of loss on decline in value of inventories	(5)	(706)	-	(689)
<i>Included in selling expenses:</i>				
Depreciation	1,016	638	942	559
<i>Included in administrative expenses:</i>				
Depreciation	233	176	167	138

Bangchak Corporation Public Company Limited and its Subsidiaries
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33 Finance costs

	<i>Note</i>	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
Interest expense					
Financial institutions		1,034	904	184	268
Debentures		1,017	935	1,017	935
Lease liabilities		201	-	176	-
Total interest expense		2,252	1,839	1,377	1,203
Amortisation of transaction costs capitalised		51	53	12	13
Others finance costs		40	5	1	2
		2,343	1,897	1,390	1,218
<i>Less</i> Amount included in the cost of qualifying assets:					
- Property, plant and equipment under construction	14	(374)	(196)	(360)	(188)
Net		1,969	1,701	1,030	1,030

34 Income tax

		Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
Current tax expense					
Current year		231	332	-	215
Over provided in prior years		(42)	(8)	(27)	(14)
		189	324	(27)	201
Deferred tax expense					
Movements in temporary differences		(1,778)	(256)	(1,736)	(228)
		(1,778)	(256)	(1,736)	(228)
Total tax expense (income)		(1,589)	68	(1,763)	(27)

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	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Reconciliation of effective tax rate				
Profit (loss) before income tax expense	(7,359)	2,556	(11,603)	1,063
Corporate income tax rate (%)	20.00	20.00	20.00	20.00
Profit (loss) before income tax using the Thai corporation tax rate	(1,472)	511	(2,321)	212
Effect of difference tax rates in foreign jurisdictions	(47)	(4)	-	-
Income not subject to tax / Expenses that are deductible at a greater amount	(647)	(717)	(233)	(266)
Expenses not deductible / Other adjustments	435	92	818	41
Current year losses for which no deferred tax assets was recognised	184	197	-	-
Over provided in prior years	(42)	(8)	(27)	(14)
Others	-	(3)	-	-
Total	(1,589)	68	(1,763)	(27)
Tax rate (%)	(21.59)	2.66	(15.19)	(2.54)

	Consolidated financial statements			
	Assets		Liabilities	
Deferred tax	2020	2019	2020	2019
At 31 December	<i>(in million Baht)</i>			
Total	3,074	1,187	(888)	)675(
Set off of tax	(93)	)66(	93	66
Net deferred tax assets (liabilities)	2,981	1,121	795	)609(

	Separate financial statements			
	Assets		Liabilities	
Deferred tax	2020	2019	2020	2019
At 31 December	<i>(in million Baht)</i>			
Total	2,952	1,122	(22)	)52(
Set off of tax	(22)	)52(	22	52
Net deferred tax assets	2,930	1,070	-	-

Bangchak Corporation Public Company Limited and its Subsidiaries
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Movements in total deferred tax assets and liabilities during the year were as follows:

	At 1 January 2020	Change of accounting policies (note 3)	At 1 January 2020 - restated	Consolidated financial statement (Charged)/Credited to:			Exchange differences	At 31 December 2020
				Profit/loss (in million Baht)	Other comprehensive income	Acquisition through business combinations (note 6)		
<i>Deferred tax assets</i>								
Loss from impairment of assets	490	117	607	467	-	-	-	1,074
Property, plant and equipment	77	-	77	21	-	59	1	158
Provisions for employee benefits	514	-	514	24	(4)	-	-	534
Loss carry forward	33	-	33	1,188	-	-	1	1,222
Others	73	7	80	5	-	-	1	86
Total	1,187	124	1,311	1,705	(4)	59	3	3,074
<i>Deferred tax liabilities</i>								
Property, plant and equipment	(153)	-	(153)	76	-	(8)	2	(83)
Intangible assets	(506)	-	(506)	6	-	(260)	(20)	(780)
Leasehold rights	(1)	-	(1)	-	-	-	-	(1)
Others	(15)	-	(15)	(9)	-	-	-	(24)
Total	(675)	-	(675)	73	-	(268)	(18)	(888)
Net	512	124	636	1,778	(4)	(209)	(15)	2,186

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	Consolidated financial statement					At 31 December 2019
	At 1 January 2019	(Charged)/Credited to: Profit/loss	Other comprehensive income	Acquisition through business combinations	Exchange differences	
<i>Deferred tax assets</i>						
Loss from impairment of assets	484	6	-	-	-	490
Property, plant and equipment	90	(13)	-	-	-	77
Provisions for employee benefits	408	56	50	-	-	514
Loss carry forward	27	6	-	-	-	33
Others	54	19	-	-	-	73
Total	1,063	74	50	-	-	1,187
<i>Deferred tax liabilities</i>						
Property, plant and equipment	(233)	81	-	-	(1)	(153)
Intangible assets	(359)	6	-	(179)	26	(506)
Leasehold rights	(1)	-	-	-	-	(1)
Others	(110)	95	-	-	-	(15)
Total	(703)	182	-	(179)	25	(675)
Net	360	256	50	(179)	25	512

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Separate financial statements

Separate financial statements

	Separate financial statements					Separate financial statements				
	At 1 January 2020	Change of accounting policies (note 3)	At 1 January 2020 - restated	(Charged)/Credited to:		At 31 December 2020	At 1 January 2019	(Charged)/Credited to:		At 31 December 2019
			Profit/loss	Other comprehensive income	(in million Baht)		Profit/loss	Other comprehensive income	(in million Baht)	
<i>Deferred tax assets</i>										
Loss from impairment of assets	490	117	607	467	-	1,074	484	6	-	490
Property, plant and equipment	70		70	20	-	90	85	(15)	-	70
Provisions for employee benefits	499	-	499	9	-	508	397	52	50	499
Loss carry forward	-	-	-	1,197	-	1,197	-	-	-	-
Others	63	7	70	13	-	83	51	12	-	63
Total	1,122	124	1,246	1,706	-	2,952	1,017	55	50	1,122
<i>Deferred tax liabilities</i>										
Property, plant and equipment	(51)	-	(51)	30	-	(21)	(128)	77	-	(51)
Inventories	-	-	-	-	-	-	(96)	96	-	-
Leasehold rights	(1)	-	(1)	-	-	(1)	(1)	-	-	(1)
Total	(52)	-	(52)	30	-	(22)	(225)	173	-	(52)
Net	1,070	124	1,194	1,736	-	2,930	792	228	50	1,070

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35 Earnings per share

	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	(6,967)	1,732	(9,840)	1,090
<i>Less</i> Cumulative coupon payment for the period on perpetual subordinated debentures	(501)	(103)	(501)	(103)
Profit (loss) for calculating earnings per share	(7,468)	1,629	(10,341)	987
Number of ordinary shares outstanding	1,377	1,377	1,377	1,377
Effect of treasury shares	(19)	(1)	(19)	(1)
Weighted average number of ordinary shares outstanding	1,358	1,376	1,358	1,376
Earnings (loss) per share (basic) <i>(in Baht)</i>	(5.50)	1.18	(7.62)	0.72

36 Dividends

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				
Annual dividend 2019	30 March 2020	24 April 2020	0.80	1,096
An interim dividend 2019	15 August 2019	10 September 2019	(0.50)	(689)
Dividend payment during the year 2020			0.30	407
2019				
An interim dividend 2019	15 August 2019	10 September 2019	0.50	689
Annual dividend 2018	11 April 2019	24 April 2019	1.35	1,858
An interim dividend 2018	24 August 2018	19 September 2018	(0.85)	(1,170)
Dividend payment during the year 2019			1.00	1,377

37 Financial instruments

(a) 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. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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Consolidated 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
<i>At 31 December 2020</i>									
Financial assets									
Equity and debts instruments	-	90	1,369	3	1,462	192	-	1,271	1,463
Other non-marketable equity instruments	-	-	234	-	234	-	-	234	234
Loan to (fixed interest rate)	-	-	-	1,266	1,266	-	1,437	-	1,437
Derivatives assets	-	56	-	-	56	-	56	-	56
Financial liabilities									
Loans from financial institutions (fixed interest rate)	-	-	-	2,571	2,571	-	2,720	-	2,720
Debentures	-	-	-	25,980	25,980	-	26,925	-	26,925
Derivatives liabilities	114	158	-	-	272	-	272	-	272

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
<i>At 31 December 2020</i>									
Financial assets									
Equity and debts instruments	-	-	-	3	3	-	-	3	3
Other non-marketable equity instruments	-	-	234	-	234	-	-	234	234
Loan to (fixed interest rate)	-	-	-	4,939	4,939	-	4,132	-	4,132
Derivatives assets	-	56	-	-	56	-	56	-	56
Financial liabilities									
Loans from financial institutions (fixed interest rate)	-	-	-	1,501	1,501	-	1,582	-	1,582
Debentures	-	-	-	25,980	25,980	-	26,925	-	26,925
Derivatives liabilities	-	158	-	-	158	-	158	-	158

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	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
<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			
		Level 1	Level 2	Level 3	Total
<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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(b) Movement of marketable equity securities

<i>Marketable equity securities</i>	Consolidated financial statements					
	At 1 January	Purchase	Disposal <i>(in million Baht)</i>	Fair value adjustment	Effect of change in exchange rate	At 31 Decemb er
2020						
Non-current financial assets						
Equity securities measured at - FVOCI	1,349	-	(1,131)	(69)	43	192
2019						
Other long-term investments						
Available-for-sale securities	1,432	17	(2)	5	(103)	1,349

During the year ended 31 December 2020, a subsidiary had sold most of its investment in Lithium Americas Corp. The objective is to comply with the Company's investment policy and to increase liquidity. The subsidiary recognised gain from sales of investment in equity instruments designated at fair value through other comprehensive income amounted to Baht 3,142 million in equity.

(c) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans to related parties of the Group.

(c.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

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The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets.

<i>At 31 December 2020</i>	Consolidated financial statements		Separate financial statements	
	Trade accounts receivables	Allowance for expected credit loss (in million Baht)	Trade accounts receivables	Allowance for expected credit loss
Within credit terms	4,365	5	2,351	-
Overdue:				
Less than 3 months	508	2	59	-
3-6 months	39	11	-	-
6-12 months	887	876	870	869
Over 12 months	40	25	20	14
Total	5,839	919	3,300	883
<i>Less allowance for expected credit loss</i>	<i>(919)</i>		<i>(883)</i>	
Net	4,920		2,417	

Loss rates are based on actual credit loss experience over the past 1 year. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

During the year ended 31 December 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.

<i>At 31 December 2019</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
Trade accounts receivables		
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
<i>Less allowance for doubtful accounts</i>	<i>)14(</i>	<i>)14(</i>
Net	9,038	6,674

The normal credit term granted by the Group ranges from 5 days to 105 days.

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<i>Movement of allowance for expected credit loss of trade accounts receivables and contract assets</i>	<i>Note</i>	Consolidated financial statements <i>(in million Baht)</i>	Separate financial statements
At 1 January 2020 – restated	3	51	29
Addition		895	890
Reversal		(2)	-
Effect of change in exchange rates		(25)	(25)
At 31 December 2020		919	894

(c.1.2) Loans to related parties and accrued interest.

The following table presents the exposure to credit risk for loans to related parties and accrued interest at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

<i>Movement of allowance for expected credit loss</i>	12-months ECL (Stage 1)	Lifetime ECL- not credit-impaired (Stage 2)	Lifetime ECL- credit-impaired (Stage 3)	Total
	<i>(in million Baht)</i>			
Consolidated financial statements				
<i>Loans to related parties and accrued interest</i>				
At 1 January 2020 – restated (<i>see note 3(a.2)</i>)	-	10	-	10
Net remeasurement of loss allowance	-	(10)	-	(10)
New financial assets acquired	-	8	-	8
Effect of change in exchange rates	-	(1)	-	(1)
At 31 December 2020	-	7	-	7
Separate financial statements				
<i>Loans to related parties and accrued interest</i>				
At 1 January 2020 – restated (<i>see note 3(a.2)</i>)	107	478	-	585
Net remeasurement of loss allowance	68	1,967	1,161	3,196
Transfer from Stage 1 to Stage 2	(44)	44	-	-
Transfer from Stage 2 to Stage 3	-	(478)	478	-
Financial assets repaid	(37)	-	(98)	(135)
New financial assets acquired	-	145	(130)	15
At 31 December 2020	94	2,156	1,411	3,661

(c.1.3) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions for which the Group considers to have low credit risk.

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(c.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<i>At 31 December 2020</i>	Consolidated financial statements				Total
	Carrying amount	Contractual cash flows			
		1 year or less	More than 1 years but less than 5 years <i>(in million Baht)</i>	More than 5 years	
<i>Non-derivative financial liabilities</i>					
Trade payables	9,108	9,108	-	-	9,108
Contingent consideration	150	-	150	-	150
Loans from financial institutions	37,264	6,510	24,178	7,321	38,009
Lease liabilities	7,898	1,510	3,800	3,944	9,254
Debentures	25,980	2,500	8,500	15,000	26,000
	80,400	19,628	36,628	26,265	82,521
<i>Derivative financial liabilities</i>					
Interest rate swaps					
- Cash outflow	)103(	)68(	)172(	)88(	)328(
- Cash inflow	-	31	92	57	180
Cross currency swaps					
- Cash outflow	)10(	)50(	)133(	)140(	)323(
- Cash inflow	-	48	128	135	311
Forward exchange contracts					
- Cash outflow	)2(	)50(	-	-	)50(
- Cash inflow	-	41	-	-	41
Crude and product oil price hedging contract					
- Cash outflow)156()149()55(-)204(
- Cash inflow	-	6	-	-	6
)272()191()140()36()367(

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<i>At 31 December 2020</i>	Separate financial statements				Total
	Carrying amount	1 year or less	More than 1 year but less than 5 years	More than 5 years	
	Contractual cash flows				
	More than 1 year but less than 5 years				
	(in million Baht)				
Non-derivative financial liabilities					
Trade payables	6,800	6,800	-	-	6,800
Loans from financial institutions	5,759	425	5,342	-	5,767
Lease liabilities	7,191	1,452	3,271	3,688	8,411
Debentures	25,980	2,500	8,500	15,000	26,000
	45,730	11,177	17,113	18,688	46,978
Derivative financial liabilities					
Forward exchange contracts					
- Cash outflow	(2)	(8)	-	-	(8)
- Cash inflow	-	-	-	-	-
Crude and product oil price hedging contract					
- Cash outflow	(156)	(149)	(55)	-	(204)
- Cash inflow	-	6	-	-	6
	(158)	(151)	(55)	-	(206)

	Effective interest rate	Consolidated financial statements			Total
		Maturity period			
	(% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	
At 31 December 2019					
Financial Assets					
Non-current					
Loans receivable - related parties	4.5 - 8.0	-	1,036	-	1,036
Total		-	1,036	-	1,036
Financial Liabilities					
Current					
Loans payable - financial institutions	1.3 - 5.3	7,249	-	-	7,249
Debenture	2.1	3,000	-	-	3,000
Non-current					
Loans payable - financial institutions	1.3 - 5.3	-	17,851	1,956	19,807
Debenture	2.9 - 5.4	-	7,396	10,589	17,985
Total		10,249	25,247	12,545	48,041

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	Effective interest rate (% per annum)	Separate financial statements Maturity period			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
At 31 December 2019					
Financial Assets					
Non-current					
Loans receivable - Related parties	0.5 - 4.5	-	5,791	-	5,791
Total		<u>-</u>	<u>5,791</u>	<u>-</u>	<u>5,791</u>
Financial Liabilities					
Current					
Loans payable - Financial institutions	4.2 - 4.4	375	-	-	375
Debenture	2.1	3,000	-	-	3,000
Non-current					
Loans payable - Financial institutions	4.2 - 4.4	-	2,339	-	2,339
Debenture	3.0 - 5.4	-	7,396	10,589	17,985
Total		<u>3,375</u>	<u>9,735</u>	<u>10,589</u>	<u>23,699</u>

The cash inflows and cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

(c.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(c.3.1) Foreign currency risk

The Group is exposed to the transactions with foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, lendings and borrowings are denominated and the respective functional currencies of the Group. The functional currencies of the Group are primarily Thai Baht. The currencies in which these transactions are primarily denominated are US Dollars and Japanese Yen.

The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases of equipments, denominated in foreign currencies. These contracts are not designated as cash flow hedges. The Group's policy specifies the critical terms of the forward exchange contracts to align with the hedged item.

The Group primarily utilises cross currency swap contracts to hedge such financial liabilities denominated in foreign currencies. The cross currency swap contracts entered into at the reporting date also relate to borrowings denominated in foreign currencies. These contracts are designated as cash flow hedges.

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The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

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<i>Exposure to foreign currency at 31 December 2020</i>	Consolidated financial statements				Separate financial statements			
	United states Dollars	Japanese Yen	Laos Kip	Total	United states Dollars	Krone Norway	Australian Dollars	Total
				<i>(in million Baht)</i>				
Cash and cash equivalents	2,375	22	132	2,529	973	-	-	973
Trade and other receivables	336	-	-	336	344	-	-	344
Loan to related parties	248	-	-	248	-	1,033	-	1,033
Interest-bearing liabilities	)6,097(	)6,158(	-	)12,255(	)2,416(	-	-	)2,416(
Trade and other payables	)500(	)1(	)4(	)505(	)3,899(	-	)21(	)3,920(
Net statement of financial position exposure	)3,638(	)6,137(	128	)9,647(	)4,998(	1,033	)21(	)3,986(
Loans from financial institution designated as net investment hedge	-	978	-	978	-	-	-	-
Currency swaps contracts	287	-	-	287	-	-	-	-
Forward exchange purchase contracts	2,010	-	-	2,010	1,968	-	-	1,968
Forward exchange sell contracts)252(-	-)252()252(-	-)252(
Net exposure)1,593()5,159(128)6,624()3,282(1,033)21()2,270(

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the Thai Baht against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Consolidated financial statements					
<i>At 31 December 2020</i>	Movement (%)	Profit or loss before tax		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
		<i>(in thousand Baht)</i>			
USD	5	134	(134)	-	-
JPY	2	(13)	13	-	-
NOK	5	(159)	159	-	-

Separate financial statement					
<i>At 31 December 2020</i>	Movement (%)	Profit or loss before tax		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
		<i>(in thousand Baht)</i>			
USD	5	250	(250)	-	-
NOK	5	(159)	159	-	-

(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly float. The Group mitigates this risk by using interest rate swaps, to manage exposure to fluctuations in interest rates on specific borrowings.

The Group adopts a hedging policy to ensure that interest rate risk exposure is at an appropriate level. This is achieved partly by entering fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates.

The Group determines the existence of a relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty's and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

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	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Exposure to interest rate risk at 31 December 2020</i>		
<i>Financial instruments with fixed interest rates</i>		
Financial assets	1,255	1,584
Financial liabilities	(28,551)	(27,481)
	<u>(27,296)</u>	<u>(25,897)</u>
<i>Financial instruments with variable interest rates</i>		
Financial liabilities	(34,693)	(4,258)
Interest rate swaps	2,890	-
	<u>(31,803)</u>	<u>(4,258)</u>

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 0.25 % in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Consolidated financial statements		Separate financial statements	
	Profit or loss		Profit or loss	
	0.25% increase in interest rate	0.25% decrease in interest rate	0.25% increase in interest rate	0.25% decrease in interest rate
<i>At 31 December 2020</i>				
Financial instruments with variable interest rate	(51)	51	7	(7)
Cash flow sensitivity (net)	<u>(51)</u>	<u>51</u>	<u>7</u>	<u>(7)</u>

(in million Baht)

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(c.4) Cash flow hedges

At 31 December 2020, the Group held the following financial instruments to hedge exposures to changes in foreign currency and interest rates.

	Consolidated financial statements		
	Maturity		
<i>At 31 December 2020</i>	Less than 1 year	1 - 5 years	More than 5 years
Foreign currency risk			
<i>Cross currency swaps</i>			
Net exposure (in million Baht)	48	128	135
Average THB:USD forward contracts rate	29.60	29.74	30.34
<i>Forward exchange contracts</i>			
Net exposure (in million Baht)	41	-	-
Average THB:USD forward contracts rate	30.29	-	-
Interest rate risk			
<i>Interest rate swaps</i>			
Net exposure (in million Baht)	31	92	57
Average fixed interest rate (%)	2.74	2.76	3.02

At 31 December 2020, cash flow hedge reserve in consolidated financial statement relating to foreign currency risk from loans from financial institution denominated in foreign currencies and interest rate risk from loans from financial institutions with variable interest rate are amounted to Baht 4 million and Baht 38 million, respectively.

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

	Consolidated financial statements (in million Baht)
Foreign currency risk	
<i>At 31 December 2020</i>	
Cross currency swaps – nominal amount	287
Carrying amount included in:	
- other current financial liabilities	1
- other non-current financial liabilities	9
Forward exchange contracts – nominal amount	41
Carrying amount included in:	
- other current financial liabilities	-
For the year ended 31 December 2020	
<i>Recognised in OCI</i>	
- changes in value of the hedging instrument	4
Interest rate risk	
<i>At 31 December 2020</i>	
Interest rate swaps – nominal amount	180
Carrying amount included in:	
- other current financial liabilities	25
- other non-current financial liabilities	78

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Recognised in OCI

- changes in value of the hedging instrument (38)

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

**Consolidated
financial statements**
(in million Baht)

Balance at 1 January 2020	(80)
Cash flow hedges	
Changes in fair value:	
Foreign currency risk - Loans from financial institutions	4
Interest rate risk - Loans from financial institutions	(38)
Balance at 31 December 2020	(114)

(c.5) Net investment hedges

A foreign currency exposure arises from the Group's net investment in its Japanese subsidiary that has a Japanese Yen functional currency. The risk arises from the fluctuation in spot exchange rates between the Japanese Yen and the Thai Baht, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening Japanese Yen against the Thai Baht that will result in a reduction in the carrying amount of the Group's net investment in the Japanese subsidiary.

The Group's net investment in its Japanese subsidiary is hedged by a Japanese Yen-denominated loans from financial institutions, which mitigates the foreign currency risk arising from the subsidiary's net assets. The loan is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the THB/JPY spot rate.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal.

At 31 December 2020, foreign currency translation reserve related to Japanese Yen are amounted to Baht 52 million. Net investment risk from foreign exchange - denominated debt (JPY) - nominal amount are amounted to Baht 1,017 million and changes in value of the hedging instrument recognised in OCI for the year ended 31 December 2020 are amounted to Baht 52 million.

Capital Management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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38 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Capital commitment				
Construction projects	4,090	1,521	391	1,091
Total	4,090	1,521	391	1,091
Other commitment				
Bank guarantees	150	121	68	28
Total	150	121	68	28
Future minimum lease payments under non-cancellable operating leases At 31 December 2019			Consolidated financial statements	Separate financial statements
			<i>(in million Baht)</i>	
Within one year			1,113	1,089
After one year but within five years			2,832	2,719
After five years			3,490	3,285
Total			7,435	7,093

39 Contingent liabilities and contingent assets

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

40 Events after the reporting period

As disclosed in note 5, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020. The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

At the Board of Directors' meeting held on 18 February 2021, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2020 dividend payment at the rate of Baht 0.40 per share to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 8 April 2021.

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At the Board of Directors' meeting of the subsidiary held on 17 February 2021, the Board of subsidiary approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2021 dividend payment at the rate of Baht 0.33 per share, of which Baht 0.16 per share the subsidiary was paid as an interim dividend. Thus, the remaining dividend will be at the rate of Baht 0.17 per share payable to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 7 April 2021.