



บริษัท บางจาก คอร์ปอเรชั่น จำกัด (มหาชน)
สำนักงานใหญ่ : 2098 อาคารเอ็ม ทาวเวอร์ ชั้นที่ 8
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- TRANSLATION -

10000/087/2017

August 10, 2017

Subject : Submission of Reviewed Financial Statements and Performance Explanation for the three-month period and the six-month period ended June 30, 2017
Attention : President of The Stock Exchange of Thailand
Attachment: A copy of reviewed financial statements of Bangchak Corporation Public Company Limited and its subsidiaries Explanation for the three-month period and the six-month period ended June 30, 2017 with a copy of English translation

Bangchak Corporation Public Company Limited ("the Company") is pleased to submit financial statements and consolidated financial statements for the three-month period and the six-month period ended June 30, 2017 which has been reviewed by the Company's Auditor and the Audit Committee, details of which are as per attachment. The Company's performance is summarized as follows;

- 1) For the six-month period ended June 30, 2017, the Consolidated Financial Statements recorded revenue from sale of goods and rendering of services of THB 86,823 million, with Net Profit of THB 3,344 million. A share of profit from non-controlling interests of Baht 267 million, the remaining net profit to equity holders of the Company was Baht 3,076 million (EPS 2.23 Baht.)
- 2) For the three-month period ended June 30, 2017, the Consolidated Financial Statements recorded revenue from sale of goods and rendering of services of Baht 42,828 million and a net profit of Baht 1,145 million. A share of profit from non-controlling interests of Baht 153 million, the remaining net profit to equity holders of the Company was Baht 993 million (EPS 0.72 Baht.)

The company and its subsidiaries recorded total EBITDA of THB 2,514 million, the softening performance, especially for Refinery Business, which was affected by the constantly lowering crude price throughout the quarter, leading to an inventory loss. However, despite the refinery Hydrogen Production Unit and Hydrocracking Unit temporary shutdown, average production rate remains high at 114.02 KBD. Marketing Business was able to increase market share and maintain its 2nd position in the market. Power Plant Business realized additional profit from the Solar and Wind Power Plant Projects. As for Biofuel Business, performance declined from crude palm oil price drop. Aside from this, the company realized foreign exchange gain THB 160 million from THB appreciation and received income tax return from 2007 as revenue of THB 226 million.

Company's performance of each business is summarized as follows;

- **Refinery Business** recorded an EBITDA of THB 916 million. Refinery business recorded an average crude run at 114.02 KBD, the exceptionally high gross refinery margin in April was the support which pushed the refinery crude run to a high level, although the Hydrogen Production Unit and Hydrocracking Unit underwent temporarily shut down between May and June. As for this quarter, the gross refinery margin was 6.38 USD/BBL (+0.11 USD/BBL YoY, -0.69 USD/BBL QoQ), even though the refinery margin was adversely affected by the maintenance in mid quarter, as it was benefited from the narrowing Dated Brent and Dubai crude spread (DTD/DB) crack spread, and the improvement of Fuel Oil and Dubai crude (FO/DB) spread. However, due to the average crude price drop in this quarter, there was an inventory loss of THB 1,010 million.
- **Marketing Business** recorded an EBITDA of THB 669 million, Marketing business sales volume was 1,504 million liters, especially increase in the retail market due to the business's policy to mainly focus on service station throughput, and from the expansion of service stations. Also, within this quarter, diesel product sold to the agriculture sector increased. Aside from this, the company launched the Hi Premium Diesel S, an innovative premium quality diesel in response to consumers with needs for high quality diesel fuel. Overall, the company was able to increase its market share and maintain its 2nd position in the market consistently. Marketing margin was at 0.83 THB/Litre. Aside from the aforementioned, the marketing business has higher promotional expenses and expenses for the expansion of Non-oil businesses.
- **Solar Power Business** which is currently under BCPG PCL, a subsidiary of the company, recorded an EBITDA THB Baht 789 million, and a revenue of THB 890 million, an increase from the previous year due to the gradual commencement of Solar Power Plants both in Thailand and Japan. Electricity sales in this quarter was 82.48 million kWh. In Thailand, the electricity sales increased from the commencement of the Solar Co-op projects, while average irradiated hours maintained the same level as the previous year. In Japan, electricity sales increased from the commencement of the Nikaho and Nagi project, and increase in average irradiated hours. Aside from this, the Power Plant business realized a share of profit from Wind Power Plant business in the Philippines, and recorded other income from reversal of provisions from SunEdison acquisition in Japan in 2016.
- **Bio-Based Products Business** recorded an EBITDA of THB 59 million, comprised of EBITDA from Biodiesel Business of Baht 8 million, EBITDA from Bangchak Bioethanol (Chachoengsao) Co., Ltd. of THB 41 million, and share of profit from Ubon Bio Ethanol Co, Ltd of THB 9 million. Bio-Based Products business recorded a revenue of THB 1,874 million, attributed to the Biofuel Business THB 1,662 million and the Fuel Ethanol Business THB 213 million. The Biofuel Business revenue soften due to a decline in average B100 product selling price; a result of the crude palm oil price drop. Sales volume rose from the previous quarter, from the government's policy to increase B100 portion in Diesel product from 5% to 7%, leading to an increase of the Biofuel Business average production rate to 669 thousand litres per day. However, the with the crude palm oil price consistently declining, the business recorded an Inventory Loss of THB 80

million. For Fuel Ethanol Business, Bangchak Bioethanol (Chachoengsao) Co., Ltd. underwent its yearly maintenance, resulting in its average production rate of 92 thousand litres per day, and sales volume was recorded at 8.6 million litres.

- **Exploration and Production Business** recorded an EBITDA of Baht 93 million, sales revenue of THB 387 million, total sales volume of 205,553 barrels. Selling price in this quarter declined, following the decreasing crude price.

- 1) As of June 30, 2017, total Assets of the Company and its subsidiaries were THB 96,470 million, decreased by THB 5,313 million compared to the end of 2016. Total Liabilities of the Company and its subsidiaries were THB 50,900 million, decreased by THB 6,974 million. The Consolidated financial statement reported total equity of THB 45,569 million. Total equity attributable to owners of the Company was THB 41,174 million, increased by THB 1,631 million. The Consolidated financial statement reported a book value of THB 29.90 per share.

The Company, a listed company in the Stock Exchange of Thailand, has concentrated on transparent business operation harmonious with the good corporate governance practice. So as to enable investors to better understand the Company's financial status and business operations-apart from the sole financial data in financial statements, as well as to adequately access information for decision in a security investment so the Company herewith conducts Management's Discussion and Analysis of Business Operations for the three-month period and the six-month period ended June 30, 2017.

Please be informed accordingly.

Yours sincerely,

- Signed -

(Mr. Chaiwat Kovavisarach)

President and Chief Executive Officer

Investor Relations Division

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