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| **1 General information** |

Star Petroleum Refining Public Company Limited (the Company) is a public limited Company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

No.1, I-3B Road, Tambol Map Ta Phut (Subdistrict), Amphur Muang Rayong (District), Rayong Province 21150.

The Company operates a petroleum refinery in the Rayong Province of Thailand.

These financial statements were authorized for issue by the Board of Directors on 22 February 2022.

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| **2 Significant events during the current period** |

Coronavirus outbreak 2019

The Coronavirus outbreak (“COVID-19 Disease”) has resulted in lower global and local energy demand impacting the Company’s operating results for year ended 31 December 2021.

The spread of the COVID-19 Disease which still carries over to 2021, has resulted in the demand for petroleum products in 2021 to be at low level which is similar to that of 2020. However, the oil price has recovered since beginning of 2021 and resulted to the increase in revenue from sales in 2021 by US Dollar 1,150 million or Baht 40,732 million, equivalent to 28% compared with that of 2020.

In response to the unprecedented global impacts of the COVID-19 Disease, the Company has developed and executed robust Business Continuity Plans that comply to all regulations. The Company continues to assess the impact to the operation and to take proactive remediation to minimize any impacts.

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| **3 Accounting policies** |

The principal accounting policies applied in the preparation of these financial statements are set out below:

**3.1 Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) and the financial reporting requirements issued under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except for certain accounts   
as disclosed in the accounting policies below.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 6.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

**3.2 Amended financial reporting standards**

3.2.1 Amended financial reporting standards that are effective for accounting period beginning on or after   
1 January 2021 which are relevant to the Company and the management has assessed that the impacts to the Company were not significant.

1. Revised Conceptual Framework for Financial Reporting added the following key principals and guidance.

* Measurement basis, including factors in considering difference measurement basis
* Presentation and disclosure, including classification of income and expenses in other comprehensive income
* Definition of a reporting entity, which maybe a legal entity, or a portion of an entity, or comprise of more than one entity which do not have to be a legal entity
* Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability and basis of netting assets and liabilities in the financial statements and clarification to the prominence of management’s stewardship, prudence and uncertainty of measurement in financial reporting.

1. Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified the usage of materiality incorporates in TAS 1.

3.2.2 Amended financial reporting standard that are effective for accounting period beginning on or after 1 January 2022. The Company has not yet adopted this standard.

Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

* when changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.

TFRS 7 requires additional disclosure about:

* the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
* how the entity manages those risks
* the entity’s progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

**3.3 Foreign currency translation**

3.3.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Company’s management has determined that US Dollar is the Company’s functional currency. However, the Company is required to present its financial statements in Baht (the presentation currency) to comply with the regulation of the Department of Business Development, the Company’s financial statements are presented by translating from US Dollar to Baht using the method described in Note 3.3.3.

3.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in the other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit and loss, any exchange component of that gain or loss is recognized in the profit and loss.

3.3.3 Translation to presentation currency

The results and financial position that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

* Assets and liabilities in statement of financial position presented are translated at the closing rate at the date of that statement of financial position
* Income and expenses in statement of comprehensive income are translated at average exchange rates, and
* All resulting exchange differences are recognized as a separate component of equity.

**3.4 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, and short-term highly liquid investments with maturities of three months or less from the date of acquisition.

**3.5 Trade receivables**

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost.

The impairment consideration of trade receivables is disclosed in Note 3.7.4.

**3.6 Inventories**

Inventories are stated at the lower of cost or net realizable value.

Cost of inventories is determined by the weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials costs, direct labour costs, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

**3.7** **Financial assets**

3.7.1 Classification

The Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI), as follows:

* those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
* those to be measured at amortized cost.

The Company reclassifies debt investments only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

3.7.2 Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

3.7.3 Measurement

On initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

3.7.4 Impairment

The Company assesses the expected credit loss associated with its debt instruments carried at amortized cost on a forward looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach to recognize impairment loss from expected credit loss, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

To measure the expected credit losses, the Company grouped trade receivables and contract assets based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The management has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the historical payment profiles of sales, the corresponding historical credit losses experienced as well as forward-looking information that may affect the ability of the customers to settle the receivables.

**3.8** **Property, plant and equipment**

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount, only when it is probable that the capitalized cost has future economic benefit. The carrying amount of the replaced part is derecognized.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Buildings 20 - 50 years

Refinery plant and machinery 5 - 33 years

Furniture, fixtures and equipment 5 - 25 years

The asset’s residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on property, plant, and equipment disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

**3.9 Intangible asset - Computer software**

*Acquisition of Computer software*

The acquired computer software is stated at cost and amortized over their useful lives, which does not exceed 10 years.

Cost associated with maintaining computer software are recognized as an expense as incurred.

**3.10 Impairment of assets**

The Company assesses the impairment of assets whenever there are events or situation which are the impairment indication. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use.

**3.11 Leases - where the Company is a lessee**

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

* fixed payments (including in-substance fixed payments), less any lease incentives receivable
* variable lease payment that are based on an index or a rate
* amounts expected to be paid by the lessee under residual value guarantees
* the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
* payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that termination.

Lease payments to be made under extension period are also included in the measurement of the liability if the Company has reasonable certainty on extension option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

* the amount of the initial measurement of lease liability
* any lease payments made at or before the commencement date less any lease incentives received
* any initial direct costs, and
* restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

**3.12 Financial liabilities**

3.12.1 Classification

Borrowings are classified as current liabilities if the Company has no unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.12.2 Measurement

Financial liabilities are initially recognized at fair value and are subsequently measured at amortized cost.

3.12.3 Derecognition and modification

Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are modified, the Company assesses whether the results are in the derecognition of that financial liability. Where the results in an extinguishment, the new financial liability is recognized based on fair value of its obligation. The remaining carrying amount of financial liability is derecognized. The difference is recognized in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the modified contractual cash flows discounted at its original effective interest rate. The difference is recognized in profit or loss.

**3.13 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take time to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

**3.14 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

3.14.1 Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3.14.2 Deferred income tax

Deferred income tax is recognized on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognized for temporary differences arise from:

* initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognized
* investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is calculated using tax rates that currently have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**3.15 Accounting for employee benefit**

3.15.1 Defined contribution plan - provident fund

The Company pays contributions to provident fund in accordance with the Provident Fund Act B.E. 2530. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

3.15.2 Defined benefit plan - retirement benefit

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee’s latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds at the same currency of the expected cash flow and term of maturity approximating the terms of payment from the retirement benefit plan.

Remeasurement gains and losses are recognized directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity.

Past-service costs are recognized immediately in profit or loss.

**3.16 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognized as finance costs.

**3.17 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of petroleum products and service in the ordinary course of the Company’s activities. Revenue is shown net of value-added tax, return, rebates and discounts. Revenue from sale of petroleum products is recognized when customers have physical possession of products which usually coincides with the title passing to the customers. The Company satisfied its performance obligation at a point in time, which is generally at the time of ship loading, truck loading, or on the products entering the pipeline (meter reading).

Other income and interest received are recognized as income on the accrual basis unless collectability is in doubt.

**3.18 Government Grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the compensation of costs are deferred and recognized in profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grant amount is separately presented from revenue from sales.

**3.19 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

**3.20 Share Capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

**3.21 Dividend distribution**

Dividend distribution to the Company’s shareholders is recognized as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

**3.22 Derivatives**

Derivatives that do not qualify for hedge accounting is initially recognized at fair value. Changes in the fair value are included in profit or loss.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

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| **4 Financial risk management** |

The Company’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company’s financial performance.

**4.1 Financial risk factor**

**4.1.1 Market risk**

1. Foreign exchange risk

The Company’s major business comprises of certain revenue and expenditures which are mostly denominated in US dollars. Considering this, the Company has determined the US dollar as its functional currency. Foreign exchange risks occur when the Company has transactions in currencies other than its functional currency.

Generally, to cover this exchange risk, the Company doesn’t enter into any foreign currency forward contract because a substantial portion of the Company’s costs and expenses are directly linked to or denominated in US dollars. However, the Company is exposed to value fluctuations of the US dollar against Baht on account of cash received from product sales, employee-related expenses and other costs denominated in Baht. US dollar depreciation against Baht causes the Baht-denominated costs to increase in US dollars, which has a negative effect on US dollar-denominated results of operations. Also, an increase in the US dollar value against Baht may also impact the Company’s incurred cost when converting the Baht from petroleum product sales into the US dollars required to pay for crude oil and imported feedstock.

The Company borrows both US dollars and foreign currencies from financial institutions to support operations. For Japanese Yen long-term borrowing, which is equivalent to 50% of total borrowings as at 31 December 2021 (as at 31 December 2020: 44% of total borrowings), the Company has entered into a cross-currency and interest rate swap contract to hedge the risks and obligations of future exchange rates.

The Company manages foreign exchange risk on financial assets and liabilities denominated in currencies other than its functional currency by structuring and balancing the nature of assets, liabilities and shareholders’ equity. In addition, the Company considers using financial instruments for hedging to manage foreign exchange risk, also considering the appropriate costs, outcomes and risks at each timeframe.

The Company has not adopted hedge accounting.

*Exposure*

The Company’s exposure to foreign currencies other than the functional currency at 31 December:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| **Financial assets** |  |  |  |  |
| Cash and cash equivalents | 87,660,208 | 54,121,386 | 2,944,760,616 | 1,634,833,897 |
| Trade and other receivables | 361,722,581 | 254,221,029 | 12,151,309,333 | 7,679,203,793 |
| **Financial liabilities** |  |  |  |  |
| Trade and other payables | 135,577,957 | 72,557,500 | 4,554,456,752 | 2,191,729,882 |

*Sensitivity*

The Company is primarily exposed to changes in exchange rates from US dollars to Baht. These changes cause monetary assets and liabilities denominated in currencies other than the functional currency to fluctuate along with the Company’s net profit before tax. Given the change in the foreign exchange rate at 31 December, the impact to the Company’s net profit before tax will be as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Impact to net profit before tax** | | | |
|  | **2021** | | **2020** | |
|  | **Unit:**  **US Dollar** | **Unit: Baht** | **Unit:**  **US Dollar** | **Unit: Baht** |
|  |  |  |  |  |
| US Dollar 5% appreciation against Baht | (14,943,120) | (501,982,724) | (11,227,852) | (339,157,477) |
|  |  |  |  |  |
| US Dollar 5% depreciation against Baht | 16,516,008 | 554,820,604 | 12,409,734 | 374,858,343 |

1. Interest rate risk

*Exposure*

The Company is exposed to variable interest rate risks on its borrowings and on its cross-currency and interest rate swap contract.

As at 31 December 2021, all the Company’s borrowings bear variable interest rates and are presented at amortized cost. The Company entered into a cross-currency and interest rate swap contract for 50% of total borrowings (as at 31 December 2020: 44% of total borrowings). The maturity analysis of these borrowings is disclosed in Note 4.1.3.

The Company has not adopted hedge accounting.

*Sensitivity*

Profit or loss is sensitive to higher or lower interest expenses from borrowings as a result of interest rates changes. These interest rate changes are referred from the market interest rate forecast for the next 3 years and aligned with the maturity periods of the Company’s borrowings and its cross-currency and interest rate swap contract.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Impact to net profit before tax** | | | |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **2021** | **2020** | **2021** | **2020** |
| Interest rate - increase 1.49%  (2020: increase 0.44%)\* | 3,030,566 | 2,534,948 | 101,805,494 | 76,572,680 |
| Interest rate - decrease 0.10%  (2020: decrease 0.02%)\* | (199,640) | (132,439) | (6,706,502) | (4,000,554) |

\* Holding all other variables constant

1. Price risk

The changes in crude oil and petroleum products’ market prices have directly impacted the Company’s raw material costs and petroleum products’ selling prices, including the refinery’s margins. These changes primarily result from supply and demand, which are outside of the Company’s control. The Company focusses on what it can control, which are the refinery’s reliability and production efficiency and the efficiency of its crude oil sourcing from various areas.

At the end of the reporting period, the Company’s raw material costs and petroleum products’ selling price were firm at the final price. Thus, the Company has relatively low risk resulting from changes in crude price that could impact the outstanding balance of trade receivables and trade payables related to the raw material cost and petroleum product’s selling price.

**4.1.2 Credit risk**

The Company has no significant credit risk because the majority of its total sales is to related companies who have reputable and strong financial positions. Apart from these, sales are made to other customers with appropriate credit histories. Financial transactions are limited to high credit quality financial institutions.

1. Risk management

The Company manages risk by performing risk control assessments. It assesses customers’ credit quality, taking into account their financial position, past experience and other factors. The Company also regularly monitors the customers’ compliance with credit limits.

1. Impairment of financial assets

The Company’s financial assets comprise cash and cash equivalents, trade and other receivables and other current assets. These are subject to the expected credit loss model, which is done by applying the TFRS 9 simplified approach to measure expected credit losses using a lifetime-expected loss allowance for those financial assets. The result of the assessment shows that the identified impairment loss was immaterial.

**4.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period, the Company held deposits at call (refer to Note 8) and trade and other receivables within 12 months (refer to Note 9) which are expected to readily generate cash inflows to manage liquidity risk. The Company maintains funding flexibility by maintaining availability under committed credit lines.

#### *Maturity of financial liabilities*

The tables below analyze the maturity of financial liability groupings based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances because the impact of discounting is insignificant. For the cross-currency and interest rate swap contract, cash flows have been estimated using the forward interest rates applicable at the end of the reporting period.

Most of the gross settled balance of the cross-currency and interest rate swap contract is due within   
2 years, with cash inflows of US Dollar 121,284,450, equivalent to Baht 4,074,296,397 and cash outflows of US Dollar 130,409,791, equivalent to Baht 4,380,843,048 (as at 31 December 2020: Most of the gross settled balance of the cross-currency and interest rate swap contract is due within 3 years, with cash inflows of US Dollar 152,382,658, equivalent to Baht 4,603,006,973 and cash outflows of US Dollar 147,786,872, equivalent to Baht 4,464,168,489).

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Unit: US Dollar** | | |
| **Contractual maturities of financial liabilities**  **As at 31 December 2021** | **Within 1 year** | **1 - 3 years** | **Total** |
|  |  |  |  |
| Trade and other payables | 414,424,826 | - | 414,424,826 |
| Other current liabilities | 180,944 | - | 180,944 |
| Borrowings from financial institutions floating rate |  |  |  |
| - Principal | 139,307,275 | 100,438,964 | 239,746,239 |
| - Interest expense | 4,037,242 | 900,777 | 4,938,019 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Unit: US Dollar** | | |
| **Contractual maturities of financial liabilities**  **As at 31 December 2020** | **Within 1 year** | **1 - 3 years** | **Total** |
|  |  |  |  |
| Trade and other payables | 251,494,633 | - | 251,494,633 |
| Other current liabilities | 86,770 | - | 86,770 |
| Borrowings from financial institutions floating rate |  |  |  |
| - Principal | 45,673,307 | 293,223,106 | 338,896,413 |
| - Interest expense | 6,284,562 | 6,009,594 | 12,294,156 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Unit: Baht** | | |
| **Contractual maturities of financial liabilities**  **As at 31 December 2021** | **Within 1 year** | **1 - 3 years** | **Total** |
|  |  |  |  |
| Trade and other payables | 13,921,731,745 | - | 13,921,731,745 |
| Other current liabilities | 6,078,420 | - | 6,078,420 |
| Borrowings from financial institutions floating rate |  |  |  |
| - Principal | 4,679,743,764 | 3,374,048,091 | 8,053,791,855 |
| - Interest expense | 135,622,667 | 30,259,712 | 165,882,379 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Unit: Baht** | | |
| **Contractual maturities of financial liabilities**  **As at 31 December 2020** | **Within 1 year** | **1 - 3 years** | **Total** |
|  |  |  |  |
| Trade and other payables | 7,596,848,078 | - | 7,596,848,078 |
| Other current liabilities | 2,621,031 | - | 2,621,031 |
| Borrowings from financial institutions floating rate |  |  |  |
| - Principal | 1,379,645,927 | 8,857,344,378 | 10,236,990,305 |
| - Interest expense | 189,836,507 | 181,530,604 | 371,367,111 |

Management monitors rolling forecasts of the Company’s liquidity reserve (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company’s liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining financing plans.

#### *Financing arrangements*

The Company has access to the following undrawn credit facilities as at 31 December:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **2021** | **2020** | **2021** | **2020** |
| **Floating rate** |  |  |  |  |
| Expiring within one year |  |  |  |  |
| - Bank loan | 190,000,000 | 150,000,000 | 6,382,651,000 | 4,531,020,000 |

**4.2 Capital Management**

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

#### *Loan covenants*

Under the terms of certain borrowing facilities, the Company must comply with the following financial covenants:

* maintain a debt to equity ratio of not more than 100%, and
* maintain Chevron Corporation’s ownership of the Company, directly and indirectly, with at least 50% of the Company’s shares when the ratio of debt to equity is more than 50%.

The Company has complied with these covenants throughout the reporting period. As at 31 December 2021, the ratio of debt to equity was 71% (as at 31 December 2020: 76%). The major shareholder of the Company is Chevron South Asia Holding Pte., Ltd., which owns 60.56% (as at 31 December 2020: 60.56%) of the Company’s shares.

|  |
| --- |
| **5 Financial assets and liabilities** |

Financial assets which comprise cash and cash equivalents and trade and other receivables and financial liabilities which comprise borrowings from financial institutions and other current liabilities are presented at amortized costs. The fair values of such financial assets and liabilities is not significantly different from the carrying amount.

As at 31 December 2021, the Company has derivative liabilities measured at fair value through profit or loss which comprise cross-currency and interest rate swap contract in amount of US Dollar 9,125,341 or equivalent to Baht 306,546,651 (as at 31 December 2020: derivative assets of US Dollar 4,595,786 or Baht 138,838,484). The valuation technique used to measure fair value is at level 2 which is determined using forward exchange rates that are quoted in an active market and forward interests extracted from observable yield curves.

The fair values of long-term borrowings from financial institutions is based on the discounted future cash flows using a discount rate based on the current lending rate as the reporting date and classified as fair value level 2.

|  |
| --- |
| **6 Critical accounting estimates and assumptions** |

Estimates, assumptions, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The result of accounting estimates will not necessarily equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follow:

**Recognition of deferred tax assets associated with tax losses carried forward**

A deferred tax asset is recognized to the extent it is probable that the tax losses carried forward will be utilized.   
Such an assessment is based upon management’s review of the forecasted financial income.

**Asset retirement obligations**

It is recognized that the Company may incur asset retirement obligations for the dismantling and site restoration costs of its manufacturing facilities. The timing and amount of cash flows is difficult to estimate as the Company has no intention to decommission the sites in the near future. Accordingly, and consistent with industry practice, no provision is recorded for asset retirement obligations as the amount cannot be measured with sufficient reliability due to the significant uncertainties involved.

|  |
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| **7 Segment information** |

The Company produces petroleum products in Thailand for both domestic and export markets, utilizing the same assets. The Company has one reportable segment which is the refinery. The chief operating decision maker reviews the internal management report which reported the performance of the Company as a whole in order to assess performance and allocate resources. The chief operating decision maker assesses the performance of the reportable segment based on a measure of revenue, cost of goods sold, gross margin and earnings before interest income and expense, tax, depreciation and amortization which are the same information as these financial statements.

The majority of the Company’s revenue came from sale of petroleum products to customers by lifting the petroleum products, which includes LPG, gasoline, jet fuel, diesel, fuel oil, asphalt, and other products to customers via vessel, truck, or pipeline and the Company satisfied its performance obligation at a point in time.

The Company derived 43% of its revenue (2020: 52%) from sales to its related parties. Refer to Note 24 for the amount of revenue from related parties.

**Geographical information**

Revenues are presented by the entity's country of domicile and foreign countries which the entity derives revenues as shown in table below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Sales: |  |  |  |  |
| - Local Sales | 4,713,180,375 | 3,778,034,795 | 151,792,555,669 | 118,434,747,039 |
| - Export Sales | 570,539,041 | 355,778,935 | 18,538,302,088 | 11,163,945,967 |
|  |  |  |  |  |
| Total Sales | 5,283,719,416 | 4,133,813,730 | 170,330,857,757 | 129,598,693,006 |

The Company only operated in Thailand, therefore geographical information of non-current asset has not been presented.

|  |
| --- |
| **8 Cash and cash equivalents** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Cash on hands | 1,488 | 1,655 | 50,000 | 50,000 |
| Deposits held at call with banks | 87,658,720 | 54,120,923 | 2,944,710,616 | 1,634,819,479 |
|  |  |  |  |  |
|  | 87,660,208 | 54,122,578 | 2,944,760,616 | 1,634,869,479 |

During 2021, the interest rates of cash at bank ranged between 0.11% and 0.30% per annum (2020: 0.13% and 0.40%   
per annum).

|  |
| --- |
| **9 Trade and other receivables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Trade receivables |  |  |  |  |
| - related parties | 131,543,695 | 120,276,543 | 4,410,415,093 | 3,631,569,667 |
| - third parties | 233,375,476 | 148,456,789 | 7,837,415,455 | 4,476,722,502 |
|  |  |  |  |  |
|  | 364,919,171 | 268,733,332 | 12,247,830,548 | 8,108,292,169 |
|  |  |  |  |  |
| Other receivables |  |  |  |  |
| - related parties | 410,297 | 603,316 | 13,648,058 | 18,026,641 |
| - Liquefied Petroleum Gas (LPG) subsidy | 20,496,417 | 5,321,204 | 688,534,097 | 160,736,553 |
| - fuel subsidy | 6,722,185 | 6,440,414 | 225,817,686 | 194,544,288 |
| - third parties | 1,291,401 | 1,092,639 | 43,381,921 | 33,005,142 |
|  |  |  |  |  |
|  | 28,920,300 | 13,457,573 | 971,381,762 | 406,312,624 |
|  |  |  |  |  |
| Trade and other receivables | 393,839,471 | 282,190,905 | 13,219,212,310 | 8,514,604,793 |

Outstanding trade receivables can be analyzed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Up to 3 months | 364,919,171 | 268,733,332 | 12,247,830,548 | 8,108,292,169 |
| 3 - 6 months | - | - | - | - |
| 6 - 12 months | - | - | - | - |
| Over 12 months | - | - | - | - |
|  |  |  |  |  |
| Total trade receivables | 364,919,171 | 268,733,332 | 12,247,830,548 | 8,108,292,169 |
| Less Loss allowance TFRS 9 | - | - | - | - |
|  |  |  |  |  |
|  | 364,919,171 | 268,733,332 | 12,247,830,548 | 8,108,292,169 |

Liquefied Petroleum Gas (LPG) subsidy and fuel subsidy are the liabilities of Thai government to the Company set by the Ministry of Energy through the Oil Fuel Fund.

As at 31 December 2021 and 2020, LPG subsidy and fuel subsidy were outstanding subsidies that the Company was compensated for the difference between the Government’s controlled price and the market reference price.

|  |
| --- |
| **10 Inventories** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Crude oil | 189,629,880 | 119,506,945 | 6,370,217,592 | 3,609,922,381 |
| Petroleum products (net with allowance) | 123,182,805 | 71,918,935 | 4,138,067,649 | 2,172,440,875 |
| Materials and supplies (net with allowance) | 23,903,115 | 22,874,170 | 802,974,945 | 690,955,494 |
|  |  |  |  |  |
|  | 336,715,800 | 214,300,050 | 11,311,260,186 | 6,473,318,750 |
| Crude oil in transit | 154,043,657 | 85,357,509 | 5,174,773,173 | 2,578,377,190 |
|  |  |  |  |  |
| Inventories, net | 490,759,457 | 299,657,559 | 16,486,033,359 | 9,051,695,940 |

According to the Ministry of Energy, the Company is required to maintain a minimum oil reserve of 4% of total finished products produced for domestic sales (2020: 4%) and maintain a minimum finished products reserve of 5% of total imported finished products (2020: 5%). The reserve fluctuates upon production plan and volume produced. As at   
31 December 2021, the above inventories include US Dollar 127,550,265 or Baht 4,284,783,282 of crude oil and finished products set aside as minimum reserve (2020: US Dollar 83,664,552 or Baht 2,527,238,377).

During 2021, the Company has no debit to the statement of comprehensive income with respect of loss on write-down of inventory to net realizable value (2020: credited US Dollar 1,755,173 or Baht 55,220,188).

During 2021, US Dollar 928,367 or Baht 29,359,226 was debited to the statement of comprehensive income with respect to loss on obsolete materials and supplies (2020: debited US Dollar 856,765 or Baht 27,092,384).

|  |
| --- |
| **11 Property, plant and equipment** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | | | | |
|  |  |  |  | **Furniture,** |  |  |
|  |  |  | **Refinery plant** | **fixtures and** | **Construction** |  |
|  | **Land** | **Buildings** | **& machinery** | **equipment** | **in progress** | **Total** |
|  |  |  |  |  |  |  |
| **At 1 January 2020** |  |  |  |  |  |  |
| Cost | 73,442,578 | 58,116,001 | 2,062,051,578 | 73,883,871 | 20,281,498 | 2,287,775,526 |
| Less Accumulated depreciation | - | (27,004,544) | (1,319,089,096) | (61,867,486) | - | (1,407,961,126) |
|  |  |  |  |  |  |  |
| Net book amount | 73,442,578 | 31,111,457 | 742,962,482 | 12,016,385 | 20,281,498 | 879,814,400 |
|  |  |  |  |  |  |  |
| **Year ended 31 December 2020** |  |  |  |  |  |  |
| Opening net book amount | 73,442,578 | 31,111,457 | 742,962,482 | 12,016,385 | 20,281,498 | 879,814,400 |
| Additions | - | - | - | - | 8,328,396 | 8,328,396 |
| Assets transferred from construction in progress | - | 268,283 | 26,223,864 | 454,464 | (26,946,611) | - |
| Disposal and write-off - Cost | - | - | (118,608) | (46,840) | - | (165,448) |
| Disposal and write-off - Depreciation | - | - | 98,086 | 46,840 | - | 144,926 |
| Depreciation charge | - | (1,696,265) | (84,828,789) | (1,902,240) | - | (88,427,294) |
|  |  |  |  |  |  |  |
| Closing net book amount | 73,442,578 | 29,683,475 | 684,337,035 | 10,568,609 | 1,663,283 | 799,694,980 |
|  |  |  |  |  |  |  |
| **At 31 December 2020** |  |  |  |  |  |  |
| Cost | 73,442,578 | 58,384,284 | 2,088,156,834 | 74,291,495 | 1,663,283 | 2,295,938,474 |
| Less Accumulated depreciation | - | (28,700,809) | (1,403,819,799) | (63,722,886) | - | (1,496,243,494) |
|  |  |  |  |  |  |  |
| Net book amount | 73,442,578 | 29,683,475 | 684,337,035 | 10,568,609 | 1,663,283 | 799,694,980 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | | | | |
|  |  |  |  | **Furniture,** |  |  |
|  |  |  | **Refinery plant** | **fixtures and** | **Construction** |  |
|  | **Land** | **Buildings** | **& machinery** | **equipment** | **in progress** | **Total** |
|  |  |  |  |  |  |  |
| **At 1 January 2021** |  |  |  |  |  |  |
| Cost | 73,442,578 | 58,384,284 | 2,088,156,834 | 74,291,495 | 1,663,283 | 2,295,938,474 |
| Less Accumulated depreciation | - | (28,700,809) | (1,403,819,799) | (63,722,886) | - | (1,496,243,494) |
|  |  |  |  |  |  |  |
| Net book amount | 73,442,578 | 29,683,475 | 684,337,035 | 10,568,609 | 1,663,283 | 799,694,980 |
|  |  |  |  |  |  |  |
| **Year ended 31 December 2021** |  |  |  |  |  |  |
| Opening net book amount | 73,442,578 | 29,683,475 | 684,337,035 | 10,568,609 | 1,663,283 | 799,694,980 |
| Additions | - | - | - | - | 2,478,540 | 2,478,540 |
| Assets transferred from construction in progress | - | 334,438 | 1,752,616 | 221,303 | (2,308,357) | - |
| Depreciation charge | - | (1,707,538) | (77,812,819) | (1,702,149) | - | (81,222,506) |
|  |  |  |  |  |  |  |
| Closing net book amount | 73,442,578 | 28,310,375 | 608,276,832 | 9,087,763 | 1,833,466 | 720,951,014 |
|  |  |  |  |  |  |  |
| **At 31 December 2021** |  |  |  |  |  |  |
| Cost | 73,442,578 | 58,718,722 | 2,089,909,450 | 74,512,798 | 1,833,466 | 2,298,417,014 |
| Less Accumulated depreciation | - | (30,408,347) | (1,481,632,618) | (65,425,035) | - | (1,577,466,000) |
|  |  |  |  |  |  |  |
| Net book amount | 73,442,578 | 28,310,375 | 608,276,832 | 9,087,763 | 1,833,466 | 720,951,014 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Baht** | | | | | |
|  |  |  |  | **Furniture,** |  |  |
|  |  |  | **Refinery plant** | **fixtures and** | **Construction** |  |
|  | **Land** | **Buildings** | **& machinery** | **equipment** | **in progress** | **Total** |
|  |  |  |  |  |  |  |
| **At 1 January 2020** |  |  |  |  |  |  |
| Cost | 2,227,608,860 | 1,762,733,860 | 62,544,705,049 | 2,240,993,840 | 615,164,233 | 69,391,205,842 |
| Less Accumulated depreciation | - | (819,082,929) | (40,009,687,142) | (1,876,521,262) | - | (42,705,291,333) |
|  |  |  |  |  |  |  |
| Net book amount | 2,227,608,860 | 943,650,931 | 22,535,017,907 | 364,472,578 | 615,164,233 | 26,685,914,509 |
|  |  |  |  |  |  |  |
| **Year ended 31 December 2020** |  |  |  |  |  |  |
| Opening net book amount | 2,227,608,860 | 943,650,931 | 22,535,017,907 | 364,472,578 | 615,164,233 | 26,685,914,509 |
| Additions | - | - | - | - | 264,547,301 | 264,547,301 |
| Assets transferred from construction in progress | - | 8,392,964 | 786,083,689 | 13,503,753 | (807,980,406) | - |
| Disposal and write-off - Cost | - | - | (3,730,330) | (1,442,173) | - | (5,172,503) |
| Disposal and write-off - Depreciation | - | - | 3,084,906 | 1,442,173 | - | 4,527,079 |
| Depreciation charge | - | (53,374,083) | (2,669,369,972) | (59,888,904) | - | (2,782,632,959) |
| Exchange differences on translation | (9,143,601) | (2,027,018) | 20,545,715 | 1,156,443 | (21,488,634) | (10,957,095) |
|  |  |  |  |  |  |  |
| Closing net book amount | 2,218,465,259 | 896,642,794 | 20,671,631,915 | 319,243,870 | 50,242,494 | 24,156,226,332 |
|  |  |  |  |  |  |  |
| **At 31 December 2020** |  |  |  |  |  |  |
| Cost | 2,218,465,259 | 1,763,602,394 | 63,076,535,872 | 2,244,108,311 | 50,242,494 | 69,352,954,330 |
| Less Accumulated depreciation | - | (866,959,600) | (42,404,903,957) | (1,924,864,441) | - | (45,196,727,998) |
|  |  |  |  |  |  |  |
| Net book amount | 2,218,465,259 | 896,642,794 | 20,671,631,915 | 319,243,870 | 50,242,494 | 24,156,226,332 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Baht** | | | | | |
|  |  |  |  | **Furniture,** |  |  |
|  |  |  | **Refinery plant** | **fixtures and** | **Construction** |  |
|  | **Land** | **Buildings** | **& machinery** | **equipment** | **in progress** | **Total** |
|  |  |  |  |  |  |  |
| **At 1 January 2021** |  |  |  |  |  |  |
| Cost | 2,218,465,259 | 1,763,602,394 | 63,076,535,872 | 2,244,108,311 | 50,242,494 | 69,352,954,330 |
| Less Accumulated depreciation | - | (866,959,600) | (42,404,903,957) | (1,924,864,441) | - | (45,196,727,998) |
|  |  |  |  |  |  |  |
| Net book amount | 2,218,465,259 | 896,642,794 | 20,671,631,915 | 319,243,870 | 50,242,494 | 24,156,226,332 |
|  |  |  |  |  |  |  |
| **Year ended 31 December 2021** |  |  |  |  |  |  |
| Opening net book amount | 2,218,465,259 | 896,642,794 | 20,671,631,915 | 319,243,870 | 50,242,494 | 24,156,226,332 |
| Additions | - | - | - | - | 70,431,999 | 70,431,999 |
| Assets transferred from construction in progress | - | 10,271,551 | 56,658,628 | 7,308,554 | (74,238,733) | - |
| Depreciation charge | - | (54,884,284) | (2,492,778,250) | (54,586,549) | - | (2,602,249,083) |
| Exchange differences on translation | 248,683,913 | 98,997,554 | 2,198,270,468 | 33,318,442 | 15,155,700 | 2,594,426,077 |
|  |  |  |  |  |  |  |
| Closing net book amount | 2,467,149,172 | 951,027,615 | 20,433,782,761 | 305,284,317 | 61,591,460 | 24,218,835,325 |
|  |  |  |  |  |  |  |
| **At 31 December 2021** |  |  |  |  |  |  |
| Cost | 2,467,149,172 | 1,972,532,149 | 70,206,119,198 | 2,503,100,955 | 61,591,460 | 77,210,492,934 |
| Less Accumulated depreciation | - | (1,021,504,534) | (49,772,336,437) | (2,197,816,638) | - | (52,991,657,609) |
|  |  |  |  |  |  |  |
| Net book amount | 2,467,149,172 | 951,027,615 | 20,433,782,761 | 305,284,317 | 61,591,460 | 24,218,835,325 |

|  |
| --- |
| **12 Borrowings** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
| **Current** |  |  |  |  |
| Current portion of long-term borrowings from  financial institutions | 139,307,275 | 45,673,307 | 4,679,743,764 | 1,379,645,927 |
| Short-term Borrowings from financial institutions | - | - | - | - |
|  |  |  |  |  |
| **Non-Current** |  |  |  |  |
| Long-term borrowings from financial institutions | 100,438,964 | 293,223,106 | 3,374,048,091 | 8,857,344,378 |
|  |  |  |  |  |
| **Total borrowings** | 239,746,239 | 338,896,413 | 8,053,791,855 | 10,236,990,305 |

The movement of short-term borrowings are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | | **Unit: Baht** | |
|  | **2021** | **2020** | **2021** | | **2020** |
|  |  |  |  | |  |
| At 1 January | - | 224,813,821 | - | | 6,818,895,460 |
|  |  |  |  | |  |
| Cash items: |  |  |  | |  |
| Net repayment | - | (217,884,012) | - | | (6,891,921,285) |
|  |  |  |  | |  |
| Non-cash item: |  |  |  | |  |
| Exchange differences on foreign currency | - | (6,929,809) | - | | (218,021,493) |
| Exchange differences on translation | - | - | - | | 291,047,318 |
|  |  |  |  | |  |
| At 31 December | - | - | - | | - |

The movement of long-term borrowings from financial institutions are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| At 1 January | 338,896,413 | - | 10,236,990,305 | - |
|  |  |  |  |  |
| Cash items: |  |  |  |  |
| Addition | - | 340,000,000 | - | 10,735,327,000 |
| Repayment | (85,000,000) | (7,500,000) | (2,843,965,000) | (226,395,000) |
|  |  |  |  |  |
| Non-cash item: |  |  |  |  |
| Exchange differences on foreign currency | (14,150,174) | 6,396,413 | (455,225,248) | 201,240,108 |
| Exchange differences on translation | - | - | 1,115,991,798 | (473,181,803) |
|  |  |  |  |  |
| At 31 December | 239,746,239 | 338,896,413 | 8,053,791,855 | 10,236,990,305 |

During 2021 and 2020, the long-term borrowing agreements with financial institutions denominated in US Dollar at interest rate of 3-month LIBOR plus margin from 1.30% to 1.75% and dominated in Japanese Yen at interest rate of 3-month LIBOR plus margin 0.73%.

During 2021, weighted average effective interest rates of long-term borrowings from financial institutions were stated from 1.91% to 2.04% per annum (2020: 2.04% to 2.08% per annum).

The fair values of current portion of long-term borrowings is equal to their carrying amount, as the impact of discounting is not significant and the fair values of non-current portion of long-term borrowings from financial institutions is not significantly different from the carrying amount, which the fair value method was disclosed in Note 5.

Maturity of long-term borrowings was described in Note 4.1.3.

|  |
| --- |
| **13 Trade and other payables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Trade payables |  |  |  |  |
| - related parties | 221,602,977 | 133,236,157 | 7,444,286,640 | 4,024,637,942 |
| - third parties | 180,103,199 | 105,920,740 | 6,050,188,774 | 3,199,526,623 |
|  |  |  |  |  |
|  | 401,706,176 | 239,156,897 | 13,494,475,414 | 7,224,164,565 |
| Other payables |  |  |  |  |
| - related parties | 415,556 | 832,128 | 13,959,739 | 25,135,920 |
| - third parties | 13,462,348 | 18,921,157 | 452,239,296 | 571,547,593 |
|  |  |  |  |  |
|  | 13,877,904 | 19,753,285 | 466,199,035 | 596,683,513 |
|  |  |  |  |  |
| Trade and other payables | 415,584,080 | 258,910,182 | 13,960,674,449 | 7,820,848,078 |

|  |
| --- |
| **14 Deferred income taxes** |

The analysis of deferred tax assets (liabilities) is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Deferred tax assets | 44,284,150 | 80,702,869 | 1,487,633,007 | 2,437,775,411 |
| Deferred tax liabilities | - | - | - | - |
|  |  |  |  |  |
| Deferred tax assets net | 44,284,150 | 80,702,869 | 1,487,633,007 | 2,437,775,411 |

The movement in the deferred tax assets (liabilities) account is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| At 1 January | 80,702,869 | 29,990,562 | 2,437,775,411 | 909,652,721 |
| (Increased) decreased to profit or loss (Note 19) | (36,748,078) | 48,400,326 | (1,166,442,880) | 1,555,662,827 |
| Increase to other comprehensive income | 329,359 | - | 10,612,586 | - |
| Exchange differences on foreign currency | - | 2,311,981 | - | 72,714,114 |
| Exchange differences on translation | - | - | 205,687,890 | (100,254,251) |
|  |  |  |  |  |
| At 31 December | 44,284,150 | 80,702,869 | 1,487,633,007 | 2,437,775,411 |

The movement in deferred tax assets and liabilities during the year is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | | | | |
|  | **1 January**  **2020** | **Charge to**  **profit or loss** | **31 December**  **2020** | **Charge to**  **profit or loss** | **Charge**  **to other comprehensive income** | **31 December**  **2021** |
| **Deferred tax assets** |  |  |  |  |  |  |
| Operating loss | 28,137,744 | 47,138,752 | 75,276,496 | (39,380,439) | - | 35,896,057 |
| Retirement benefit obligation | 3,190,946 | (31,478) | 3,159,468 | 464,772 | 329,359 | 3,953,599 |
| Loss on obsolete materials and supplies | 1,221,435 | 171,353 | 1,392,788 | 185,674 | - | 1,578,462 |
| Depreciation | - | 874,117 | 874,117 | 156,847 | - | 1,030,964 |
| Derivative | - | - | - | 1,825,068 | - | 1,825,068 |
|  |  |  |  |  |  |  |
| **Total** | 32,550,125 | 48,152,744 | 80,702,869 | (36,748,078) | 329,359 | 44,284,150 |
|  |  |  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |  |  |
| Depreciation | (247,582) | 247,582 | - | - | - | - |
| Tax effect of currency translation on tax base | (2,311,981) | 2,311,981 | - | - | - | - |
|  |  |  |  |  |  |  |
| **Total** | (2,559,563) | 2,559,563 | - | - | - | - |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Baht** | | | | | | | |
|  | **1 January**  **2020** | **Charge to**  **profit or loss** | **Exchange differences on translation** | **31 December**  **2020** | **Charge to**  **profit or loss** | **Charge to other comprehensive income** | **Exchange differences on translation** | **31 December**  **2021** |
| **Deferred tax assets** |  |  |  |  |  |  |  |  |
| Operating loss | 853,454,362 | 1,517,039,097 | (96,631,388) | 2,273,862,071 | (1,251,014,553) | - | 183,005,141 | 1,205,852,659 |
| Retirement benefit obligation | 96,785,528 | (987,668) | (360,459) | 95,437,401 | 14,567,909 | 10,612,586 | 12,194,958 | 132,812,854 |
| Loss on obsolete materials and supplies | 37,047,719 | 5,418,477 | (394,520) | 42,071,676 | 5,871,845 | - | 5,081,583 | 53,025,104 |
| Depreciation | - | 26,645,841 | (241,578) | 26,404,263 | 5,291,363 | - | 2,937,433 | 34,633,059 |
| Derivative | - | - | - | - | 58,840,556 | - | 2,468,775 | 61,309,331 |
|  |  |  |  |  |  |  |  |  |
| **Total** | 987,287,609 | 1,548,115,747 | (97,627,945) | 2,437,775,411 | (1,166,442,880) | 10,612,586 | 205,687,890 | 1,487,633,007 |
|  |  |  |  |  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |  |  |  |  |
| Depreciation | (7,509,498) | 7,547,080 | (37,582) | - | - | - | - | - |
| Tax effect of currency translation on tax base | (70,125,390) | 72,714,114 | (2,588,724) | - | - | - | - | - |
|  |  |  |  |  |  |  |  |  |
| **Total** | (77,634,888) | 80,261,194 | (2,626,306) | - | - | - | - | - |

|  |
| --- |
| **15 Employee benefit obligations** |

Net liabilities recognized in the statement of financial position are determined as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Present value of unfunded obligation | 19,163,003 | 17,107,340 | 643,740,829 | 516,757,997 |

The movement in the defined benefit obligation over the year is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| At 1 January | 17,107,340 | 15,954,728 | 516,757,997 | 483,927,639 |
| Current service cost | 1,986,162 | 643,315 | 63,178,041 | 20,229,916 |
| Interest cost | 337,698 | 400,697 | 10,741,862 | 12,600,442 |
| Loss from change in financial assumptions | 1,646,798 | - | 53,062,929 | - |
|  | 3,970,658 | 1,044,012 | 126,982,832 | 32,830,358 |
|  |  |  |  |  |
| Exchange differences on foreign currency | (1,914,995) | 108,600 | - | - |
|  |  |  |  |  |
| At 31 December | 19,163,003 | 17,107,340 | 643,740,829 | 516,757,997 |

**Major Actuarial Assumptions**

The Company’s financial assumptions

For the year ended 31 December:

|  |  |  |
| --- | --- | --- |
|  | **% per annum** | |
|  | **2021** | **2020** |
|  |  |  |
| Discount rate | 1.77 | 2.65 |
| Salary growth rate | 5.00 | 5.00 |

The Company’s demographic assumptions

* Mortality assumption: The mortality rate is from the Thailand Mortality Ordinary 2017 (TMO17) issued by the Office of the Insurance Commission. The TMO17 contains the results of the most recent mortality investigation of policy holders of life insurance companies in Thailand. It is reasonable to assume that these rates would reflect of the mortality rate of the population in Thailand.
* Turnover rate assumption

For the year ended 31 December:

|  |  |  |
| --- | --- | --- |
| **Age** | **% per annum** | |
|  | **2021** | **2020** |
|  |  |  |
| Below 21 | 3.00 | 3.00 |
| 21 - 24 | 3.00 | 3.00 |
| 25 - 30 | 3.00 | 3.00 |
| 31 - 34 | 5.00 | 5.00 |
| 35 - 40 | 5.00 | 5.00 |
| 41 - 44 | 1.00 | 1.00 |
| 45 - 50 | 1.00 | 1.00 |
| Above 50 | 0.00 | 0.00 |

The turnover rate above reflects the rate at which employees voluntarily resign from service. It does not include death, disability, and early retirement. The calculation for the employee benefits is based on these assumptions.

Sensitivity analysis for each significant assumption disclosed:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | | **Impact on defined benefit obligation** | | | |
|  | **Change in assumption** | | **Increase in assumption** | | **Decrease in assumption** | |
|  | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |  |  |
| Discount rate | 1.00% | 1.00% | Decrease by | Decrease by | Increase by | Increase by |
|  |  |  | 8.98% | 8.91% | 10.43% | 10.30% |
| Salary growth rate | 1.00% | 1.00% | Increase by | Increase by | Decrease by | Decrease by |
|  |  |  | 9.15% | 11.14% | 8.02% | 9.69% |
| Turnover rate | 1.00% | 1.00% | Decrease by | Decrease by | Increase by | Increase by |
|  |  |  | 9.27% | 9.27% | 3.19% | 3.04% |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit cost method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 16 years. (2020: 16 years)

Expected maturity analysis of undiscounted retirement benefits:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | | |
|  | **Within 1 year** | **1 - 5 years** | **Over 5 years** | **Total** |
|  |  |  |  |  |
| At 31 December 2021 | 682,113 | 5,150,226 | 46,208,974 | 52,041,313 |
| At 31 December 2020 | 671,726 | 3,881,724 | 44,414,639 | 48,968,089 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Baht** | | | |
|  | **Within 1 year** | **1 - 5 years** | **Over 5 years** | **Total** |
|  |  |  |  |  |
| At 31 December 2021 | 22,914,142 | 173,011,015 | 1,552,293,433 | 1,748,218,590 |
| At 31 December 2020 | 20,290,701 | 117,254,472 | 1,341,624,111 | 1,479,169,284 |

|  |
| --- |
| **16 Share capital** |

The total number of authorized ordinary shares with a par value of Baht 6.92 per share (2020: Baht 6.92 per share)   
is 4,335,902,125 shares (2020: 4,335,902,125 shares). The number of issued and paid-up ordinary shares is 4,335,902,125 shares (2020: 4,335,902,125 shares).

|  |
| --- |
| **17 Legal reserve** |

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable. Currently, the Company has set aside legal reserved at 10% of registered capital.

|  |
| --- |
| **18 Expenses by nature** |

The following expenditure items, classified by nature, have been charged in arriving at profit for the year:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Changes in inventories of finished goods | (51,088,707) | 74,929,570 | (1,643,574,783) | 2,357,389,197 |
| Raw materials and consumables used | 5,054,197,268 | 4,159,558,784 | 163,068,186,829 | 130,558,502,055 |
| Staff costs | 39,931,905 | 42,780,883 | 1,284,649,331 | 1,345,946,470 |
| Repair and maintenance expenditure |  |  |  |  |
| on property, plant and equipment | 32,549,810 | 33,658,406 | 1,047,159,936 | 1,058,940,566 |
| Depreciation on property, plant and |  |  |  |  |
| equipment (Note 11) | 81,222,506 | 88,427,294 | 2,602,249,083 | 2,782,632,959 |
| Amortization | 1,302,937 | 1,565,069 | 41,818,153 | 49,272,369 |
| Recovery from payment to an |  |  |  |  |
| incorrect account | (1,635,795) | (2,497,570) | (53,201,170) | (72,929,049) |
|  |  |  |  |  |
| Total cost of sales and |  |  |  |  |
| administrative expenses | 5,156,479,924 | 4,398,422,436 | 166,347,287,379 | 138,079,754,567 |

Depreciation and amortization:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Recognized as cost of sales | 75,316,078 | 81,008,213 | 2,412,134,746 | 2,549,251,391 |
| Recognized as administration expenses | 7,209,365 | 8,984,150 | 231,932,490 | 282,653,937 |
|  |  |  |  |  |
|  | 82,525,443 | 89,992,363 | 2,644,067,236 | 2,831,905,328 |

|  |
| --- |
| **19 Income tax expenses** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Current tax | - | - | - | - |
| Deferred income tax (Note 14) | 36,748,078 | (48,400,326) | 1,166,442,880 | (1,555,662,827) |
| Prior year tax adjustment | - | 19,735 | - | 630,996 |
|  |  |  |  |  |
|  | 36,748,078 | (48,380,591) | 1,166,442,880 | (1,555,031,831) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Profit (loss) before tax | 186,347,264 | (235,395,992) | 5,912,905,849 | (7,559,872,356) |
|  |  |  |  |  |
| Tax calculated at a tax rate of 20% |  |  |  |  |
| (2020: 20%) | 37,269,452 | (47,079,198) | 1,182,581,170 | (1,480,112,565) |
| Expenses more deductible |  |  |  |  |
| for tax purposes | (81,860) | (185,970) | (2,633,511) | (5,850,870) |
| Expenses not deductible |  |  |  |  |
| for tax purposes | 749,520 | 65,885 | 24,112,801 | 2,072,823 |
| Reversal of expense not subject to tax | (1,189,034) | - | (38,252,419) | - |
| Tax effect from translation of tax base | - | (1,201,043) | - | (37,786,542) |
| Prior year tax adjustment | - | 19,735 | - | 630,996 |
| Exchange differences on translation | - | - | 634,839 | (33,985,673) |
|  |  |  |  |  |
| Tax charge | 36,748,078 | (48,380,591) | 1,166,442,880 | (1,555,031,831) |

|  |
| --- |
| **20 Basic earnings per share** |

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | | |
|  | **31 December** | **31 December** | **31 December** | | **31 December** |
|  | **2021** | **2020** | **2021** | | **2020** |
|  |  |  |  | |  |
| Profit (loss) attributable to shareholders | 149,599,186 | (187,015,401) | | 4,746,462,969 | (6,004,840,525) |
| Weighted average number of |  |  | |  |  |
| ordinary shares in issue (Shares) | 4,335,902,125 | 4,335,902,125 | | 4,335,902,125 | 4,335,902,125 |
|  |  |  | |  |  |
| Basic earnings (loss) per share | 0.03 | (0.04) | | 1.09 | (1.38) |

|  |
| --- |
| **21 Significant contractual agreements** |

The significant contractual agreements can be summarized as follows:

**Land Lease Agreement**

On 20 November 1992, the Company entered into a lease agreement for certain parcels of land with the IEAT. The agreement is for a period of thirty years beginning 20 November 1992. The Company’s total fee, including interests from the date of the lease to the date of payment, was approximately Baht 302 million.

**Natural Gas Sales Agreement - Cogeneration**

On 30 January 2019, the Company entered into a natural gas sales agreement with PTT Public Company Limited (PTT) whereby the Company is committed to purchase natural gas based on the term stipulated in the agreement to be supplied for an electricity generating system called “Cogeneration”. The agreement is effective from 17 March 2019 to 31 March 2029.

**Natural Gas Sales Agreement - Petroleum Product Manufacturing Process**

On 30 January 2019, the Company entered into a natural gas agreement with PTT whereby the Company is committed to purchase natural gas based on the terms stipulated in the agreement to be supplied for its Petroleum product manufacturing process. The agreement is effective from 1 January 2019 to on 31 December 2028.

**Feedstock Supply Agreement**

On 5 June 2012, the Company entered into a new feedstock supply agreement with Chevron U.S.A. Inc. whereby the Company is committed to purchase feedstock from Chevron U.S.A. Inc. which is based on the term stipulated in the agreement effective upon the first day of trading of the Company shares on the SET which is on 8 December 2015.

On 5 June 2012, the Company entered into a new feedstock supply agreement with PTT whereby PTT will be granted certain rights to offer a supply crude oil to the Company which is based on the term stipulated in the agreement effective upon the first day of trading of the Company shares on the SET which is on 8 December 2015.

**Purchase and Sale Agreement**

On 10 August 1993, the Company entered into a purchase and sale agreement with PTT and Chevron (Thailand) Limited (CTL). According to this agreement, the Company has committed to sell a portion of the refined petroleum products it produces to PTT and CTL starting on the date commercial operations commenced, 1 July 1996, based on the terms of the agreement.

On 5 June 2012, the agreement was amended which is effective upon the first day of trading of the Company shares on the SET which is on 8 December 2015.

On 15 March 2016, the agreement was amended on its duration, price and dispute mechanism.

On 29 December 2017, the agreement was amended on its duration, minimum offtake volumes, price and type and qualities of products which become effective on 1 January 2019.

On 1 December 2018, the agreement was amended to add one of PTT’s affiliate as a buyer and to adjust minimum offtake volumes and price adjustment.

On 14 December 2020, the agreement was amended on its duration, quantity and price of products which become effective on 1 January 2021.

|  |
| --- |
| **22 Bank guarantees** |

As at 31 December 2021 and 2020, the Company has bank guarantees issued on the Company’s behalf relating to land use in Map Ta Phut Industrial Estate, electricity, value-added tax and others amounting to US Dollar 3.02 million or Baht 101.59 million and US Dollar 3.35 million or Baht 101.09 million, respectively.

|  |
| --- |
| **23 Commitments** |

As at 31 December 2021 and 2020, the Company had commitment as follows:

1. Purchase of machinery, equipment and installations in progress of approximately US Dollar 7.83 million or Baht 262.91 million (2020: US Dollar 3.80 million or Baht 114.70 million).
2. Purchase of raw materials and utilities which include crude oil, hydrogen, natural gas and back-up electricity   
   of approximately US Dollar 736.59 million or Baht 24,744.07 million (2020: US Dollar 472.34 million or Baht 14,267.94 million).

|  |
| --- |
| **24 Related party transactions** |

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and affiliates are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholder of the Company is Chevron South Asia Holding Pte., Ltd. registered in Singapore, which owns 60.56% of the Company’s shares. The remaining 39.44% of the shares are widely held. The ultimate parent Company is Chevron Corporation registered in the United States of America.

|  |  |  |
| --- | --- | --- |
| **Related parties** | **Relationship** | **Main transactions relating to**  **the Company** |
|  |  |  |
| Chevron South Asia Holding Pte Ltd. | Major shareholder | Holding the Company’s shares |
|  |  |  |
| Affiliates | Related parties of the ultimate parent Company | Supplying of crude oil and raw materials to the Company and purchasing of products from the Company |

The following transactions were carried out with related parties:

1. **Sales of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Sales of goods with affiliates: |  |  |  |  |
| - Chevron (Thailand) Limited | 2,126,343,613 | 2,038,428,674 | 68,324,013,078 | 64,051,721,509 |
| - Other affiliates | 175,533,819 | 122,246,484 | 5,714,037,513 | 3,864,603,115 |
|  |  |  |  |  |
|  | 2,301,877,432 | 2,160,675,158 | 74,038,050,591 | 67,916,324,624 |
|  |  |  |  |  |
| Sales of services with affiliates: | 1,090,067 | 694,003 | 35,286,604 | 21,367,785 |

The above transactions were carried out on commercial terms and conditions which is reference from market prices.

1. **Purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Purchases of goods with affiliates: | 2,384,784,861 | 1,541,879,495 | 76,931,711,199 | 48,404,243,604 |
|  |  |  |  |  |
| Purchases of services with affiliates: | 5,479,098 | 5,155,347 | 175,815,562 | 162,284,326 |

The above transactions were carried out on commercial terms and conditions which is reference from market prices.

1. **Outstanding balances arising from sales/purchases of goods and services**

The outstanding balances at the end of the reporting period in relation to transactions with affiliates are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Account receivables | 131,953,992 | 120,879,859 | 4,424,063,151 | 3,649,596,308 |
|  |  |  |  |  |
| Account payables | 222,018,533 | 134,068,285 | 7,458,246,379 | 4,049,773,862 |

1. **Management remuneration**

Key management includes directors (executives and non-executive). The compensations paid or payable to management for employment services are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| - Salaries and other short-term |  |  |  |  |
| employee benefits | 5,009,539 | 5,622,369 | 160,186,476 | 177,012,667 |
| - Retirement benefits | 573,501 | 185,754 | 18,171,170 | 5,843,190 |
|  |  |  |  |  |
|  | 5,583,040 | 5,808,123 | 178,357,646 | 182,855,857 |

|  |
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| **25 Oil spill incident** |

On 25 January 2022, an oil spill incident occurred at the Single Point Mooring (SPM) operated by SPRC. The combined response efforts of the Company and Government agency- which focused on minimizing impact to the shoreline and sensitive areas - are substantially complete. The assessment of long-term impacts or any required rehabilitation actions to the impacted areas are ongoing and will have to be assessed by the Government authorities, external experts and communities. To date, the refinery operations are continuing normally.

The Company has established a short-term and long-term recovery plan to assist those who have been affected and is currently working with its insurer on claims as appropriate.

In 2022, the Company has recognized the related expenditure from this incident in the amount of US Dollar 5 million or equivalent to Baht 162 million and the Company might incur the additional future expenditures.

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| **26 Event after reporting date** |

At the Board of Director Meeting No. 1 held on 22 February 2022, the Board approved a resolution of submission to shareholders for approval of annual dividend payment from the 2021 net profit in the amount of USD 23.39 million or Baht 774 million which is equivalent of Baht 0.1785 per share. The dividend is subjected to the approval of the Company’s shareholders at the annual general meeting to be held on 8 April 2022 and will be paid to shareholders on 6 May 2022.