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| **1 General information** |

Thai Oil Public Company Limited (the Company) is a public limited company which is incorporated and domiciled in Thailand and is listed on the Stock Exchange of Thailand. The address of the Company’s registered offices and refinery plant as follows:

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| Head office | 555/1 Energy Complex Building A, 11th Floor, Vibhavadi Rangsit Road, Kwang Chatuchak, Khet Chatuchak, Bangkok 10900, Thailand |
|  |  |
| Sriracha office and refinery plant | 42/1 Moo 1, Sukhumvit Road Km. 124, Tambol Tungsukla, Amphur Sriracha, Chonburi 20230, Thailand |

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal business operations of the Group is oil refinery and distributions, petrochemicals, lube base oil and other businesses in domestic and overseas.

These Group consolidated financial statements were authorised for issue by the board of directors on 15 February 2022.

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

**Coronavirus Disease 2019 outbreak**

Crude oil prices rose in the forth quarter of 2021 compared to the same period last year and the third quarter of 2021 from the global energy crisis where natural gas prices have risen to the highest level in years, causing many power producers and industrial plants to change their fuel consumption from natural gas to more oil. Many countries eased their lockdown measures, which resulted in businesses resume their productions. However, during the end of 2021, the mutation of the COVID-19 virus to the Omicron variant caused the price of crude oil in world’s market fell after the number of infected people around the world has increased rapidly. However, many countries around the world have provided vaccination against COVID-19 to their citizen in high level, therefore, many countries do not adopt strict lockdown measures in order to present the economic disruption and this had a minimum impact to the oil demand. Due to these factors coupled with the positive trend on the COVID-19 pandamic and overall economic recovers, the average crude oil price in 2021 has increased considerably compared to 2020.

The Group has focus on the COVID-19 pandemic in planning and responding to demand and supply in this situation to minimise the impact to the Group. Currently, the Group still has sufficient cash, working capital and liquidity to continue operating the business.

**Acquisition of share in PT Chandra Asri Petrochemical Tbk**

According to the Board of Director’s Extra Meeting no. 2/2021 on 21 May 2021 and no. 4/2021 on 23 July 2021, the Board of Director approved the resolution to invest in PT Chandra Asri Petrochemical Tbk (CAP), a petrochemical producer in the Republic of Indonesia, through an investment in PT TOP Investment Indonesia (TII), a newly established subsidiary company in the Republic of Indonesia, at the interest of up to 15.38% of CAP’s issued and paid-up share capital. The Group was paid up the share subscription for the 15% share in amount of US Dollar 913 million or equivalent to Baht 29,799 million in September 2021 and classified investment as an investment in an associate. The detail of total consideration and fair value of net assets acquired is described in Note 42.

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| **3 Basis of preparation** |

The consolidated and separate 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 consolidated and separate financial statements have been prepared under the historical cost convention except 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 Group’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 8.

An English version of the consolidated and separate financial statements have 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.

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| **4 Amended financial reporting standards and changes in accounting policies** |

**4.1 Amended financial reporting standards that are effective for accounting period beginning on or after   
1 January 2021 those have the material impacts to the Group**

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 can be a single entity or a compose of several entities and do not necessarily be a legal entity, and
* Derecognition of assets and liabilities

The amendment also includes the revision to the definition and the basis in grouping of an asset and liability in the financial statements. In addition, it clarifies the objectivity of the management and procuring the economic resources of the Group, conservatism principle and uncertainty of measurement basis in the financial reporting.

1. **Amendment to TFRS 3, Business combinations** amended the definition of a business which requires an acquisition to include an input and a substantive process that together contribute to the ability to significantly create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers and to exclude the reference to the ability to reduce cost from the definition.
2. **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide a relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as Interbank offer rates - IBORs. The amendment also requires the disclosure of hedging relationships directly affected by the uncertainty.
3. **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended the definition of materiality and make it consistant on both the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting.   
   It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

**4.2 New and amended financial reporting standards that are effective for accounting period beginning or  
after 1 January 2022**

The Group has not early adopted the following 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 measurement on relief 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 statement of income. 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.
* The relief also applies to hedge accounting on most of hedge relationships that are directly affected by the IBOR reform to continue. However, the Group still required to recognise additional ineffectiveness of hedge transactions.

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, and
* the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the Group is managing this transition.

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| **5 Accounting policies** |

**5.1 Principles of consolidation and equity accounting**

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method less impairment charge.

b) Associates

Associates are all entities over which the Group has significant influence but does not have control or joint control. Investments in associates are accounted for using the equity method of accounting, in consolidated financial statements.

In the separate financial statements, investments in associates are accounted for using cost method.

c) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

*Joint ventures*

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

In the separate financial statements, investments in joint ventures are accounted for using cost method.

d) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group’s subsequently recognises shares of its associates and joint ventures’ profits or losses and other comprehensive income in the profit or loss and other comprehensive income. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group’s share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to noncontrolling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

f) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

**5.2 Business combination**

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

* fair value of the assets transferred,
* liabilities incurred to the former owners of the acquiree
* equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

*Acquisition-related cost*

Acquisition-related cost are recognised as expenses in consolidated financial statements.

*Step-up acquisition*

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

*Changes in fair value of contingent consideration paid/received*

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

*Business combination under common control*

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration of business combination under common control and the acquirer’s interests in the carrying value of the acquiree is presented as “surplus arising from business combination under common control” in equity and is derecognised when the investment is disposed of by transferred to retained earnings.

**5.3 Foreign currency translation**

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group’s and the Company’s functional and presentation currency.

b) 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When the group recognises gains and losses on a non-monetary item that recognised in other comprehensive income, all of gains and losses on foreign exchange components will also be recognised in other comprehensive income. On the other hand, if gains and losses on a non-monetary item is recognised in profit and loss, all gains and losses on foreign exchange components will be recognised in profit and loss.

c) Group companies

The operational results and financial position of the Group’s entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group’s presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position

- Income and expenses in statement of profit or loss and statement of comprehensive income are translated at average exchange rates and

- All resulting exchange differences are recognised in other comprehensive income.

**5.4 Cash and cash equivalents**

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

In the statements of financial position, bank overdrafts are shown in current liabilities.

**5.5 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 7-120 days and therefore are all classified as current.

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

The impairment of trade receivables are disclosed in Note 5.7(f).

**5.6 Inventories**

Inventories are stated at the lower of cost and net realisable 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, direct labour, other direct costs and directly attributable costs to bring the inventories to their present location and condition.

**5.7 Financial asset**

a) Classification

The Group 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).

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

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

For investments in equity instruments, the Group has an irrevocable election at the time of the 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.

b) Recognition and derecognition

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

c) Measurement

At initial recognition, the Group 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 SPPI.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

* Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in net gain (loss) from financial instruments. Foreign exchange gains and losses are presented in net foreign exchange gain (loss). Impairment losses are presented as a separate line item in the statement of profit or loss.
* FVOCI: Financial assets that are held for i) collection of contractual cash flows, where the assets’ cash flows represent solely payments of principal and interest are measured at FVOCI and ii) for selling the financial assets. Movements in the carrying amount are taken through other comprehensive income (OCI), except 1) for the recognition of impairment gains or losses, 2) interest income using the effective interest method, and 3) foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net gain (loss) from financial instruments. Interest income is included in other income. Impairment expenses are presented separately in the statement of income.
* FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.   
  A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within net gain (loss) from financial instruments in the period in which it arises.

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains or losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains or losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in net gain (loss) from financial instruments in the statement of profit or loss.

Impairment losses or reversal of impairment losses on equity investments are reported together with changes in fair value.

f) Impairment

The Group applies the TFRS 9 using simplified approach in measuring the impairment of trade receivables, contract assets and lease receivables, which applies lifetime expected credit loss, from initial recognition, for all trade receivables, contract assets and lease receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group 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 credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 using general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk and recognise loss from impairment since the initial recognition of those financial assets.

The credit risk assessment is performed at the end of each reporting period whether there is any significant increase in credit risk profile from the initial recognition by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by considering the forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

* probability-weighted estimated uncollectible amounts
* time value of money
* supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment and reversal of impairment losses are recognised in profit or loss as a separate line item and included in administrative expenses.

**5.8 (Group of) non-current assets held-for-sale and discontinued operations**

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for write-down of the asset (or disposal group) to fair value less costs to sell.   
A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised.

A discontinued operations is a component of the Group that has been disposed of or is classified as held-for-sale and that represents a separate major line of business or geographical area of operations, is part of a single   
co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

**5.9 Investment property**

Investment property, which is land, is held for long-term rental yields or for capital appreciation and is not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group.

After initial recognition, investment property is carried at cost less any accumulated impairment losses. Land is not depreciated.

**5.10 Property, plant and equipment**

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 future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

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

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

|  |  |
| --- | --- |
|  | **Years** |
|  |  |
| Buildings | 10 - 30 |
| Leasehold improvements | 5 - 20 |
| Refinery plant and equipment | 20 - 35 |
| Lube base oil refinery plants and equipment | 16 - 30 |
| Petrochemical plants | 10 - 30 |
| Power plants | 20 - 25 |
| Machinery, equipment and plant equipment | 3 - 20 |
| Oil and liquid chemical tankers and crew boats | 10 - 25 |
| Furniture, fixtures, office equipment and others | 5 - 10 |
| Vehicles | 5 |

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gains or losses.

**5.11 Goodwill**

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. It is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

**5.12 Intangible assets**

License fee, computer software and patent that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

|  |  |
| --- | --- |
|  | **Years** |
| License fee | 10 - 25 |
| Computer software | 5 - 10 |
| Patent | 10 |

Cost associated with maintaining computer software are recognised as expense in the period in which they are incurred.

**5.13 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised 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.

Where the reasons for previously recognised impairments are no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

**5.14 Leases**

**Leases - where the Group is the lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. 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 or utilisation rate.

For contracts which contain both lease and non-lease components, the Group allocates the considerations 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 group 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 at present value. 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 payable 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 option.

Lease payments under the extension options period are also included in the measurement of the liability, if the Company is reasonably certain in exercise its extention options.

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, is used.

For contracts which have variable lease payments that depend on an index or rate, those payments are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost. It comprises 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 recognised 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. Low-value assets comprise IT-equipment and small items of office furniture.

**Leases - where the Group is the lessor**

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.   
The respective leased assets are included in the statement of financial position based on their nature.

The investment properties of the Group are leased to tenants under operating leases with rentals payable monthly. There are no variable lease payments that depend on an index or rate.

**5.15 Financial liabilities**

1. Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations as follow:

* Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or a possibility that settlement for a fixed amount of cash in exchange of a fixed number of the Group’s own equity instruments.
* Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

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

Where the terms of a financial liability are renegotiated or modified, the Group assesses whether the renegotiation or modification will result in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference is recognised as other gains (losses) 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 renegotiated or modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains (losses) in profit or loss.

**5.16 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that require a substantial period of time to get assets to be ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation 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.

**5.17 Current and deferred income taxes**

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

*Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantially 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. The Company regcognises provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred income tax*

Deferred income tax is recognised 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 recognised 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 recognised
* investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

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

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 tax 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 realise the asset and settle the liability simultaneously.

**5.18 Employee benefits**

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees’ service up to the end of the reporting period. They are measured at the amount expected to be paid.

1. Defined contribution plan

The Group pays fixed contributions to a separate fund. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

1. Defined benefit plans

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 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 that matches the terms and currency of the expected cash outflows.

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

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

1. Other long-term 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.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

1. Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

**5.19 Provisions**

Provisions are recognised when the Group 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 recognised as finance costs.

**5.20 Government grants**

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

Government grants relating to income are deferred and recognised in profit or loss as subsidy over the period necessary to match them with the costs they are intended to compensate.

Subsidy from oil fuel fund are calculated based on the conditions and rates announced by the Energy Policy and Planning committees.

The Group separately presents government grants from revenue from sales.

**5.21 Share capital**

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**5.22 Revenue recognition**

Revenue includes all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group’s ordinary activities are also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into individual distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

1. Sales of goods

Revenue from contracts with customers that is derived in connection with oil refinery, lube base oil refinery, aromatics and LAB, solvent and ethanol business is recognised when the Group satisfies a performance obligation by transferring the petroleum products, petrochemical products and other products to customers via vessel, truck, or pipeline. A transfer of goods generally occurs at the same time when legal ownerships are transferred to customers and customers have physical goods in their possession. In that case, the Group satisfies a performance obligation at a point in time.

Electricity and steam sales are recognised on delivery of electricity and steam and customers’ acceptance, and measured based on actual electricity and steam delivered and the price as set out in the electricity and steam purchase agreements.

1. Revenue from service

Revenue from services is mainly derived from marine transportation services and is recognised when service is performed. The Group satisfies a performance obligation over time.

**5.23 Dividend distribution**

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

## 5.24 Derivatives and hedging activities

a) Embedded derivative and derivatives that do not qualify for hedge accounting

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in net gain (loss) from financial instruments.

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

b) Hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group designates certain derivatives as either:

- hedges of the fair value of i) recognised assets or liabilities or ii) unrecognised firm commitments   
(fair value hedges)

- hedges of a particular risk associated with the cash flows of i) recognised assets and liabilities and   
ii) highly probable forecast transactions (cash flow hedges); or

- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents i) the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items and ii) its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a current or non-current asset or liability following the maturity of related hedged item.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in   
note 7. Movements in the hedging reserve in shareholders’ equity are shown in note 6.

*Hedge effectiveness*

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty.

The Group enters into interest rate swaps that have significant similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. Due to the critical terms match of the hedge items and the hedged instruement throughout the year, such hedged transactions are concluded to have economic relationship.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and

- differences in critical terms between the interest rate swaps and loans.

**Cash flow hedges that qualify for hedge accounting**

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within net gain (loss) from financial instruments.

When cross currency swap contracts are used to hedge forecast transactions, the Group does not designate the cross currency basis spread as the hedging instrument. The changes in fair value of hedging instrument relating to the effective portion are recognised in the cash flow hedge reserve in other comprehensive income within equity. The Group will recognise the change in the fair value of cross currency basis spread that is not related to the hedging instrument in the cost of hedging reserve in other comprehensive income within equity.

The Group uses forward contracts to hedge future transactions by designating only the change in fair value of the forward contracts related to the spot component of forward contracts as the hedging instrument.  
Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised within other comprehensive income in the cash flow hedges reserve within equity.  
The change in the forward element of the contract that relates to the hedged item (‘aligned forward element’) is recognised within other comprehensive income in the costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

* where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss when the hedged item affects profit or loss (for example through cost of sales when products are sold)
* the gain or loss relating to the effective portion of the interest rate swaps hedging variable rates borrowings is recognised in profit or loss within finance costs at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

The Group recognises changes in the fair value of any derivative instrument that does not qualify for hedge accounting immediately in profit or loss, which includes in net gain (loss) from financial instruments.

## 5.25 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

* the amount determined in accordance with the expected credit loss model under TFRS 9; and
* the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of TFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between a) the contractual payments required under the debt instrument; and b) the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

|  |
| --- |
| **6 Financial risk management** |

**6.1 Financial risk factors**

The Group is exposed to a variety of financial risks, which are market risk (including foreign exchange risk and interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is integral to the whole business of the Group. The Group has a control system in place to create an acceptable balance between the cost of risks and the cost to manage the risks. The management continually monitors the Group’s risk management process to ensure that an appropriate balance between risk and control is achieved.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans and financial liabilities at the fixed foreign currency rate for the hedged liabilities.

*Hed**ging reserve*

The Group and the Company’s hedging reserves comprise of the followings:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **Cash flow hedge reserve** | | | | | |
|  | **Cross currency swaps** | **Cost of hedging reserve** | **Forward foreign exchange contracts** | **Interest rate swaps** | **Hedge on foreign currency proceeds** | **Total hedge reserves** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
| **Opening balance   1 January 2021** | (540) | 355 | (17) | (428) | - | (630) |
|  |  |  |  |  |  |  |
| Add: Change in  fair value  of hedging  instrument  recognised in OCI | 549 | - | (4) | 219 | (2,358) | (1,594) |
| Add: Costs of hedging  deferred and  recognised in OCI | - | (618) | - | - | - | (618) |
| Less: Deferred tax | (110) | 124 | 1 | (44) | 480 | 451 |
|  |  |  |  |  |  |  |
| **Closing balance**  **31 December 2021** |  |  |  |  |  |  |
|  | (101) | (139) | (20) | (253) | (1,878) | (2,391) |
| **Opening balance  1 January 2020**  **- as restated** | - | - | - | (331) | - | (331) |
|  |  |  |  |  |  |  |
| Add: Change in fair value  of hedging instrument  recognised in OCI | (675) | - | (21) | (204) | - | (900) |
| Add: Costs of hedging  deferred and  recognised in OCI | - | 444 | - | - | - | 444 |
| Less: Deferred tax | 135 | (89) | 4 | 107 | - | 157 |
|  |  |  |  |  |  |  |
| **Closing balance**  **31 December 2020** | (540) | 355 | (17) | (428) | - | (630) |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
|  | **Cash flow hedge reserve** | | | | |
|  | **Cross currency swaps** | **Cost of hedging reserve** | **Forward foreign exchange contracts** | **Hedge on foreign currency proceeds** | **Total hedge reserves** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
| **Opening balance 1 January 2021** | (540) | 355 | (17) | - | (202) |
|  |  |  |  |  |  |
| Add: Change in fair value of hedging  instrument recognised in OCI | 549 | - | (4) | (2,358) | (1,813) |
| Add: Costs of hedging deferred and  recognised in OCI | - | (618) | - | - | (618) |
| Less: Deferred tax | (110) | 124 | 1 | 480 | 495 |
|  |  |  |  |  |  |
| **Closing balance 31 December 2021** | (101) | (139) | (20) | (1,878) | (2,138) |
|  |  |  |  |  |  |
| **Opening balance 1 January 2020**  **- as restated** | - | - | - | - | - |
|  |  |  |  |  |  |
| Add: Change in fair value of hedging  instrument recognised in OCI | (675) | - | (21) | - | (696) |
| Add: Costs of hedging deferred and  recognised in OCI | - | 444 | - | - | 444 |
| Less: Deferred tax | 135 | (89) | 4 | - | 50 |
|  |  |  |  |  |  |
| **Closing balance 31 December 2020** | (540) | 355 | (17) | - | (202) |

6.1.1 Market risk

1. Foreign exchange risk

The Group is exposed to foreign exchange risk from future commercial transactions, net monetary assets and liabilities that are denominated in a currency that is not the entity’s functional currency.

The Group uses forward foreign exchange contracts, cross currency swaps in a consistent manner and hedge on foreign currency proceeds to hedge and anticipated foreign exchange commitments and manage their foreign exchange risk arising from future commercial transactions. The Group are required to manage their foreign exchange risk against their functional currency. Foreign currency borrowings are swapped into the entity’s functional currency using cross-currency swaps except where the foreign currency borrowings are repaid with cash flows generated in the same foreign currency. The purpose of these hedges is to mitigate the impact of movements in foreign exchange rates on assets and liabilities and the profit and loss account of the Group.

The Group hedges the foreign currency proceeds by hedging the fluctuations arisen from the foreign exchange rate occurring from the certain revenue in US Dollar with the long term loans which has the same currency as revenue occurred. Under the Group’s policy, the critical terms of the forwards and options must align with the hedged items.

The Group uses a combination of forward foreign exchange contracts and cross currency swaps to hedge its exposure to foreign currency risk. Under the Group’s policy, the critical terms of the forwards and options must align with the hedged items.

The Group only designates the spot component of forward foreign exchange contracts in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points and include currency basis spread fees. It is discounted based on time period of the contract where material.

The changes in the forward element of the forward foreign exchange contracts and foreign currency basis spreads that relate to hedged items are deferred in the costs of hedging reserve.

As at 31 December 2021 and 2020, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
| **US Dollars** |  |  |  |  |
| Cash and cash equivalents | 17,198 | 14,866 | 15,819 | 14,612 |
| Short-term investments | - | 18,110 | - | 18,110 |
| Trade accounts receivable | 3,427 | 1,051 | 2,074 | 169 |
| Other receivables | 250 | 528 | 184 | 522 |
| Derivative assets | 413 | 251 | 413 | 251 |
| Financial assets at fair value through  profit or loss | 247 | 114 | - | 114 |
| Financial assets at fair value through  other comprehensive income | 168 | 75 | - | 75 |
| Trade accounts payable | (21,761) | (8,270) | (20,246) | (7,800) |
| Other payables | (454) | (2,424) | (1,148) | (1,679) |
| Loans and debentures | (118,368) | (106,477) | (118,788) | (107,239) |
| Derivative Liabilities | (68) | (130) | (68) | (130) |
|  |  |  |  |  |
|  | (118,948) | (82,306) | (121,760) | (82,995) |
|  |  |  |  |  |
| **Other currencies** |  |  |  |  |
| Cash and cash equivalents | 1,196 | 1,885 | 1,058 | 1,820 |
| Trade accounts receivable | 684 | 457 | - | - |
| Other receivables | 13 | 24 | - | - |
| Trade accounts payable | (260) | (90) | - | - |
| Other payables | (445) | (94) | (413) | (68) |
| Loans | (275) | (282) | - | - |
|  |  |  |  |  |
|  | 913 | 1,900 | 645 | 1,752 |
|  |  |  |  |  |
| **Gross exposure in the statement** |  |  |  |  |
| **of financial position** | (118,035) | (80,406) | (121,115) | (81,243) |
| Forward foreign exchange contracts | 5,276 | 5,276 | 5,276 | 5,276 |
| Cross currency swaps | 19,797 | 17,950 | 19,797 | 17,950 |
|  |  |  |  |  |
| **Net exposure** | (92,962) | (57,180) | (96,042) | (58,017) |

*Effects of hedge accounting on the financial position and performance*

The effects of the foreign currency-related hedging instruments on the Group and the Company’s financial position and performance are as follows:

|  | **Consolidated and Separate financial statements** | |
| --- | --- | --- |
|  | **2021** | **2020** |
|  |  |  |
| ***Forward foreign exchange contracts*** |  |  |
| Carrying amount (liability) (Million Baht) | 394 | 172 |
| Notional amount (Million US Dollars) | 170 | 170 |
| Maturity date | January 2023 | January 2023 |
| Hedge ratio | 1 : 1 | 1 : 1 |
| Weighted average hedged rate for outstanding hedging instruments  (including forward points) | 31.04 | 31.04 |
|  |  |  |
| ***Cross currency swaps contracts*** |  |  |
| Carrying amount (liability) (Million Baht) | 860 | 1,125 |
| Notional amount (Million US Dollars) | 623 | 563 |
| Maturity date | March 2030 to October 2035 | March 2030 to October 2035 |
| Hedge ratio | 1 : 1 | 1 : 1 |
| Weighted average hedged rate for outstanding hedging instruments  (including forward points) | 31.79 | 31.90 |

In term of the hedge on foreign currency proceed with the loans denominated in foreign currency, as at   
31 December 2021, the Company’s fully drawndown loans amounted to Baht 52,429 million were used in the hedging activities. The loans notional amount was US Dollar 1,716 million with maturity from November 2028 to November 2048. The Company’s exchange rate for hedge instrument was Baht 32.193 per one US Dollar.

*Sensitivity*

As shown in the table above, the Group is primarily exposed to changes in Baht and US Dollar exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar and the impact on other components of equity arises from foreign forward exchange contracts and cross currency swap designated as cash flow hedges.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | **Impact to net profit** | | **Impact to other components of equity** | |
|  | **2021**  **Million Baht** | **2020**  **Million Baht** | **2021**  **Million Baht** | **2020**  **Million Baht** |
|  |  |  |  |  |
| Baht to US Dollar exchange rate  - increase 10% \* | (1,323) | (5,872) | 9,327 | 2,117 |
| Baht to US Dollar exchange rate  - decrease 10% \* | 1,323 | 5,872 | (9,327) | (2,107) |

\* Holding all other variables constant

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Seperate financial statements** | | | |
|  | **Impact to net profit** | | **Impact to other components of equity** | |
|  | **2021**  **Million Baht** | **2020**  **Million Baht** | **2021**  **Million Baht** | **2020**  **Million Baht** |
|  |  |  |  |  |
| Baht to US Dollar exchange rate  - increase 10% \* | (1,156) | (5,919) | 6,820 | 2,117 |
| Baht to US Dollar exchange rate  - decrease 10% \* | 1,156 | 5,919 | (6,820) | (2,107) |

\* Holding all other variables constant

1. Cash flow and fair value interest rate risk

The Group’s main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Generally, the Group enters into long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. During 2020 and 2021, the Group’s borrowings at variable rate were mainly denominated in Baht and US dollars.

The borrowings are carried at amortised cost. The borrowings rate is based on market interest rates which detailed in note 27. Therefore, the Group is exposed to the risk of future changes in market interest rates.

The exposure of long-term loans interest rate changes at the end of the reporting period are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | **2021** | | **2020** | |
|  |  | **% of total** |  | **% of total** |
|  | **Million Baht** | **loans** | **Million Baht** | **loans** |
|  |  |  |  |  |
| Variable rate borrowings | 45,693 | 25 | 13,071 | 9 |

As at 31 December 2021, the percentage of total loans shows the proportion of long-term loans that are currently at variable rates in relation to the total amount of long-term loans 45,968 million (2020: Baht 17,352 million). An analysis by maturities is provided in note 6.1.3.

The Company has low interest rate risk since the Company’s borrowings are at a fixed interests rate.  
The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on separate financial statements.

*Instruments used by the Group*

The Group entered into interest rate swaps covering approximately 12% (2020: 44%) of the variable loan principal outstanding. The fixed interest rates of the swaps range between 4.21% and 4.42% (2020: 4.21% and 4.42%), and the variable rates of the loans are 2.15 % (2020: 2.09%) at the end of the reporting period.

The swap contracts require settlement of net interest receivable or payable every 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

The Group applies hedge accounting for certain interest rate swaps.

*Effect of hedge accounting on the financial position and performance*

The effects of the interest rate-related hedging instruments on the Group’s financial position and performance are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | |
|  | **2021**  **Million Baht** | **2020**  **Million Baht** |
| ***Interest rate swaps contracts*** |  |  |
| Carrying amount (liabilities) | (315) | 535 |
| Notional amount | 5,523 | 5,779 |
| Maturity date | March 2028 | March 2028 |
| Hedge ratio | 1 : 1 | 1 : 1 |
| Weighted average strike rate for outstanding  hedging instruments for the year | 4.34% | 4.34% |

*Sensitivity*

Profit or loss is sensitive to higher or lower interest expenses from borrowings as a result of changes in interest rates. Other components of equity changes as a result of an increase or decrease in the fair value of the cash flow hedges of borrowings.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | **Impact to net profit** | | **Impact to other components of equity** | |
|  | **2021**  **Million Baht** | **2020**  **Million Baht** | **2021**  **Million Baht** | **2020**  **Million Baht** |
|  |  |  |  |  |
| Interest rate - increase 1% \* | (324) | (60) | 221 | 302 |
| Interest rate - decrease 1% \* | 324 | 60 | (221) | (302) |

\* Holding all other variables constant

1. Price risk of petroleum products

The Group’s and the Company’s exposure to price risk arises from time to time by volatility and cyclical movement in the market prices for crude oil, petroleum, and petrochemical products. The Group manages this risk by using derivative financial instruments, for example, oil price crack spread swap and time spread swap as appropriated.

*Sensitivity*

The table below summarises the impact of increases or decreases of the index on net profit for the year.

|  |  |
| --- | --- |
|  | **Consolidated and separate financial statement** |
|  | **Impact to net profit** |
|  | **2021**  **Million Baht** |
|  |  |
| Price increases by 1 % \* | (18,236) |
| Price decreases by 1 % \* | 18,236 |

\* Holding all other variables constant

**6.1.2 Credit risk**

The Group’s credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at FVPL, derivative financial instruments as well as credit exposures to customers, including outstanding receivables.

a) Risk management

The Group manages its credit risk by categorising into level of risks. For banks and financial institutions, the Group only transacts with those that are rated at least within investment grade accredited by a reliable independence credit rating agency.

For transaction with other customers, the Group will consider the credit rating accredited by a reliable independence credit rating agency. If the credit rating is not available, the Group assesses the creditability of the customer by considering its financial position, past experience and other factors. Individual credit limits are set based on these assessments and in accordance with credit limits set by the Board of Director. The compliance with credit limits by customers is regularly monitored by line management.

The Group has no significant credit risk with any single counterparty or group of counterparties since the Group maintains business with large customers in petroleum and power industries and requires first class collateral for the rest.

The Group’s investments in debt instruments are considered to be low risk investments. The Group regularly monitors the credit ratings of the investments for credit deterioration.

b) Security

For some trade receivables the Group may obtain security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

c) Impairment of financial assets

The Group considers that impairment of financial assets does not have significant financial impact.

*Other financial assets measured at amortised cost*

Other financial assets measured at amortised cost include short-term investment which the Group considered that short-term investment’s credit risk is low.

*Debt investments*

Debt investments are measured at amortised cost include other receivables and loans to related parties.

All of the debt investments at amortised cost and FVOCI are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider ‘low credit risk’ for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to have low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

*Financial asset measured at fair value through profit or loss*

The Group is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments of Baht 619 million (2020: Baht 461 million).

**6.1.3 Liquidity risk**

Prudent liquidity risk management is to maintaining sufficient cash and the 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 Group held deposits at call of Baht 29,696 million (2020: Baht 53,244 million) that are expected to readily generate cash inflows for managing liquidity risk.

Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management regularly monitors i) rolling forecasts of the Group’s liquidity reserve (comprising the undrawn borrowing facilities); and ii) cash and cash equivalents. In addition, the Group’s liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets and monitoring balance sheet liquidity ratios and maintaining appropriate financing plans.

a) Financing arrangements

The Group has undrawn credit facilities as at 31 December as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
| **Floating rate** |  |  |  |  |
| Expiring within one year |  |  |  |  |
| - Short-term committed  bank credit facility | 5,841 | 4,240 | 3,700 | 3,700 |
| - Short-term uncommitted  bank credit facility | 5,144 | 4,208 | 3,844 | 3,708 |
| Expiring beyond one year |  |  |  |  |
| - Long term Loan Facility | 11,500 | 15,000 | 11,500 | 15,000 |
|  |  |  |  |  |
|  | 22,485 | 23,448 | 19,044 | 22,408 |

b) Maturity of financial liabilities

The tables below analyse the Group’s financial liabilities into relevant maturity based on their contractual maturities for:

(a) all non-derivative financial liabilities; and

(b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The tables below present the maturity of financial liabilities classified by their contractual maturities.   
The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equals their carrying balances as the impact of discounting is not significant. For interest rate swaps and cross currency swap, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

|  | **Consolidate financial statements (Unit: Million Baht)** | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **Within 1 years** | **1-5 years** | **Over 5 years** | **Total** | **Carrying amount of (Assets)/**  **Liabilities** |
| **Maturity of financial liabilities** |  |  |  |  |  |
| **as at 31 December 2021** |  |  |  |  |  |
| **Non-derivatives** |  |  |  |  |  |
| Short-term loan from financial institutions | 929 | - | - | 929 | 929 |
| Trade and other payables | 27,556 | - | - | 27,556 | 27,556 |
| Accrued interest | 7,805 | 20,293 | 72,675 | 100,773 | 1,255 |
| Lease liabilities | 1,405 | 4,156 | 19,127 | 24,688 | 15,383 |
| Long-term loans from financial institutions | 1,223 | 23,516 | 7,197 | 31,936 | 31,689 |
| Long-term loans from related and other parties | - | 14,000 | 279 | 14,279 | 14,279 |
| Debentures | 3,000 | 23,747 | 109,962 | 136,709 | 135,868 |
| Other financial liabilities | 290 | 142 | 138 | 570 | 570 |
|  |  |  |  |  |  |
| **Total non-derivative** | 42,208 | 85,854 | 209,378 | 337,440 | 227,529 |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
| Forward foreign exchange contracts - trading | 2 | - | - | 2 | 2 |
| Oil price crack spread swap and  time spread swap - trading (assets) | (413) | - | - | (413) | (413) |
| Oil price crack spread swap and  time spread swap - trading (Liabilites) | 1 | - | - | 1 | 1 |
| Forward foreign exchange contracts  - cash flow hedge |  |  |  |  |  |
| (Cash inflows) | - | (5,711) | - | (5,711) | (394) |
| Cash outflows | - | 5,276 | - | 5,276 | - |
| Interest rate swaps  - cash flow hedge |  |  |  |  |  |
| (Cash inflows) | (849) | (2,362) | (198) | (3,409) | - |
| Cash outflows | 884 | 2,549 | 293 | 3,726 | 373 |
| Cross currency swaps  - cash flow hedge |  |  |  |  |  |
| (Cash inflows) | (830) | (3,324) | (27,689) | (31,843) | (860) |
| Cash outflows | 752 | 3,010 | 25,943 | 29,705 | - |
|  |  |  |  |  |  |
| **Total derivatives** | (453) | (562) | (1,651) | (2,666) | (1,291) |
|  |  |  |  |  |  |
| **Total** | 41,755 | 85,292 | 207,727 | 334,774 | 226,238 |

|  | **Consolidate financial statements (Unit: Million Baht)** | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **Within 1 years** | **1-5 years** | **Over 5 years** | **Total** | **Carrying amount of (Assets)/**  **Liabilities** |
| **Maturity of financial liabilities** |  |  |  |  |  |
| **as at 31 December 2020** |  |  |  |  |  |
| **Non-derivative** |  |  |  |  |  |
| Short-term loan from financial institutions | 713 | - | - | 713 | 713 |
| Trade and other payables | 13,530 | - | - | 13,530 | 13,530 |
| Accrued interest | 6,786 | 19,101 | 69,620 | 95,507 | 1,221 |
| Lease liabilities | 1,315 | 2,913 | 17,158 | 21,386 | 12,111 |
| Long-term loans from financial institutions | 964 | 4,557 | 7,638 | 13,159 | 13,074 |
| Long-term loans from related and other parties | 3,999 | - | 279 | 4,278 | 4,278 |
| Debentures | 3,000 | 25,055 | 100,694 | 128,749 | 126,837 |
| Other financial liabilities | 285 | 2,320 | 14 | 2,619 | 2,619 |
|  |  |  |  |  |  |
| **Total non-derivative** | 30,592 | 53,946 | 195,403 | 279,941 | 174,383 |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
| Forward foreign exchange contracts - trading | 109 | - | - | 109 | 109 |
| Oil price crack spread swap and  time spread swap - trading | (251) | - | - | (251) | (251) |
| Forward foreign exchange contracts  - cash flow hedge |  |  |  |  |  |
| (Cash inflows) | - | (5,135) | - | (5,135) | - |
| Cash outflows | - | 5,276 | - | 5,276 | 172 |
| Interest rate swaps  - cash flow hedge |  |  |  |  |  |
| (Cash inflows) | (119) | (418) | (190) | (727) | - |
| Cash outflows | 248 | 868 | 395 | 1,511 | 535 |
| Cross currency swaps  - cash flow hedge |  |  |  |  |  |
| (Cash inflows) | (595) | (2,381) | (20,906) | (23,882) | - |
| Cash outflows | 600 | 2,404 | 21,898 | 24,902 | 1,125 |
|  |  |  |  |  |  |
| **Total derivatives** | (8) | 614 | 1,197 | 1,803 | 1,690 |
|  |  |  |  |  |  |
| **Total** | 30,584 | 54,560 | 196,600 | 281,744 | 176,073 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements (Unit: Million Baht)** | | | | |
|  | **Within**  **1 year** | **1 - 5 years** | **Over**  **5 years** | **Total** | **Carrying amount of (Assets)/ Liabilities** |
| **Maturity of financial liabilities** |  |  |  |  |  |
| **as at 31 December 2021** |  |  |  |  |  |
| **Non-derivative** |  |  |  |  |  |
| Short-term loans from related parties | 2,135 | - | - | 2,135 | 2,135 |
| Trade and other payables | 29,326 | - | - | 29,326 | 29,326 |
| Accrued interest | 8,116 | 21,428 | 79,597 | 109,141 | 1,337 |
| Lease liabilities | 1,339 | 4,099 | 19,080 | 24,518 | 15,224 |
| Long-term loans from financial institution | - | 19,709 | - | 19,709 | 19,536 |
| Long-term loans from related party | - | 23,528 | 96,672 | 120,200 | 119,858 |
| Debentures | 3,000 | 14,269 | 13,292 | 30,561 | 30,430 |
| Other financial liabilities | 115 | 43,237 | 96,951 | 140,303 | 140,303 |
|  |  |  |  |  |  |
| **Total non-derivative** | 44,031 | 126,270 | 305,592 | 475,893 | 358,149 |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
| Oil price crack spread swap and  time spread swap - trading (assets) | (413) | - | - | (413) | (413) |
| Oil price crack spread swap and time |  |  |  |  |  |
| spread swap - trading (liabilities) | 68 | - | - | 68 | 68 |
| Forward foreign exchange contracts  - cash flow hedge |  |  |  |  |  |
| (Cash inflows) | - | (5,711) | - | (5,711) | (394) |
| Cash outflows | - | 5,276 | - | 5,276 | - |
| Interest rate swaps  - cash flow hedge |  |  |  |  |  |
| (Cash inflows) | (732) | (1,958) | (93) | (2,783) | - |
| Cash outflows | 648 | 1,733 | 83 | 2,464 | 57 |
| Cross currency swaps  - cash flow hedge |  |  |  |  |  |
| (Cash inflows) | (830) | (3,324) | (27,689) | (31,843) | (860) |
| Cash outflows | 752 | 3,010 | 25,943 | 29,705 | - |
|  |  |  |  |  |  |
| **Total derivatives** | (507) | (974) | (1,756) | (3,237) | (1,542) |
|  |  |  |  |  |  |
| **Total** | 43,524 | 125,296 | 303,836 | 472,656 | 356,607 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements (Unit: Million Baht)** | | | | |
|  | **Within**  **1 year** | **1 - 5 years** | **Over**  **5 years** | **Total** | **Carrying amount of (Assets)/ Liabilities** |
| **Maturity of financial liabilities** |  |  |  |  |  |
| **as at 31 December 2020** |  |  |  |  |  |
| **Non-derivative** |  |  |  |  |  |
| Short-term loans from related parties | 57 | - | - | 57 | 57 |
| Trade and other payables | 14,561 | - | - | 14,561 | 14,561 |
| Accrued interest | 7,009 | 19,980 | 76,130 | 103,119 | 1,293 |
| Lease liabilities | 1,262 | 2,830 | 17,098 | 21,190 | 11,937 |
| Long-term loans from related party | - | 8,567 | 86,928 | 95,495 | 95,135 |
| Debentures | 3,000 | 16,536 | 12,708 | 32,244 | 32,104 |
| Other financial liabilities | 48 | 2,962 | 27 | 3,037 | 3,037 |
|  |  |  |  |  |  |
| **Total non-derivative** | 25,937 | 50,875 | 192,891 | 269,703 | 158,124 |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
| Forward foreign exchange  contract forwards - trading | 109 | - | - | 109 | 109 |
| Oil price crack spread swap and  time spread swap - trading (assets) | (251) | - | - | (251) | (251) |
| Oil price crack spread swap and time |  |  |  |  |  |
| spread swap - trading (liabilities) | 21 | - | - | 21 | 21 |
| Forward foreign exchange contracts  - cash flow hedge |  |  |  |  |  |
| (Cash inflows) | - | (5,135) | - | (5,135) | - |
| Cash outflows | - | 5,276 | - | 5,276 | 172 |
| Cross currency swaps  - cash flow hedge |  |  |  |  |  |
| (Cash inflows) | (595) | (2,381) | (20,906) | (23,882) | - |
| Cash outflows | 600 | 2,404 | 21,898 | 24,902 | 1,125 |
|  |  |  |  |  |  |
| **Total derivatives** | (116) | 164 | 992 | 1,040 | 1,176 |
|  |  |  |  |  |  |
| **Total** | 25,821 | 51,039 | 193,883 | 270,743 | 159,300 |

**6.2 Capital management**

**6.2.1 Risk management**

The objectives when managing capital are to:

* safeguard the ability to continue as a going concern, to provide returns for shareholders and benefits  
  for other stakeholders, and
* maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital based on gearing ratio which is determined by dividing net debt with equity.

During the year 2021, the Group’s strategy, which remains unchanged, was to maintain a gearing ratio within 1.0 time and a Baa3 credit rating for Moody’s and BBB credit rating for S&P’s. However, the Group is still under recapitilisation plan in order to increase the strength of capital structure and to maintain an investment grade credit rating. As at 31 December, the gearing ratios of the Group are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | |
|  | **2021**  **Million Baht** | **2020**  **Million Baht** |
|  |  |  |
| Net debt (including lease liabilities) | 168,123 | 85,332 |
| Equity (including non-controlling interests) | 123,094 | 120,118 |
|  |  |  |
| **Net debt to equity ratio** | 1.4 times | 0.7 times |

***Loan covenants***

Under the terms of the major borrowing facilities, the Group and the Company are required to comply with certain criteria and condition; for example, maintaining shareholders’ portion, maintaining debt to equity ratio at the level as specified in the contract and providing financial supports based on ownership percentage. As at 31 December 2021, the Group and the Company has complied with certain criteria and condition as specified in the contract.

|  |
| --- |
| **7 Fair Value** |

The following table presents fair value of financial assets and liabilities recognised or disclosed by their fair value hierarchy excluding those with the carrying amount approximates fair values.

|  | **Consolidated financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  | **Fair value** | | | |
|  | **Carrying amount** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  |  |  |  |  | **Million Baht** |
|  |  |  |  |  |  |
| **As at 31 December 2021** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Assets** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Financial assets at fair value**  **through profit or loss** |  |  |  |  |  |
| Debt investment | 619 | 373 | - | 246 | 619 |
|  |  |  |  |  |  |
| **Financial assets at fair value**  **through other comprehensive income** |  |  |  |  |  |
| Equity investment | 1,256 | 1,087 | - | 169 | 1,256 |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current** |  |  |  |  |  |
| Oil price crack spread swap and  time spread swap | 414 | - | 414 | - | 414 |
|  |  |  |  |  |  |
| **Non - current** |  |  |  |  |  |
| **Derivative used for hedge accounting** |  |  |  |  |  |
| Forward foreign exchange contracts | 394 | - | 394 | - | 394 |
| Cross currency swap | 860 | - | 860 | - | 860 |
|  |  |  |  |  |  |
| **Total assets** | 3,543 | 1,460 | 1,668 | 415 | 3,543 |

|  | **Consolidated financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  | **Fair value** | | | |
|  | **Carrying amount** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  |  |  |  |  | **Million Baht** |
|  |  |  |  |  |  |
| **As at 31 December 2021** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current** |  |  |  |  |  |
| Forward foreign exchange contracts | 2 | - | 2 | - | 2 |
|  |  |  |  |  |  |
| **Non-current** |  |  |  |  |  |
| **Derivative used for hedge accounting** |  |  |  |  |  |
| Interest rate swap | 373 | - | 373 | - | 373 |
|  |  |  |  |  |  |
| **Financial liabilities not measured**  **at fair value** |  |  |  |  |  |
| Contingent considerations from  investment acquisitions | 130 | - | - | 130 | 130 |
| Debentures | 135,868 | - | 136,481 | - | 136,481 |
|  |  |  |  |  |  |
| **Total liabilities** | 136,373 | - | 136,856 | 130 | 136,986 |
|  |  |  |  |  |  |
| **As at 31 December 2020** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Assets** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Financial assets at fair value**  **through profit or loss** |  |  |  |  |  |
| Debt investment | 461 | 347 | - | 114 | 461 |
|  |  |  |  |  |  |
| **Financial assets at fair value**  **through other comprehensive income** |  |  |  |  |  |
| Equity investment | 77 | - | - | 77 | 77 |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current** |  |  |  |  |  |
| Oil price crack spread swap and  time spread swap | 251 | - | 251 | - | 251 |
|  |  |  |  |  |  |
| **Total assets** | 789 | 347 | 251 | 191 | 789 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
|  |  | **Fair value** | | | |
|  | **Carrying amount** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  |  |  |  |  | **Million Baht** |
|  |  |  |  |  |  |
| **As at 31 December 2020** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current** |  |  |  |  |  |
| Forward foreign exchange contracts | 109 | - | 109 | - | 109 |
|  |  |  |  |  |  |
| **Non-current** |  |  |  |  |  |
| **Derivatives used for hedge accounting** |  |  |  |  |  |
| Cross currency swap | 1,125 | - | 1,125 | - | 1,125 |
| Interest rate swap | 535 | - | 535 | - | 535 |
| Forward foreign exchange contracts | 172 | - | 172 | - | 172 |
|  |  |  |  |  |  |
| **Financial liabilities not measured**  **at fair value** |  |  |  |  |  |
| Long-term loans | 3,999 | - | 4,003 | - | 4,003 |
| Debentures | 126,837 | - | 138,417 | - | 138,417 |
|  |  |  |  |  |  |
| **Total liabilities** | 132,777 | - | 144,361 | - | 144,361 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
|  |  | **Fair value** | | | |
|  | **Carrying amount** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  |  |  |  |  | **Million Baht** |
|  |  |  |  |  |  |
| **As at 31 December 2021** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Assets** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Financial assets at fair value**  **through profit or loss** |  |  |  |  |  |
| Debt investment | 373 | 373 | - | - | 373 |
|  |  |  |  |  |  |
| **Financial assets at fair value**  **through other comprehensive income** |  |  |  |  |  |
| Equity securities | 2 | - | - | 2 | 2 |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current** |  |  |  |  |  |
| Oil price crack spread swap and  time spread swap | 413 | - | 413 | - | 413 |
|  |  |  |  |  |  |
| **Non-current** |  |  |  |  |  |
| **Derivative used for hedge accounting** |  |  |  |  |  |
| Forward foreign exchange contracts | 394 | - | 394 | - | 394 |
| Cross currency swap | 860 | - | 860 | - | 860 |
|  |  |  |  |  |  |
| **Total assets** | 2,042 | 373 | 1,667 | 2 | 2,042 |
|  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current** |  |  |  |  |  |
| Oil price crack spread swap and  time spread swap | 68 | - | 68 | - | 68 |
|  |  |  |  |  |  |
| **Non-current** |  |  |  |  |  |
| Interest rate swap | 57 | - | 57 | - | 57 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
|  |  | **Fair value** | | | |
|  | **Carrying amount** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  |  |  |  |  | **Million Baht** |
| **As at 31 December 2021** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Financial liabilities not measured**  **at fair value** |  |  |  |  |  |
| Long-term loans from related parties | 119,858 | - | 118,473 | - | 118,473 |
| Debentures | 30,430 | - | 32,400 | - | 32,400 |
|  |  |  |  |  |  |
| **Total liabilities** | 150,413 | - | 150,998 | - | 150,998 |
|  |  |  |  |  |  |
| **As at 31 December 2020** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Assets** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Financial assets at fair value**  **through profit or loss** |  |  |  |  |  |
| Debt investment | 347 | 347 | - | - | 347 |
|  |  |  |  |  |  |
| **Financial assets at fair value**  **through other comprehensive income** |  |  |  |  |  |
| Equity securities | 2 | - | - | 2 | 2 |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current** |  |  |  |  |  |
| Oil price crack spread swap and  time spread swap | 251 | - | 251 | - | 251 |
|  |  |  |  |  |  |
| **Total assets** | 600 | 347 | 251 | 2 | 600 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Derivative** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current** |  |  |  |  |  |
| Oil price crack spread swap and  time spread swap | 21 | - | 21 | - | 21 |
| Forward foreign exchange contracts | 109 | - | 109 | - | 109 |
|  |  |  |  |  |  |
| **Non-current** |  |  |  |  |  |
| **Derivatives used for hedge accounting** |  |  |  |  |  |
| Cross currency swap | 1,125 | - | 1,125 | - | 1,125 |
| Forward foreign exchange contracts | 172 | - | 172 | - | 172 |
|  |  |  |  |  |  |
| **Financial liabilities not measured**  **at fair value** |  |  |  |  |  |
| Long-term loans | 95,135 | - | 103,417 | - | 103,417 |
| Debentures | 32,104 | - | 35,377 | - | 35,377 |
|  |  |  |  |  |  |
| **Total liabilities** | 128,666 | - | 140,221 | - | 140,221 |

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

Fair value measurement of financial assets and liabilities is in accordance with accounting policy disclosed in Note 5.7 and Note 5.15.

The Group did not have any transfers between levels during the year.

**Valuation techniques used in measuring level 2 fair values**

|  |  |
| --- | --- |
| **Type** | **Valuation technique** |
|  |  |
| Interest rate swap | Future cash flow projection discounted by the market yield which based on Bloomberg at the reporting date. |
| Foreign foreign exchange contracts | Future cash flow projection discounted by the market yield which based on commercial bank report for short-term transactions and future cash flow projection discounted by the market yield which based on Bloomberg at the reporting date for long-term transactions. |
| Cross currency swap | Future cash flow projection discounted by the market yield which based on Bloomberg at the reporting date. |
| Oil price crack spread swap and time spread swap | Market comparison technique: The fair values are based on broker quotes. Similar contracts that are traded in an active market and the quotes reflect the actual transactions in similar financial instruments. |
| Debt investment measure at fair value through  profit or loss | Thai Bond Market Association Government Bond Yield Curve as of the reporting date. |
| Debentures and Long-term loans | Market comparison technique: The valuation model is based on ask prices or lastest price of comparable market securities. |

**Valuation techniques used in measuring level 3 fair values**

Changes in level 3 financial instruments for the period ended 31 December 2021 is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | **Debt investment** | **Equity investment** | **Contingent considerations**  **from investment acquisition** | **Total** |
|  | **Milion Baht** | **Milion Baht** | **Million Baht** | **Milion Baht** |
|  |  |  |  |  |
| **Ending balance as at 1 January 2021** | 114 | 77 | - | 191 |
| Additions | 93 | 84 | 130 | 307 |
| Gain recognised in profit or loss | 23 | 1 | - | 24 |
| Exchange differences | 16 | 7 | - | 23 |
|  |  |  |  |  |
| **Ending balance as at 31 December 2021** | 246 | 169 | 130 | 545 |

The Group considers the significant unobservable inputs used in level 3 fair value measurements and concludes that fair value approximates carrying amount. For the fair value measurement of contingent consideration from the investment acquisitions, the Group considers by using future cash flow projection discounted with cost of debt and the assumptions of relating probabilities of conditions in the share purchase agreements.

The Group did not have any transfers between levels during the period.

The following table shows financial assets and liabilities measured at amortised cost with the carrying amount approximates fair value. The carrying amount of long-term loans from financial institutions, long-term loans from a third party, and  
long-term loans from a related party approximates their fair value, since their interest rates are close to market rate.

|  |  |
| --- | --- |
| **Consolidated financial statements** | **Separate financial statements** |
|  |  |
| **Financial assets**   * Cash and cash equivalents * Deposits at a financial institutions used as collaterals * Short-term investments * Trade accounts receivable, net * Other receivables * Finance lease receivables, net * Other non-current assets | **Financial assets**   * Cash and cash equivalents * Short-term investments * Trade accounts receivable, net * Other receivables * Finance lease receivables, net * Short-term loan to related parties * Current portion of long-term loans to related parties, net * Other non-current assets |
| **Financial liabilities**   * Short-term loans from financial institutions * Trade accounts payable * Other payables * Long-term loans from financial institutions, net * Long-term loans from a third party * Long-term loans from a related party, net * Lease liabilities, net * Other non-current liabilities | **Financial liabilities**   * Short-term loans from related parties * Trade accounts payable * Other payables * Long-term loans from financial institutions, net * Long-term loans from related parties, net * Lease liabilities, net * Other non-current liabilities |

|  |
| --- |
| **8 Critical accounting estimates and judgements** |

Estimates 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.

During the year ended 31 December 2021, the Group makes estimates and assumptions concerning the future. The result of accounting estimates will, by definition, seldom 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 are outlined below.

**Estimated impairment of goodwill**

The Group performs an impairment test of goodwill annually. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit in order to calculate present value. Significant estimates and assumptions used are gross margin and discount rate which reflect risk of the particular cash-generating unit (Note 21). Determination of the assumptions is necessary for the goodwill impairment testing.

|  |
| --- |
| **9 Segment information** |

Segment information is presented in respect of the Group’s business segments. The primary format, business segments, is based on the Group’s management and the internal reporting structure provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as President and Chief Executive Officer who make strategic decisions.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

***Reportable segments***

The Group comprises the following main business segments:

|  |  |
| --- | --- |
| Segment 1: | Oil refinery |
| Segment 2: | Lube base oil refinery |
| Segment 3: | Aromatics and LAB |
| Segment 4: | Power generation |
| Segment 5: | Marine transportation services (Discontinued operations) |
| Segment 6: | Solvent |
| Segment 7: | Ethanol |
| Segment 8: | Olefins |
| Segment 9: | Others |

Assets, revenue, and profit (loss) from operation of the business in consolidated financial statements for the year ended 31 December 2021 and 2020 are as follows:

|  |  |  | | **For the year ended 31 December 2021** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | |  | **Marine** |  |  |  |  |  |  |
|  | **Oil** | **Lube base** | **Aromatics** | | **Power** | **transportation** |  |  |  |  |  |  |
|  | **refinery** | **oil refinery** | **and LAB** | | **generation** | **services** | **Solvent** | **Ethanol** | **Olefins** | **Others** | **Elimination\*** | **Total** |
|  |  |  | | **Million Baht** | | | | | | | | |
|  |  |  |  | |  |  |  |  |  |  |  |  |
| Revenue from sales and services |  |  |  | |  |  |  |  |  |  |  |  |
| - External | 274,350 | 18,826 | 24,461 | | 4,059 | 126 | 13,236 | 895 | - | - | (126) | 335,827 |
| - Inter-segment | 74,371 | 5,006 | 36,086 | | 3,514 | 84 | 78 | 693 | - | 6,330 | (126,162) | - |
| Subsidy from oil fuel fund | 9,669 | - | - | | - | - | - | - | - | - | - | 9,669 |
| Cost of sales and services | (344,129) | (19,106) | (57,459) | | (6,240) | (146) | (11,697) | (1,413) | - | (6,075) | 126,710 | (319,555) |
|  |  |  |  | |  |  |  |  |  |  |  |  |
| **Gross profit (loss)** | 14,261 | 4,726 | 3,088 | | 1,333 | 64 | 1,617 | 175 | - | 255 | 422 | 25,941 |
|  |  |  |  | |  |  |  |  |  |  |  |  |
| Dividend income | 22,190 | - | - | | - | - | - | - | - | - | (22,183) | 7 |
| Net gain (loss) from financial instruments | (2,731) | - | 303 | | - | - | (1) | - | - | 23 | - | (2,406) |
| Net foreign exchange gain (loss) | (4,873) | 47 | 117 | | 8 | 10 | 112 | - | - | (6) | (10) | (4,595) |
| Other income | 2,198 | 66 | 264 | | 14,663 | 12 | 28 | 611 | 1 | 2 | (16,716) | 1,129 |
| Selling expenses | (53) | (96) | (187) | | - | - | (545) | (18) | - | - | 129 | (770) |
| Administrative expenses | (2,654) | (72) | (114) | | (27) | (40) | (294) | (114) | (1) | (52) | 1,082 | (2,286) |
| Share of profit (loss) of joint ventures and  associates, net | - | - | - | | 1,522 | - | - | 46 | (90) | 197 | - | 1,675 |
|  |  |  |  | |  |  |  |  |  |  |  |  |
| **Profit (loss) before finance** |  |  |  | |  |  |  |  |  |  |  |  |
| **costs and income tax expense** | 28,338 | 4,671 | 3,471 | | 17,499 | 46 | 917 | 700 | (90) | 419 | (37,276) | 18,695 |
|  |  |  |  | |  |  |  |  |  |  |  |  |
| Finance costs | (3,214) | (59) | (159) | | (338) | (27) | (74) | (17) | - | - | 293 | (3,595) |
| **Profit (loss) before income tax expense** | 25,124 | 4,612 | 3,312 | | 17,161 | 19 | 843 | 683 | (90) | 419 | (36,983) | 15,100 |
|  |  |  |  | |  |  |  |  |  |  |  |  |
| Income tax benefit (expense) | (472) | (933) | (419) | | (5) | (1) | (121) | (76) | - | (8) | 1 | (2,034) |
| **Net profit (loss) for the year** | 24,652 | 3,679 | 2,893 | | 17,156 | 18 | 722 | 607 | (90) | 411 | (36,982) | 13,066 |
|  |  |  |  | |  |  |  |  |  |  |  |  |
| Profit (loss) attributable to: |  |  |  | |  |  |  |  |  |  |  |  |
| - Owners of the parent - continuing operations | 24,652 | 3,679 | 2,586 | | 17,125 | 18 | 663 | 579 | (90) | 411 | (36,982) | 12,641 |
| - Non-controlling interests | - | - | 307 | | 31 | - | 59 | 28 | - | - | - | 425 |
|  |  |  |  | |  |  |  |  |  |  |  |  |
| **Net profit (loss) for the year from**  **continuing operations** | 24,652 | 3,679 | 2,893 | | 17,156 | 18 | 722 | 607 | (90) | 411 | (36,982) | 13,066 |
|  |  |  |  | |  |  |  |  |  |  |  |  |
| **Recognition of revenue** |  |  |  | |  |  |  |  |  |  |  |  |
| - Point in time | 348,542 | 23,832 | 60,547 | | 6,509 | - | 13,314 | 1,588 | - | 6,330 | (125,858) | 334,804 |
| - Over time | 179 | - | - | | 1,064 | 210 | - | - | - | - | (430) | 1,023 |
|  |  |  |  | |  |  |  |  |  |  |  |  |
| **Total revenue** | 348,721 | 23,832 | 60,547 | | 7,573 | 210 | 13,314 | 1,588 | - | 6,330 | (126,288) | 335,827 |

\*Adjustments include elimination transaction and classification of assets held-for-sale.

|  |  | **For the year ended 31 December 2020**  **(Re-presented)** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **Marine** |  |  |  |  |  |
|  | **Oil** | **Lube base** | **Aromatics** | **Power** | **transportation** |  |  |  |  |  |
|  | **refinery\*\*** | **oil refinery** | **and LAB** | **generation\*\*** | **services** | **Solvent** | **Ethanol** | **Others** | **Adjustment\*** | **Total** |
|  |  | **Million Baht** | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |
| Revenue from sales and services |  |  |  |  |  |  |  |  |  |  |
| - External | 206,069 | 11,110 | 12,857 | 3,760 | 418 | 8,137 | 907 | - | (418) | 242,840 |
| - Inter-segment | 43,174 | 2,928 | 23,819 | 2,895 | 240 | 51 | 724 | 5,792 | (79,623) | - |
| Subsidy from oil fuel fund | 5,073 | - | - | - | - | - | - | - | - | 5,073 |
| Cost of sales and services | (268,300) | (12,763) | (34,547) | (5,438) | (573) | (7,123) | (1,442) | (5,475) | 80,361 | (255,300) |
|  |  |  |  |  |  |  |  |  |  |  |
| **Gross profit (loss)** | (13,984) | 1,275 | 2,129 | 1,217 | 85 | 1,065 | 189 | 317 | 320 | (7,387) |
|  |  |  |  |  |  |  |  |  |  |  |
| Dividend income | 3,717 | - | - | - | - | - | - | - | (3,703) | 14 |
| Net gain (loss) from financial instruments | (398) | - | 193 | - | - | - | - | 26 | - | (179) |
| Net foreign exchange gain (loss) | 1,692 | 10 | 75 | 2 | - | 14 | 1 | (9) | - | 1,785 |
| Gain from disposal of investment in an associate | 8,965 | - | - | - | - | - | - | - | (3,164) | 5,801 |
| Other income | 2,890 | 80 | 185 | 18 | 21 | 23 | 3 | 1 | (2,121) | 1,100 |
| Selling expenses | (40) | (97) | (160) | - | - | (403) | (21) | - | 183 | (538) |
| Administrative expenses | (2,406) | (74) | (305) | (26) | (114) | (259) | (84) | (36) | 1,193 | (2,111) |
| Share of profit (loss) of joint ventures and  associates, net | - | - | - | 2,189 | 82 | - | 19 | 284 | (82) | 2,492 |
| **Profit (loss) before finance** |  |  |  |  |  |  |  |  |  |  |
| **costs and income tax expense** | 436 | 1,194 | 2,117 | 3,400 | 74 | 440 | 107 | 583 | (7,374) | 977 |
| Finance costs | (4,223) | (58) | (207) | (322) | (91) | (75) | (21) | - | 705 | (4,292) |
| **Profit (loss) before income tax expense** | (3,787) | 1,136 | 1,910 | 3,078 | (17) | 365 | 86 | 583 | (6,669) | (3,315) |
| Income tax benefit (expense) | 1,376 | (228) | (400) | (4) | (3) | (52) | 2 | (22) | (23) | 646 |
| **Net profit (loss) for the year** | (2,411) | 908 | 1,510 | 3,074 | (20) | 313 | 88 | 561 | (6,692) | (2,669) |
| Profit (loss) attributable to: |  |  |  |  |  |  |  |  |  |  |
| - Owners of the parent – continuing operations | (3,048) | 908 | 1,535 | 3,074 | (20) | 310 | 45 | 561 | (6,453) | (3,088) |
| - Business restructuring under common  control interests | 637 | - | - | - | - | - | - | - | (637) | - |
| - Non-controlling interests | - | - | (25) | - | - | 3 | 43 | - | 398 | 419 |
| **Net profit (loss) for the year**  **from continuing operations** | (2,411) | 908 | 1,510 | 3,074 | (20) | 313 | 88 | 561 | (6,692) | (2,669) |
| **Recognition of revenue** |  |  |  |  |  |  |  |  |  |  |
| - Point in time | 249,051 | 14,038 | 36,676 | 5,640 | - | 8,188 | 1,631 | 5,792 | (79,176) | 241,840 |
| - Over time | 192 | - | - | 1,015 | 658 | - | - | - | (865) | 1,000 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Total revenue** | 249,243 | 14,038 | 36,676 | 6,655 | 658 | 8,188 | 1,631 | 5,792 | (80,041) | 242,840 |

\* Adjustments include elimination transaction and classification of assets held-for-sale.

\*\* Retrospective adjustments in 2020 for comparative purposes.

|  |  | **For the year ended 31 December 2021** | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **Marine** |  |  |  |  |  |  |
|  | **Oil** | **Lube base** | **Aromatic** | **Power** | **transportation** |  |  |  |  |  |  |
|  | **refinery** | **oil refinery** | **and LAB** | **generation** | **services** | **Solvent** | **Ethanol** | **Olefins** | **Others** | **Adjustments\*** | **Total** |
|  |  | **Million Baht** | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Trade accounts receivable, net | 25,048 | 1,410 | 5,990 | 1,137 | 48 | 2,135 | 109 | - | 948 | (13,410) | 23,415 |
| Inventories, net | 33,623 | 2,658 | 1,727 | 110 | 11 | 1,240 | 244 | - | - | (37) | 39,576 |
| Other current assets | 32,444 | 1,850 | 2,835 | 1,816 | 641 | 1,500 | 85 | 20 | 1,054 | (4,188) | 38,057 |
| Derivative assets | 1,668 | - | 67 | - | - | - | - | - | - | (67) | 1,668 |
| Investments in subsidiaries | 41,014 | - | - | - | - | - | - | - | - | (41,014) | - |
| Investments in joint ventures | - | - | - | - | 188 | - | 1 | - | - | (188) | 1 |
| Investments in associates | - | - | - | 22,279 | 6 | - | - | 30,536 | 993 | 1,597 | 55,411 |
| Long-term loans to a related party | - | - | - | - | - | - | - | - | 105,291 | (105,291) | - |
| Property, plant and equipment, net | 146,633 | 1,745 | 15,100 | 10,437 | 2,382 | 1,983 | 1,315 | - | - | (1,196) | 178,399 |
| Right-of-use assets, net | 16,066 | 1,112 | 921 | 217 | 14 | 342 | 5 | - | - | (1,546) | 17,131 |
| Other non-current assets | 6,390 | 655 | 1,552 | 93 | 4 | 1,357 | 1,100 | - | 1,264 | (3,929) | 8,486 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Total assets** | 302,886 | 9,430 | 28,192 | 36,089 | 3,294 | 8,557 | 2,859 | 30,556 | 109,550 | (169,269) | 362,144 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Trade accounts payable | 25,344 | 2,056 | 6,387 | 581 | 38 | 1,110 | 17 | - | 823 | (13,355) | 23,001 |
| Short-term loans | 2,135 | - | - | - | 95 | 1,444 | 270 | - | 284 | (3,299) | 929 |
| Current portion of |  |  |  |  |  |  |  |  |  |  |  |
| long-term loans from financial |  |  |  |  |  |  |  |  |  |  |  |
| institutions, net | - | - | 596 | 394 | 165 | 164 | 59 | - | - | (165) | 1,213 |
| Current portion of debenture, net | 3,000 | - | - | - | - | - | - | - | - | - | 3,000 |
| Other current liabilities | 8,769 | 620 | 491 | 526 | 34 | 257 | 66 | 1 | 106 | (537) | 10,333 |
| Derivative liabilities | 124 | - | - | 317 | - | 1 | - | - | - | (67) | 375 |
| Long-term loans, net | 139,394 | - | 3,868 | 6,883 | 1,823 | 433 | 35 | - | - | (107,681) | 44,755 |
| Debentures, net | 27,430 | - | - | - | - | - | - | - | 105,438 | - | 132,868 |
| Lease liabilities, net | 14,036 | 1,219 | 963 | 185 | 8 | 298 | 2 | - | - | (2,576) | 14,135 |
| Other non-current liabilities | 7,698 | 148 | 257 | 40 | 14 | 189 | 86 | 111 | 844 | (946) | 8,441 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Total liabilities** | 227,930 | 4,043 | 12,562 | 8,926 | 2,177 | 3,896 | 535 | 112 | 107,495 | (128,626) | 239,050 |

\* Adjustments include elimination transaction and classification of assets held-for-sale.

|  | **For the year ended 31 December 2020**  **(Restated)** | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **Marine** |  |  |  |  |  |
|  | **Oil** | **Lube base** | **Petro-** | **Power** | **transportation** |  |  |  |  |  |
|  | **refinery \*\*** | **oil refinery** | **chemical** | **generation** | **services** | **Solvent** | **Ethanol** | **Others** | **Adjustments\*** | **Total** |
|  | **Million Baht** | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |
| Trade accounts receivable, net | 13,199 | 869 | 2,892 | 801 | 53 | 1,497 | 110 | 816 | (7,535) | 12,702 |
| Inventories, net | 19,201 | 1,137 | 1,068 | 104 | 10 | 721 | 257 | - | (37) | 22,461 |
| Other current assets | 82,782 | 1,945 | 1,106 | 1,726 | 440 | 877 | 118 | 12,273 | (22,452) | 78,815 |
| Derivative assets | 251 | - | 21 | - | - | - | - | - | (21) | 251 |
| Investments in subsidiaries | 14,045 | - | - | - | - | - | - | - | (14,045) | - |
| Investments in joint ventures | - | - | - | - | 188 | - | - | - | (188) | - |
| Investments in associates | - | - | - | 22,185 | 6 | - | 826 | 993 | 511 | 24,521 |
| Long-term loans to a related party | - | - | - | - | - | - | - | 94,616 | (94,616) | - |
| Property, plant and equipment, net | 112,665 | 1,386 | 16,631 | 9,495 | 2,364 | 2,092 | 1,346 | - | (754) | 145,225 |
| Right-of-use assets, net | 13,610 | 1,150 | 954 | 207 | 14 | 373 | 4 | 1 | (1,584) | 14,729 |
| Other non-current assets | 6,582 | 648 | 1,656 | 178 | 2 | 1,267 | 11 | 944 | (3,804) | 7,484 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Total assets** | 262,335 | 7,135 | 24,328 | 34,696 | 3,077 | 6,827 | 2,672 | 109,643 | (144,525) | 306,188 |
|  |  |  |  |  |  |  |  |  |  |  |
| Trade accounts payable | 10,781 | 1,011 | 3,224 | 367 | 31 | 840 | 16 | 740 | (7,493) | 9,517 |
| Short-term loans | 57 | - | 30 | - | 165 | 594 | 368 | 255 | (756) | 713 |
| Current portion of |  |  |  |  |  |  |  |  |  |  |
| long-term loans from financial |  |  |  |  |  |  |  |  |  |  |
| institutions, net | - | - | 406 | 332 | 150 | 160 | 55 | - | (150) | 953 |
| Current portion of debenture, net | 3,000 | - | - | - | - | - | - | - | - | 3,000 |
| Other current liabilities | 23,236 | 269 | 534 | 64 | 762 | 197 | 51 | 11,457 | (22,242) | 14,328 |
| Derivative liabilities | 1,427 | - | - | 534 | - | - | - | - | (20) | 1,941 |
| Long-term loans, net | 95,135 | - | 4,464 | 7,277 | 1,145 | 610 | 50 | - | (96,281) | 12,400 |
| Debentures, net | 29,104 | - | - | - | - | - | - | 94,733 | - | 123,837 |
| Lease liabilities, net | 11,144 | 1,188 | 935 | 173 | 8 | 328 | 1 | - | (2,505) | 11,272 |
| Other non-current liabilities | 7,658 | 147 | 198 | 40 | 22 | 156 | 21 | 731 | (865) | 8,108 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Total liabilities** | 181,542 | 2,615 | 9,791 | 8,787 | 2,283 | 2,885 | 562 | 107,916 | (130,312) | 186,069 |

\* Adjustments include elimination transaction and classification of assets held-for-sale.

\*\* Retrospective adjustments in 2020 for comparative purposes.

Major customer

Revenue from two customers represents Baht 179,642 million (2020: revenue from two customers represented Baht 210,369 million) of the Group’s revenue from sales and service.

Geographical segments

In presenting geographical information by segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

**Geographical information**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Revenue** | | **Non-current assets** | |
|  | **For the year ended 31 December** | | **As at 31 December** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Thailand | 283,654 | 230,071 | 228,756 | 190,495 |
| Other countries | 61,842 | 17,842 | 32,149 | 1,464 |
|  |  |  |  |  |
| Total | 345,496 | 247,913 | 260,905 | 191,959 |

|  |
| --- |
| **10 Cash and cash equivalents** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Cash on hand | 1 | 1 | - | - |
| Deposits held at bank |  |  |  |  |
| - savings and current accounts | 24,390 | 41,411 | 19,295 | 35,810 |
| - fixed deposit accounts less than 3 months | 5,305 | 11,832 | 5,305 | 11,833 |
|  |  |  |  |  |
| Total | 29,696 | 53,244 | 24,600 | 47,643 |

As at 31 December 2021, the interest rates on deposits in saving accounts are 0.01% - 0.75% per annum (2020: 0.01% - 0.80% per annum).

As at 31 December 2021, the interest rates on deposits in fixed accounts less than 3 months are 0.13% - 0.60%   
per annum (2020: 0.60% per annum) and these deposits have an average maturity of 19 days (2020: 73 days).

As at 31 December 2021, the Group’s deposit at financial institutions of Baht 1,722 million were used to pledge as collateral for credit facilities (2020: Baht 1,664 million). However, the Group’s deposit at financial institutions which pledged as collateral for credit facilities can be withdrawn if it meets the objectives and conditions of loan agreements to support the normal working capital and business opreations of the Group (Note 27).

|  |
| --- |
| **11 Deposit at a financial institutions used as collateral** |

As at 31 December 2021, deposits at a financial institution used as short-term collateral represented deposits of a subsidiary amounting to Baht 328 million (2020: Baht 327 million), which was used as collateral for credit facilities with a financial institution as described in Note 27. The amount is restricted for long-term loans and interest repayment that will be due in the next period.

|  |
| --- |
| **12 Trade accounts receivable, net** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated | | Separate | |
|  | financial statements | | financial statements | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Related parties (Note 39) | 9,875 | 6,568 | 17,445 | 10,148 |
| Other parties | 13,540 | 6,136 | 7,603 | 3,051 |
|  |  |  |  |  |
| Total | 23,415 | 12,704 | 25,048 | 13,199 |
| Less Expected credit loss allowance | - | (2) | - | - |
|  |  |  |  |  |
| Trade accounts receivable, net | 23,415 | 12,702 | 25,048 | 13,199 |

Fair values of trade receivables

The carrying amount is considered approximate to their fair value due to the nature of trade accounts receivable is current assets.

Aging analyses for trade accounts receivable are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated | | Separate | |
|  | financial statements | | financial statements | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| **Related parties** |  |  |  |  |
| Within credit terms | 9,875 | 6,568 | 17,445 | 10,148 |
| Less Expected credit loss allowance | - | - | - | - |
| Net | 9,875 | 6,568 | 17,445 | 10,148 |
|  |  |  |  |  |
| **Other parties** |  |  |  |  |
| Within credit terms | 13,409 | 6,098 | 7,603 | 3,050 |
| Overdue: |  |  |  |  |
| - Less than 3 months | 131 | 36 | - | 1 |
| - Over than 3 months but less than 1 year | - | 2 | - | - |
|  |  |  |  |  |
|  | 13,540 | 6,136 | 7,603 | 3,051 |
|  |  |  |  |  |
| Less Expected credit loss allowance | - | (2) | - | - |
|  |  |  |  |  |
| Net | 13,540 | 6,134 | 7,603 | 3,051 |
|  |  |  |  |  |
| Total | 23,415 | 12,702 | 25,048 | 13,199 |

The normal credit term granted by the Group ranges from 7 days to 120 days.

|  |
| --- |
| **13 Other receivables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Prepaid expenses | 597 | 379 | 303 | 207 |
| Other accounts receivable | 399 | 690 | 612 | 805 |
| Current portion of long-term loans |  |  |  |  |
| to savings co-operative of employees | 13 | 13 | 13 | 13 |
|  |  |  |  |  |
| Total | 1,009 | 1,082 | 928 | 1,025 |

Fair values of other receivables

The carrying amount is considered approximate to their fair value due to the nature of other receivable is current assets.

|  |
| --- |
| **14 Inventories, net** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Crude oil and feedstock | 14,983 | 8,683 | 13,295 | 8,105 |
| Materials, spare parts and supplies | 1,709 | 1,606 | 1,204 | 1,165 |
| Finished and semi-finished oil products | 9,963 | 6,638 | 6,308 | 4,589 |
| Goods in transit |  |  |  |  |
| Crude oil | 12,700 | 5,649 | 12,700 | 5,649 |
| Materials, spare parts and supplies | 213 | 4 | 206 | 4 |
| Finished and semi-finished oil products | 252 | 198 | - | - |
| Less Allowance for decline in value of |  |  |  |  |
| inventories adjusted to net realised value |  |  |  |  |
| - Crude oil and feedstock | - | (311) | - | (311) |
| - Finished and semi-finished |  |  |  |  |
| oil products | (244) | (6) | (90) | - |
|  |  |  |  |  |
| Inventories, net | 39,576 | 22,461 | 33,623 | 19,201 |

As at 31 December 2021, the inventories as stated above included a legal reserve amounting to Baht 7,850 million (2020: Baht 4,642 million).

Inventories recognised as expenses in cost of sale of goods for the year ended 31 December 2021 and 2020 are as follows:

|  | **Consolidated** | | **Separate** | |
| --- | --- | --- | --- | --- |
|  | **financial statements** | | **financial statements** | |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| - Cost of sale of goods | 229,532 | 166,175 | 270,129 | 185,468 |
| - (Reversal of) write-down to net |  |  |  |  |
| realised value | 238 | 215 | 90 | 310 |
|  |  |  |  |  |
| Net | 229,770 | 166,390 | 270,219 | 185,778 |

|  |
| --- |
| **15 Assets and liabilities held-for-sale and discontinued operations** |

On 25 November 2020, the Company’s Board of Directors approved the restructuring of the Company’s marine transport business unit. The Company would dispose all of its directly held ordinary shares in Thaioil Marine Co., Ltd (TM) to another company. The Share Purchase Agreement was signed on 24 December 2020. The associated assets and liabilities were consequently presented as held-for-sale in the 2020 financial statements.

The Company completely disposed all of its ordinary shares in TM on 30 April 2021 and effective on 1 May 2021 onward.

On 19 November 2021, the Company passed a resolution to dissolve TOMI. The dissolution of TOMI is expected to be completed within August 2022. The Group reclassified the related assets and liabilities to assets discontinued operations.

Since this business unit was reclassified as discontinued operations, the Group presented the post-tax loss of discontinued operations separately from the continuing operations in the consolidated statement of income. The comprehensive income (expense) presented separately from the continuing operations in the consolidated statement of comprehensive income. In the consolidated statement of cash flow, the net cash flows of discontinued operations presented separately from continuing operations. The Group re-presented the results of discontinued operations for the nine-month period ended 31 December 2020 to be comparable with the nine-month period ended 31 December 2021.

**Financial performance and cash flow information**

The performance and cash flows from discontinued operations for the period ended 31 December are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial statement** | |
|  | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** |
|  |  |  |
| Revenue from sales and services | 126 | 418 |
| Cost of sales of goods and services | (145) | (559) |
|  |  |  |
| **Gross loss** | (19) | (141) |
|  |  |  |
| Net gain from foreign exchange | 10 | - |
| Other income | 6 | 15 |
| Administrative expenses | (40) | (99) |
| Share of profit of joint ventures and associates, net | - | 82 |
|  |  |  |
| **Loss before finance costs and income tax expense**  **from discontinued operations** | (43) | (143) |
|  |  |  |
| Finance costs | (19) | (67) |
|  |  |  |
| **Loss before income tax expense from discontinued operations** | (62) | (210) |
| Income tax | (1) | (3) |
|  |  |  |
| **Net loss from discontinued operations** | (63) | (213) |

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial statement** | |
|  | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** |
|  |  |  |
| **Items that will be reclassified subsequently to profit or loss** |  |  |
| Exchange differences on translation of financial statements | 24 | 2 |
|  |  |  |
| **Items that will not be reclassified subsequently to profit or loss** |  |  |
| Gain from remeasurements of post-employment  benefit obligations, net of tax | - | 10 |
| Other comprehensive income for the period from  discontinued operations, net of tax | 24 | 12 |
|  |  |  |
| **Comprehensive expense from discontinued operations** | (39) | (201) |
|  |  |  |
| Cash flows used in operating activities | (361) | (339) |
| Cash flows used in investing activities | (18) | 208 |
| Cash flows used in financing activities | (96) | (442) |
|  |  |  |
| **Total cash flows** | (475) | (573) |

**Details of disposal**

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial information** | **Separate**  **financial information** |
|  | **Million Baht** | **Million Baht** |
|  |  |  |
| Cash received | 860 | 860 |
| Net carrying amount of assets/investment in a subsidiary | 813 | 808 |
|  |  |  |
| **Gain from disposal before tax and reclassification of**  **exchange differences on translation of financial statements** | 47 | 52 |
|  |  |  |
| Reclassification of exchange differences on translation of  financial statements | (6) | - |
|  |  |  |
| **Gain from disposal before tax** | 41 | 52 |

Carrying amount of assets and liabilities as at 30 April 2021 are as follows:

|  |  |
| --- | --- |
|  | **Million Baht** |
|  |  |
| Cash and cash equivalents | 283 |
| Trade accounts receivable | 48 |
| Other receivables | 40 |
| Inventories | 11 |
| Prepaid corporate income tax | 14 |
| Investments in joint ventures | 188 |
| Investments in associate | 6 |
| Plant and equipment, net | 2,382 |
| Right-of-use assets, net | 14 |
| Deferred tax assets | 2 |
| Other non-current assets | 1 |
|  |  |
| **Total assets** | 2,989 |
|  |  |
| Short-term loans from financial institutions | 95 |
| Trade accounts payable | 37 |
| Other payables | 27 |
| Current portion of long-term loans from financial institutions, net | 165 |
| Current portion of lease liabilities, net | 7 |
| Long-term loans from financial institutions, net | 1,055 |
| Long-term loans from a third party | 68 |
| Long-term loans from a related party | 700 |
| Lease liabilities, net | 8 |
| Employee benefit obligations | 14 |
|  |  |
| **Total liabilities** | 2,176 |
|  |  |
| **Total net assets** | 813 |

The assets and liabilities which related to the discontinued operation and were reclassified as held-for-sale as at   
31 December 2021 and 2020 are as follow.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate financial information** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Cash and cash equivalents | 305 | 116 | - | - |
| Trade accounts receivable | - | 37 | - | - |
| Other receivables | - | 13 | - | - |
| Inventories | - | 9 | - | - |
| Prepaid corporate income tax | - | 12 | - | - |
| Investments in subsidiaries | - | - | 277 | 808 |
| Investments in joint ventures | - | 188 | - | - |
| Investments in associate | - | 6 | - | - |
| Plant and equipment, net | - | 2,365 | - | - |
| Right-of-use assets, net | - | 14 | - | - |
| Deferred tax assets | - | 2 | - | - |
| Other non-current assets | - | 1 | - | - |
|  |  |  |  |  |
| **Assets held-for-sale and discontinue operation** | 305 | 2,763 | 277 | 808 |
|  |  |  |  |  |
| Short-term loans from financial institutions | - | 165 | - | - |
| Trade accounts payable | - | 31 | - | - |
| Other payables | - | 49 | - | - |
| Current portion of long-term loans  from financial institutions, net | - | 150 | - | - |
| Current portion of lease liabilities, net | - | 7 | - | - |
| Long-term loans from financial institutions, net | - | 1,145 | - | - |
| Lease liabilities, net | - | 7 | - | - |
| Employee benefit obligations | - | 22 | - | - |
|  |  |  |  |  |
| **Liabilities related to assets held-for-sale**  **and discontinue operation** | - | 1,576 | - | - |
|  |  |  |  |  |
| Other surplus | - | 101 | - | - |
|  |  |  |  |  |
| **Other surplus held-for-sale** | - | 101 | - | - |
|  |  |  |  |  |
| Other components of equity | 13 | (6) | - | - |
|  |  |  |  |  |
| **Other components of equity held-for-sale and**  **discontinue operation** | 13 | (6) | - | - |

The assets and liabilities of marine transportation business unit were classified as held-for-sale during the year 2020 and was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The non-recurring fair value was determined using the market approach and is a level 2 in the fair value hierarchy.

|  |
| --- |
| **16 Investments in subsidiaries** |

## 16.1 Movements of investments in subsidiaries are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Separate financial statements** | |
|  | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** |
|  |  |  |
| **At 1 January** | 14,045 | 15,015 |
| Increase in investment | 30,441 | - |
| Disposal of investment | (3,195) | - |
| Loss from impairment | - | (162) |
| Classified as non-current assets held-for-sales  and discontinuing operations (Note 15) | (277) | (808) |
|  |  |  |
| **At 31 December** | 41,014 | 14,045 |

**Direct subsidiaries**

***Thaioil Power Co., Ltd.***

On 1 February 2021, the Company carried out an entire business transfer from Thaioil Power Co., Ltd. (TP). Subsequently, TP paid dividends to shareholders and registered for dissolution in February 2021 and entered into the liquidation process. After the completion of the liquidation process, TP will distribute its assets to shareholders in the proportion to their shareholding interests. The Company has an investment of Baht 3,195 million in TP and will receive Baht 2,288 million based on the proportion to its shareholding interests. As a result, the Company recognised the allowance for impairment loss of Baht 907 million. The balance presented net with dividend income in the statement of income since it is a related transaction to the entire business transfer under common control as disclosed in Note 40.

On 17 September 2021, TP completed the liquidation process and distribute its assets to all shareholders. The Company recognised a reversal of allowance for impairment loss of Baht 6 million in the statement of income.

***Thaioil Marine International Pte. Ltd.***

On 25 March 2021, the Company purchased all ordinary shares of Thaioil Marine International Pte. Ltd. (TOMI), an indirect subsidiary of the Company, from Thaioil Marine Co., Ltd. The Company purchased 9 million shares, totalling US Dollar 9 million or equivalent to Baht 277 million. As a result of this ordinary shares purchase transaction, TOMI is a direct subsidiary of the Company.

On 19 November 2021, the Company passed a resolution to dissolve TOMI and classified an investment as   
non-current asset from discontinued operations as disclosed in Note 15.

***Thaioil Marine Co., Ltd.***

On 30 April 2021, the Company disposed all of its ordinary shares in Thaioil Marine Company Limited totalling Baht 860 million and classified the investment as non-current assets held-for-sales. As a result of reclassification, the Company recognised Baht 162 million for loss from impairment and presented as part of the administrative expenses. The Group and the Company recognised profit from disposal of Baht 41 million and Baht 52 million, respectively.

***PT TOP International Indonesia***

The Company’s Board of Directors approved the establishment of PT TOP Investment Indonesia (TII), a newly subsidiary in the Republic of Indonesia, in order to invest in PT Chandra Asri Petrochemical Tbk (CAP). TII is established on 12 July 2021 and held by the Company for 99.99% and byThai Oil Treasury Center Co., Ltd. for 0.01% of shares. TII has a registered capital totalling US Dollar 914.2 millon or equivalent to Baht 29,944.3 million. TII received the capital payments during August 2021.

***Thaioil Treasury Center Co., Ltd (TTC)***

In August 2021, TCC which is a Company’s direct shareholder in the proportion of 100% of the total registered capital, has called up the capital increase in the total amount of Baht 220 million. The Company paid for the shares in August 2021.

**Indirect subsidiaries**

***Chaibadan Community Power Plant 1 Co., Ltd. and Chaibadan Community Power Plant 2 Co., Ltd.***

On 15 February 2021, Sapthip Co., Ltd., an indirect subsidiary of the Company, invested in Chaibadan Community Power Plant 1 Co., Ltd. (CCPP1) and Chaibadan Community Power Plant 2 Co., Ltd. (CCPP2) by acquiring 99.99% of its total registered capital. CCPP1 and CCPP2 have 640,000 registered ordinary shares in each entity with a par value of Baht 10 each. In February 2021, Sapthip Co., Ltd. paid for 25% of the total shares, equivalent to Baht 1.6 million.

On 16 April 2021, Sapthip Co.,Ltd., disposed ordinary shares of CCPP1 and CCPP2 totalling 313,600 shares in each entity, which equivalents to 49% of issued and paid-up share capital to Combined Heat and Power Producing Company Limited, a subsidiary of Global Power Synergy Public Company Limited. As a result, the percentage of shareholding of Sapthip Co., Ltd. in CCPP1 and CCPP2 decreased from 99.99% to 50.99% and the Group changed the classification of investments in CCPP1 and CCPP2 from investment in subsidiaries to investment in joint ventures.

***JSKEM Private Limited***

On 1 July 2021, TOP Solvent Company Limited (TS), an indirect subsidiary of the Company, purchased the shares in JSKEM Private Limited (JSKEM) from the existing shareholders of JSKEM for 60% shareholding interests in an amount of US Dollar 0.69 million or equivalent to Baht 22.26 million.

***TOP Ventures Thailand Co., Ltd (TVTH)***

In September 2021, TTC a direct shareholder holding 99.99 percent of the total registered capital of TVTH. TVTH has called for additional shares in the total amount of Baht 10.5 million. TTC has fully paid for the shares in October 2021.

***TOP Ventures Hong Kong Limited (TVHK)***

September 2021, TTC a direct shareholder holding 99.99 percent of the total registered capital of TVHK. TVHK has called for additional shares in the amount of US Dollar 4.5 million or equivalent to Baht 151.4 million.   
TTC has fully paid for the shares in October 2021.

**16.2 The details of subsidiaries are as follows:**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | |  | |  | | **Separate financial statements** | | |
|  |  |  | **Percentage of direct shareholding** | | **Paid-up capital** | | **Cost method** | | | **Dividend income for  the year** | |
|  | **Country of** | **Nature of the** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | | **2021** | **2020** |
|  | **incorporation** | **business** | **%** | **%** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | | **Million Baht** | **Million Baht** |
|  |  |  |  |  |  |  |  |  | |  |  |
| Thai Paraxylene Co., Ltd. | Thailand | Paraxylene | 99.99 | 99.99 | 2,572 | 2,572 | 2,161 | 2,161 | | 1,801 | 514 |
| and its subsidiary |  | manufacturing and |  |  |  |  |  |  | |  |  |
|  |  | distribution |  |  |  |  |  |  | |  |  |
| * Subsidiary |  |  |  |  |  |  |  |  | |  |  |
| LABIX Co., Ltd. | Thailand | Linear Alkyl Benzene | 75.00 | 75.00 | 4,655 | 4,655 | - | - | | - | - |
|  |  | manufacturing |  |  |  |  |  |  | |  |  |
|  |  | and distribution |  |  |  |  |  |  | |  |  |
| Thai Lube Base Public | Thailand | Lube base oil refining | 99.99 | 99.99 | 1,758 | 1,758 | 1,979 | 1,979 | | 2,813 | 1,406 |
| Company Limited |  | and distribution |  |  |  |  |  |  | |  |  |
| Thaioil Marine Co., Ltd. | Thailand | Providing marine | - | 99.99 | - | 970 | - | -(1) | | - | - |
| and its subsidiaries |  | transportation |  |  |  |  |  |  | |  |  |
|  |  | services for |  |  |  |  |  |  | |  |  |
|  |  | petroleum and liquid |  |  |  |  |  |  | |  |  |
|  |  | chemical products |  |  |  |  |  |  | |  |  |
| * Subsidiaries |  |  |  |  |  |  |  |  | |  |  |
| TOP Maritime | Thailand | Providing marine | - | 99.99 | - | 520 | - | - | | - | - |
| Service Co., Ltd. |  | Transportation |  |  |  |  |  |  | |  |  |
|  |  | services for crew |  |  |  |  |  |  | |  |  |
|  |  | and utilities in the |  |  |  |  |  |  | |  |  |
|  |  | Gulf of Thailand |  |  |  |  |  |  | |  |  |
| Thaioil Marine | Republic of | Investment in marine | 100.00 | 100.00 | 277 | 274 | -(2) | - | | - | - |
| International Pte. Ltd. | Singapore | transportation for |  |  |  |  |  |  | |  |  |
|  |  | crude oil and |  |  |  |  |  |  | |  |  |
|  |  | petroleum product |  |  |  |  |  |  | |  |  |
|  |  | business |  |  |  |  |  |  | |  |  |
| Thaioil Energy | Thailand | Providing human | 99.99 | 99.99 | 40 | 40 | 40 | 40 | | 26 | 27 |
| Services Co., Ltd. |  | Resource management |  |  |  |  |  |  | |  |  |
| Thaioil Solvent Co., Ltd. | Thailand | Investment in solvent | 99.99 | 99.99 | 1,250 | 1,250 | 1,250 | 1,250 | | 100 | 80 |
| and its subsidiaries |  | and chemical business |  |  |  |  |  |  | |  |  |
| * Subsidiaries |  |  |  |  |  |  |  |  | |  |  |
| TOP Solvent Co., Ltd. | Thailand | Distribution of solvent | 99.99 | 99.99 | 1,200 | 1,200 | - | - | | - | - |
| and its subsidiaries |  | and chemical products |  |  |  |  |  |  | |  |  |
| Sak Chaisidhi Co., Ltd. | Thailand | Solvent and | 80.52 | 80.52 | 190 | 190 | - | - | | - | - |
|  |  | chemical products |  |  |  |  |  |  | |  |  |
|  |  | manufacturing |  |  |  |  |  |  | |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | | |  | | | | **Separate financial statements** | | |
|  |  |  | **Percentage of direct shareholding** | | **Paid-up capital** | | | **Cost method** | | | **Dividend income for  the year** | |
|  | **Country of** | **Nature of the** | **2021** | **2020** | **2021** | | **2020** | **2021** | **2020** | | **2021** | **2020** |
|  | **incorporation** | **business** | **%** | **%** | **Million Baht** | | **Million Baht** | **Million Baht** | **Million Baht** | | **Million Baht** | **Million Baht** |
|  |  |  |  |  |  | |  |  |  | |  |  |
| TOP Solvent | Socialist Republic | Distribution of solvent and | 100.00 | 100.00 | 634 | | 634 | - | - | | - | - |
| (Vietnam) LLC. | of Vietnam | chemical products |  |  |  | |  |  |  | |  |  |
| PT Tirta Surya Raya | Republic of Indonesia | Distribution of solvent and | 77.71 | 67.00 | 50 | | 50 | - | - | | - | - |
|  |  | chemical products |  |  |  | |  |  |  | |  |  |
| JSKEM Private Limited  and its subsidiary | Republic of  Singapore | Distribution of solvent and  chemical products | 60.00 | - | 22 | | - | - | - | | - | - |
| TSCHEM India Private  Limited | Republic of Indonesia | Distribution of solvent and  chemical products | 99.99 | - | -(3) | | - | - | - | | - | - |
|  |  |  |  |  |  | |  |  |  | |  |  |
| Thaioil Ethanol Co., Ltd. | Thailand | Investment in ethanol | 99.99 | 99.99 | 1,450 | | 1,450 | 1,450 | 1,450 | | 290 | - |
| and its subsidiaries |  | businesses and alternative |  |  |  | |  |  |  | |  |  |
|  |  | energy products |  |  |  | |  |  |  | |  |  |
| * Subsidiaries |  |  |  |  |  | |  |  |  | |  |  |
| Sapthip Co., Ltd. | Thailand | Ethanol products | 50.00 | 50.00 | 800 | | 800 | - | - | | - | - |
| and its subsidiaries |  | manufacturing |  |  |  | |  |  |  | |  |  |
|  |  | and distribution |  |  |  | |  |  |  | |  |  |
| Sapthip Green | Thailand | Biogas power generation | 99.99 | 99.99 | 25 | | 25 | - | - | | - | - |
| Energy Co., Ltd. |  | And distribution |  |  |  | |  |  |  | |  |  |
| Thaioil Power Co., Ltd. | Thailand | Power and stream  generation | - | 73.99 | - | | 2,810 | - | 3,195 | | 16,881 | 894 |
|  |  | and distribution |  |  |  | |  |  |  | |  |  |
| TOP SPP Co., Ltd. | Thailand | Power and stream  generation | 99.99 | 99.99 | 3,500 | | 3,500 | 3,500 | 3,500 | | - | 963 |
|  |  | and distribution |  |  |  | |  |  |  | |  |  |
| Thaioil Treasury Center | Thailand | Treasury center for | 99.99 | 99.99 | 690 | | 470 | 690 | 470 | | 150 | 210 |
| Co., Ltd. and its subsidiaries |  | the Group’s business |  |  |  | |  |  |  | |  |  |
| * Subsidiaries |  |  |  |  |  | |  |  |  | |  |  |
| TOP Ventures | Thailand | Investment in venture | 99.99 | 99.99 | 19 | | 9 | - | - | | - | - |
| Company Limited |  | capital and/or start-up |  |  |  | |  |  |  | |  |  |
|  |  | business |  |  |  | |  |  |  | |  |  |
| TOP Ventures Hong | Hong Kong Special | Investment in venture | 100.00 | 100.00 | 480 | | 329 | - | - | | - | - |
| Kong Limited | Administrative | capital and/or start-up |  |  |  | |  |  |  | |  |  |
| and its subsidiaries | Region | business |  |  |  | |  |  |  | |  |  |
| TOP Ventures America | United States | Investment in venture | 100.00 | 100.00 | 326 | | 326 | - | - | | - | - |
| LLC. | of America | capital and/or start-up |  |  |  | |  |  |  | |  |  |
|  |  | business |  |  |  | |  |  |  | |  |  |
| PT TOP Investment Indonesia | Republic of Indonesia | Investment in Olefins  petrochemical business | 100.00 | - | 29,944 | | - | 29,944 | - | | - | - |
| Total investment in subsidiaries |  |  |  |  |  | |  | 41,014 | 14,045 | | 22,061 | 4,094 |

1. During the year 2020, the Company classified investment in subsidiary as assets held-for-sale. (Note 15)
2. During the year 2021, the Company classified investment in subsidiary as assets discontinued operation. (Note 15)
3. The balance is below Baht 1 million.

**16.3 Summarised financial information on subsidiaries with material non-controlling interests**

Set out below are the summarised financial information for each subsidiary that has non-controlling interests and are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

See note 31 for transactions with non-controlling interests.

Summarised statement of financial position

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Thaioil Power Co., Ltd.** | | **LABIX Co., Ltd.** | | **Other individually**  **immaterial subsidiaries** | | **Total** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |  |  |  |  |
| Non-controlling interest percentage | - | 26.01 | 25.00 | 25.00 |  |  |  |  |
| Current assets | - | 623 | 3,248 | 855 |  |  |  |  |
| Non-current assets | - | 22,962 | 9,938 | 10,482 |  |  |  |  |
| Current liabilities | - | (15,674) | (2,681) | (1,498) |  |  |  |  |
| Non-current liabilities | - | (72) | (5,086) | (5,648) |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Net assets** | - | 7,839 | 5,419 | 4,191 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Carrying amount of non-controlling interests | - | 2,039 | 1,355 | 1,048 | 858 | 802 | 2,213 | 3,889 |

Summarised statement of comprehensive income

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Thaioil Power Co., Ltd.** | | **LABIX Co., Ltd.** | | **Other individually**  **immaterial subsidiaries** | | **Total** | |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |  |  |  |  |
| Revenue from sales and services | 325 | 4,132 | 16,744 | 10,584 |  |  |  |  |
| Profit (loss) | 118 | 1,531 | 1,228 | (99) |  |  |  |  |
| Other comprehensive income (expense) | - | (20) | - | - |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Total comprehensive income (expense)** | 118 | 1,511 | 1,228 | (99) |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Profit (loss) allocated to non-controlling interests | 31 | 398 | 307 | (25) | 87 | 46 | 425 | 419 |
| Other comprehensive income (expense) allocated to |  |  |  |  |  |  |  |  |
| non-controlling interests | 31 | 393 | 307 | (25) | 89 | 44 | 427 | 412 |
|  |  |  |  |  |  |  |  |  |
| Summarised statement of cash flows |  |  |  |  |  |  |  |  |
| Cash flows from operating activities | - | 704 | 1,148 | 761 |  |  |  |  |
| Cash flows from investing activities | - | 764 | (15) | (253) |  |  |  |  |
| Cash flows from financing activities | - | (1,749) | (549) | (594) |  |  |  |  |
| **Net increase (decrease) in cash and cash** |  |  |  |  |  |  |  |  |
| **equivalents** | - | (281) | 584 | (86) |  |  |  |  |
| Cash and cash equivalents at the beginning of the year | - | 424 | 65 | 151 |  |  |  |  |
| Exchange losses on cash and cash equivalents | - | - | 3 | - |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents at the end of the year | - | 143 | 652 | 65 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Dividends paid to non-controlling interests | - | 314 | - | - |  |  |  |  |

|  |
| --- |
| **17 Investments in joint ventures and associates** |

**17.1 Movements of investments in joint ventures and associates are as follows:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidatedfinancial statements | | Separatefinancial statements | |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
|  |  |  |  |  |
| **At 1 January** | 24,521 | 33,059 | 23,179 | 29,621 |
| Impact from the first time adoption of |  |  |  |  |
| new financial reporting standards | - | (516) | - | (362) |
| Increase in investment | 29,920 | - | - | - |
| Disposal of investment in associates | (133) | (9,784) | - | (7,792) |
| Share of profit of joint ventures and |  |  |  |  |
| associates, net | 1,675 | 2,573 | - | 1,560 |
| Dividend income | (1,103) | (1,505) | - | (761) |
| Exchange differences on translation | 719 | 4 | - | - |
| Share of other comprehensive |  |  |  |  |
| expense of associates, net of tax | 476 | (49) | - | (20) |
| Loss from the change in the ownership |  |  |  |  |
| the net assets in an associate | (2) | - | - | - |
| Investment increase from  entire business transfer | - | - | 93 | - |
| Classified as assets held-for-sale |  |  |  |  |
| (Note 15) | - | (194) | - | - |
| Investment reclassification | (661) | 933 | - | 933 |
|  |  |  |  |  |
| **At 31 December** | 55,412 | 24,521 | 23,272 | 23,179 |

**Direct associate**

***Global Power Synergy Public Company Limited (GPSC)***

The Company carried out an entire business transfer from TP. The transfered transaction includes an investment in Global Power Synergy Public Company Limited which is an associate of the Group. After the transfer, the Company directly held the same shareholding interests of 20.78%. The carrying amount on the transfer date was Baht 22,279 million as disclosed in Note 40.

**Indirect associate**

***PT Chandra Asri Petrochemical Tbk***

The Group acquired 15.38% of the total shares of PT Chandra Asri Petrochemical Tbk (CAP) through TII, a newly established subsidiary in an amount of US Dollar 916.6 million or equivalent to Baht 29,911 million and if include the direct acquisition cost of investment, the total acquisition of investment were Baht 29,920 million. The first transaction that acquired 15% was completed during September 2021 and the Group will acquire additional shares in the proportion of 0.38% of CAP's total shares capital with the condition of payment due within 5 years from the date of acquisition of the first transaction. The additional investment value to be paid up depends on the approval of investment in the development and construction petrochemical plants by a subsidiary of CAP.

**Indirect joint ventures**

***Chaibadan Community Power Plant 1 Co., Ltd. and Chaibadan Community Power Plant 2 Co., Ltd.***

The Group changed its classification of investment in CCPP1 and CCPP2 which was previously classified as investment in subsidiaries to be investment in joint venture. The change was from the disposal of ordinary shares as disclosed in Note 16.1. The carrying amount on that date was Baht 1.6 million.

***Ubon Bio Ethanol Public Company Limited.***

On 27 September 2021, Ubon Bio Ethanol Public company Limited (UBE), entered into the Initial Public Offering (IPO) of its ordinary shares. Thaioil Ethanol Company Limited (TET), a subsidiary of the Group partially disposed shares of UBE totalling Baht 234.8 million, and consequently decreased its percentage of shareholding of TET from 21.28% to 12.39%. The Group reclassification its investments in UBE from investment in an associate to financial assets measured at fair value through other comprehensive income. The Group recognised gain from disposed totalling Baht 101.6 milion and gain from changes reclassification of an investment totalling Baht 503.8 million in the statement of income.

## 17.2 Investments in joint ventures

The details of joint ventures are as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Consolidated financial statements** | | | | | | | |
|  |  |  | **Ownership interest**  **held by the Group** | | **Cost method** | | **Equity method** | | **Dividend income** | |
|  | **Country of** |  | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  | **incorporation** | **Nature of business** | **%** | **%** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |  |  |  |  |  |  |
| TOP-NTL Pte. Ltd. | Republic of  Singapore | Providing service as a trustee manager | - | 50.00 | - | -(1) | - | -(2) | - | - |
| TOP-NTL Shipping Trust | Republic of  Singapore | Investment in marine transportation for crude oil and petroleum product business | - | 50.00 | - | 24 | - | -(2) | - | - |
| TOP Nautical Star Co., Ltd. | Thailand | Providing marine transportation services for crude oil, feedstock and petroleum product and storage | - | 35.00 | - | 53 | - | -(2) | - | 26 |
| TOP-NYK MarineOne Pte. Ltd. | Replubic of  Singapore | Providing marine transportation for crude oil and petroleum product business | - | - | - | - | - | - | - | 213 |
| Chaibadan  Community  Power Plant 1 Co., Ltd. | Thailand | Power generation and  distribution | 50.99 | - | 1 | - | 1 | - | - | - |
| Chaibadan  Community  Power Plant 1 Co., Ltd. | Thailand | Power generation and  distribution | 50.99 | - | 1 | - | 1 | - | - | - |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Total investments in joint ventures | |  |  |  | 2 | 77 | 2 | - | - | 239 |

## All joint ventures above are private companies and do not have a quoted market price available for their shares. There are no contingent liabilities relating to the Group’s interest in these joint ventures.

1. The balance is below Baht 1 million.
2. During 2020, the Group classified these investments in joint ventures as assets held-for-sale (Note 15).

## 17.3 Investments in associates

The details of associates are as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Consolidated financial** **statements** | | | | | | | |
|  |  |  | **Ownership interest**  **held by the Group** | | **Cost method** | | **Equity method** | | **Dividend income** | |
|  | **Country of** | **Nature of** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  | **incorporation** | **business** | **%** | **%** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |  |  |  |  |  |  |
| PTT Digital Solutions Co., Ltd. | Thailand | Provide information technology and computer service activities | 20.00 | 20.00 | 30 | 30 | 585 | 507 | 26 | 19 |
| PTT Energy Solutions Co., Ltd. | Thailand | Provide technical and operational services | 20.00 | 20.00 | 30 | 30 | 37 | 45 | - | - |
| Global Power Synergy Public Company Limited | Thailand | Power, steam and water generation and distribution for industries | 20.78 | 20.78 | 22,279 | 18,034 | 23,314 | 22,185 | 879 | 1,088 |
| Ubon Bio Ethanol Public Company Limited | Thailand | Ethanol products manufacturing and distribution | -(2) | 21.28 | -(2) | 769 | -(2) | 827 | 79 | 2 |
| T. I. M. Ship Management Co., Ltd. | Thailand | Provide ship management services | - | 33.33 | - | 1 | - | -(1) | - | - |
| Thai Petroleum Pipeline Co., Ltd. | Thailand | Oil transportation through the pipeline | 9.19 | 9.19 | 933 | 933 | 940 | 957 | 119 | 157 |
| PT Chandra Asri  Petrochemical Tbk | Republic of  Indonesia | Chemical products  manufacturing  and distribution | 15.00 | - | 29,920 | - | 30,536 | - | - | - |
|  |  |  |  |  |  |  |  |  |  |  |
| Total investments in associates | |  |  |  | 53,192 | 19,797 | 55,412 | 24,521 | 1,103 | 1,266 |

1. During 2020, the Group classified this investment in an associate as asset held-for-sale (Note 15).
2. During 2021, the Group classified this investment in an associate as financial asset measured at fair value through other comprehensive income (Note 7).

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Separate financial** **statements** | | | | | |
|  |  |  | **Ownership interest held**  **by the Company** | | **Cost method** | | **Dividend income** | |
|  | **Country of** |  | **2021** | **2020** | **2021** | **2020**  **(Restated)** | **2021** | **2020**  **(Restated)** |
|  | **incorporation** | **Nature of business** | **%** | **%** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |  |  |  |  |
| PTT Digital Solutions Co., Ltd. | Thailand | Provide information technology and computer service activities | 20.00 | 20.00 | 30 | 30 | 26 | 19 |
| PTT Energy Solutions Co., Ltd. | Thailand | Provide technical and operational services | 20.00 | 20.00 | 30 | 30 | - | - |
| Global Power Synergy  Public Company Limited | Thailand | Power, steam and water generation and distribution for industries | 20.78 | 20.78 | 22,279 | 22,186 | 879 | 1,088 |
| Thai Petroleum Pipeline Co., Ltd. | Thailand | Oil transportation through the pipeline | 9.19 | 9.19 | 933 | 933 | 119 | 157 |
|  |  |  |  |  |  |  |  |  |
| Total investments in associates | |  |  |  | 23,272 | 23,179 | 1,024 | 1,264 |

As at 31 December 2021, the fair value of the Group and the Company’s interests in Global Power Synergy Public Company Limited (GPSC) listed in the Stock Exchange of Thailand was Baht 52,014 million (2020: Baht 43,223 million); and the fair value of the Group and the Company in PT Chandra Asri Petrochemical Tbk listed in the Stock Exchange of the Republic of Indonesia was Indonesian Rupiah 23,764 billion or equivalent to Baht 55,771 million.

Other associates are private companies and do not have a quoted market price available for their shares. There are no contingent liabilities relating to the Group’s interest in these associates.

**17.4 Summarised financial information for associate**

Set out below are the summarised financial information for the associates that are material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant associates (not only the Group’s shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy.

**Summarised statement of financial position**

|  | **Global Power Synergy Public Company Limited** | | **PT Chandra Arsi Petrochemical Tbk** | |
| --- | --- | --- | --- | --- |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Current assets | 45,490 | 40,739 | 98,789 | - |
| Non-current assets | 224,889 | 215,916 | 67,979 | - |
| Current liabilities | (23,036) | (21,923) | (31,017) | - |
| Non-current liabilities | (129,595) | (122,865) | (38,132) | - |
|  |  |  |  |  |
| **Net assets** | 117,748 | 111,867 | 97,619 | - |
|  |  |  |  |  |
| Attributable to non-controlling interests | 9,413 | 8,970 | 138 | - |
| Attributable to investee’s shareholders | 108,335 | 102,897 | 97,481 | - |

**Summarised statement of comprehensive income**

|  | **Global Power Synergy Public Company Limited** | | **PT Chandra Arsi Petrochemical Tbk** | |
| --- | --- | --- | --- | --- |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Revenue | 74,874 | 69,578 | 7,598 | - |
| Net profit | 7,840 | 8,490 | (8) | - |
| Other comprehensive expense | 2,591 | (152) | 40 | - |
|  |  |  |  |  |
| **Total comprehensive income** | 10,431 | 8,338 | 32 | - |
|  |  |  |  |  |
| Attributable to non-controlling interests | 758 | 927 | 2 | - |
| Attributable to investee’s shareholders | 9,673 | 7,411 | 30 | - |

**Reconciliation of summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associate.

|  | **Global Power Synergy Public Company Limited** | | **PT Chandra Arsi Petrochemical Tbk** | |
| --- | --- | --- | --- | --- |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Group’s interest in net assets of investee  at 1 January | 22,186 | 31,159 | - | - |
| Loss from adoption TFRS 9 and TFRS 16 | - | (516) | - | - |
| Addition of investment | - | - | 29,920 | - |
| Share disposals | - | (9,512) | - | - |
| Total comprehensive income attributable to  the Group | 2,009 | 2,143 | 616 | - |
| Dividends received | (879) | (1,088) | - | - |
| Deficit from the change in the net assets  of an associate | (2) | - | - | - |
| Group’s interest in the net assets of  associates at the year ended | 23,314 | 22,186 | 30,536 | - |
|  |  |  |  |  |
| **Carrying amount of interest in associates**  **at 31 December** | 23,314 | 22,186 | 30,536 | - |

**17.5 Individually immaterial joint ventures and associates**

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial joint ventures and associates that are accounted for using the equity method.

|  |  |  |
| --- | --- | --- |
|  | **Individually immaterial joint ventures** | |
|  | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** |
|  |  |  |
| **Aggregate carrying amount of individually immaterial** |  |  |
| **joint ventures** | 2 | - |
| **Aggregate amounts of the Group’s share of** |  |  |
| Profit from continuing activities | -(1) | 74 |
| Other comprehensive income (expense) | - | 3 |
|  |  |  |
| Total comprehensive income (expense) | -(1) | 77 |
|  |  |  |
| Profit from discontinued operations | - | 4 |
| Other comprehensive expense | - | (1) |
|  |  |  |
| Total comprehensive income (expense) | - | 3 |

(1)The balance is below Baht 1 million

|  |  |  |
| --- | --- | --- |
|  | **Individually immaterial associates** | |
|  | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** |
|  |  |  |
| **Aggregate carrying amount of individually immaterial** |  |  |
| **associates** | 1,562 | 2,335 |
|  |  |  |
| **Aggregate amounts of the Group’s share of** |  |  |
| Profit from continuing activities | 197 | 303 |
| Other comprehensive expense | - | (3) |
|  |  |  |
| Total comprehensive income | 197 | 300 |
|  |  |  |
| Profit from discontinued operations | - | 3 |
| Other comprehensive expense | - | - |
|  |  |  |
| Total comprehensive income | - | 3 |

|  |
| --- |
| **18 Investment property, net** |

Investment property of the Group is land and land improvement.

|  | **Consolidated financial statements** | | **Separate financial statements** | |
| --- | --- | --- | --- | --- |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
| **As at 1 January** |  |  |  |  |
| Cost | 103 | 103 | 1,141 | 1,141 |
| Less Provision for impairment | - | - | - | - |
|  |  |  |  |  |
| Net book amount | 103 | 103 | 1,141 | 1,141 |
|  |  |  |  |  |
| **For the year ended 31 December** |  |  |  |  |
| Opening net book amount | 103 | 103 | 1,141 | 1,141 |
| Transfer from property, plant |  |  |  |  |
| and equipment, net (Note 19) | - | - | (17) | - |
| Reversal of provision for impairment | - | - | - | - |
|  |  |  |  |  |
| Closing net book amount | 103 | 103 | 1,124 | 1,141 |
|  |  |  |  |  |
| **As at 31 December** |  |  |  |  |
| Cost | 103 | 103 | 1,124 | 1,141 |
| Less Provision for impairment | - | - | - | - |
|  |  |  |  |  |
| Net book amount | 103 | 103 | 1,124 | 1,141 |
|  |  |  |  |  |
| Fair value | 458 | 458 | 2,626 | 2,682 |

**Fair value Measurement**

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and experiences in valuing the property. The independent valuers provide the fair value of the Group’s investment property portfolio on a regular basis.

The fair value measurement for all investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used.

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

|  |  |  |
| --- | --- | --- |
| **Valuation technique** | **Significant unobservable inputs** | **Inter-relationship between key unobservable inputs and fair value measurement** |
| - Discounted cash flows; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of its location (prime vs secondary), tenant credit quality and lease terms. | * Contractually agreed lease income over the remaining period. * The risk-adjusted discount rates (6%-7%) | The estimated fair value increase (decrease) if:   * Expected market rental growth were higher (lower); * The risk-adjusted discount rate were lower (higher). |
| - Market approach | The adjusted quoted price and the actual selling price of comparable investment properties | The estimated fair value increase (decrease) if land price were higher (lower). |

Amounts recognised in profit and loss that are related to investment property are as follows:

|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| --- | --- | --- | --- | --- |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Rental income | 8 | 8 | 43 | 43 |

|  |
| --- |
| **19 Property, plant and equipment, net** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | | | | | | | | | | | | |
|  | **Consolidated financial statements** | | | | | | | | | | | | | |
|  |  | **Million Baht** | | | | | | | | | | | | |
|  | **Land** | **Buildings** | **Leasehold improve-ments** | **Refinery plant and equipment** | **Petro-chemical plants** | | **Power plants** | **Machinery, equipment and plant equipment** | **Oil and liquid chemical tankers and crew boats** | **Furniture, fixtures, office equipment and others** | **Vehicles** | | **Construction in progress** | **Total** |
|  |  |  |  |  |  |  | |  |  |  |  |  | |  |
| **At 1 January 2020** |  |  |  |  |  |  | |  |  |  |  |  | |  |
| Cost | 7,044 | 3,523 | 212 | 104,280 | 35,958 | 17,653 | | 6,972 | 3,416 | 1,012 | 14 | 37,698 | | 217,782 |
| Less Accumulated depreciation | - | (1,440) | (32) | (78,840) | (18,452) | (6,710) | | (4,018) | (911) | (791) | (11) | - | | (111,205) |
| Less Provision for impairment | - | - | - | - | - | - | | - | (18) | - | - | - | | (18) |
|  |  |  |  |  |  |  | |  |  |  |  |  | |  |
| Net book amount | 7,044 | 2,083 | 180 | 25,440 | 17,506 | 10,943 | | 2,954 | 2,487 | 221 | 3 | 37,698 | | 106,559 |
|  |  |  |  |  |  |  | |  |  |  |  |  | |  |
| **For the year ended** |  |  |  |  |  |  | |  |  |  |  |  | |  |
| **31 December 2020** |  |  |  |  |  |  | |  |  |  |  |  | |  |
| Opening net book amount | 7,044 | 2,083 | 180 | 25,440 | 17,506 | 10,943 | | 2,954 | 2,487 | 221 | 3 | 37,698 | | 106,559 |
| Exchange differences | - | - | - | - | - | - | | (1) | - | - | - | - | | (1) |
| Additions during the year | 295 | 8 | - | 800 | 220 | 43 | | 82 | 7 | 13 | 1 | 45,563 | | 47,032 |
| Transfer in (out) | - | 1,202 | - | 5,492 | 145 | 1 | | 220 | (3) | 21 | - | (7,078) | | - |
| Write off, net | - | (1) | - | (1) | (174) | - | | (1) | - | - | - | (5) | | (182) |
| Depreciation charged during the year | - | (185) | (8) | (2,722) | (1,572) | (785) | | (342) | (143) | (60) | (1) | - | | (5,818) |
| Assets classified as held-for-sale, net | - | (6) | - | - | - | - | | - | (2,348) | (7) | - | (4) | | (2,365) |
|  |  |  |  |  |  |  | |  |  |  |  |  | |  |
| Closing net book amount | 7,339 | 3,101 | 172 | 29,009 | 16,125 | 10,202 | | 2,912 | - | 188 | 3 | 76,174 | | 145,225 |
|  |  |  |  |  |  |  | |  |  |  |  |  | |  |
| **At 31 December 2020** |  |  |  |  |  |  | |  |  |  |  |  | |  |
| Cost | 7,339 | 4,709 | 212 | 110,570 | 36,052 | 17,697 | | 7,259 | - | 1,010 | 14 | 76,174 | | 261,036 |
| Less Accumulated depreciation | - | (1,608) | (40) | (81,561) | (19,927) | (7,495) | | (4,347) | - | (822) | (11) | - | | (115,811) |
| Less Provision for impairment | - | - | - | - | - | - | | - | - | - | - | - | | - |
|  |  |  |  |  |  |  | |  |  |  |  |  | |  |
| Net book amount | 7,339 | 3,101 | 172 | 29,009 | 16,125 | 10,202 | | 2,912 | - | 188 | 3 | 76,174 | | 145,225 |

|  | **Consolidated financial statements** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Million Baht** | | | | | | | | | | |
|  |  |  |  |  |  |  |  | **Furniture,** |  |  |  |
|  |  |  |  |  |  |  | **Machinery,** | **fixtures,** |  |  |  |
|  |  |  | **Leasehold** | **Refinery** | **Petro-** |  | **equipment** | **office** |  |  |  |
|  |  |  | **improve-** | **plant and** | **chemical** | **Power** | **and plant** | **equipment** |  | **Construction** |  |
|  | **Land** | **Buildings** | **ments** | **equipment** | **plants** | **plants** | **equipment** | **and others** | **Vehicles** | **in progress** | **Total** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2021** |  |  |  |  |  |  |  |  |  |  |  |
| Opening net book amount | 7,339 | 3,101 | 172 | 29,009 | 16,125 | 10,202 | 2,912 | 188 | 3 | 76,174 | 145,225 |
| Exchange differences | - | 9 | - | - | - | - | 41 | - | - | - | 50 |
| Additions during the year | 8 | - | - | 62 | 6 | - | 29 | 9 | - | 38,747 | 38,861 |
| Transfer in (out) | - | 359 | - | 5,797 | 82 | 5 | 46 | 51 | - | (6,340) | - |
| Write off, net | - | - | - | - | (4) | - | (2) | - | - | - | (6) |
| Transfer to inventory | - | - | - | - | - | - | - | - | - | (13) | (13) |
| Decommissioning | - | - | - | - | - | - | (2) | - | - | - | (2) |
| Depreciation charged during the year | - | (253) | (7) | (3,033) | (1,507) | (530) | (326) | (58) | (2) | - | (5,716) |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Closing net book amount | 7,347 | 3,216 | 165 | 31,835 | 14,702 | 9,677 | 2,698 | 190 | 1 | 108,568 | 178,399 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2021** |  |  |  |  |  |  |  |  |  |  |  |
| Cost | 7,347 | 5,079 | 212 | 116,429 | 36,122 | 17,702 | 7,386 | 1,068 | 14 | 108,568 | 299,927 |
| Less Accumulated depreciation | - | (1,863) | (47) | (84,594) | (21,420) | (8,025) | (4,688) | (878) | (13) | - | (121,528) |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Net book amount | 7,347 | 3,216 | 165 | 31,835 | 14,702 | 9,677 | 2,698 | 190 | 1 | 108,568 | 178,399 |

|  |  | **Separate financial statements**  **(Restated)** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  | **Million Baht** |
|  |  |  |  |  |  | **Furniture,** |  |  |  |
|  |  |  |  |  | **Machinery,** | **fixtures,** |  |  |  |
|  |  |  | **Refinery** |  | **equipment** | **office** |  |  |  |
|  |  |  | **plant and** | **Power** | **and plant** | **equipment** |  | **Construction** |  |
|  | **Land** | **Buildings** | **equipment** | **plants** | **equipment** | **and others** | **Vehicles** | **in progress** | **Total** |
| **At 1 January 2020** |  |  |  |  |  |  |  |  |  |
| Cost | 4,629 | 2,197 | 96,063 | 5,780 | 1,474 | 605 | 1 | 37,516 | 148,265 |
| Less Accumulated depreciation | - | (719) | (71,738) | (4,788) | (1,190) | (465) | (1) | - | (78,901) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 4,629 | 1,478 | 24,325 | 992 | 284 | 140 | - | 37,516 | 69,364 |
|  |  |  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |  |  |  |  |  |
| Opening net book amount | 4,629 | 1,478 | 24,325 | 992 | 284 | 140 | - | 37,516 | 69,364 |
| Additions during the year | 295 | 7 | 697 | 4 | 13 | 7 | - | 45,435 | 46,458 |
| Transfer in (out) | - | 1,206 | 5,432 | - | 78 | 16 | - | (6,732) | - |
| Write off, net | - | (1) | (1) | - | - | - | - | - | (2) |
| Depreciation charged during the year | - | (129) | (2,641) | (263) | (74) | (48) | - | - | (3,155) |
|  |  |  |  |  |  |  |  |  |  |
| Closing net book amount | 4,924 | 2,561 | 27,812 | 733 | 301 | 115 | - | 76,219 | 112,665 |
|  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2020** |  |  |  |  |  |  |  |  |  |
| Cost | 4,924 | 3,402 | 102,192 | 5,784 | 1,565 | 628 | 1 | 76,219 | 194,715 |
| Less Accumulated depreciation | - | (841) | (74,380) | (5,051) | (1,264) | (513) | (1) | - | (82,050) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 4,924 | 2,561 | 27,812 | 733 | 301 | 115 | - | 76,219 | 112,665 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  |  |  |  |  |  |  |  |  | **Million Baht** |
|  |  |  |  |  |  | **Furniture,** |  |  |  |
|  |  |  |  |  | **Machinery,** | **fixtures,** |  |  |  |
|  |  |  | **Refinery** |  | **equipment** | **office** |  |  |  |
|  |  |  | **plant and** | **Power** | **and plant** | **equipment** |  | **Construction** |  |
|  | **Land** | **Buildings** | **equipment** | **plants** | **equipment** | **and others** | **Vehicles** | **in progress** | **Total** |
| **For the year ended 31 December 2021** |  |  |  |  |  |  |  |  |  |
| Opening net book amount | 4,924 | 2,561 | 27,812 | 733 | 301 | 115 | - | 76,219 | 112,665 |
| Additions during the year | - | - | 62 | - | 6 | 5 | - | 37,157 | 37,230 |
| Transfer in (out) | - | 338 | 5,780 | - | 4 | 48 | - | (6,170) | - |
| Transfer from investment property (Note 18) | 17 | - | - | - | - | - | - | - | 17 |
| Adjustment from entire business transfer | - | - | - | (22) | (2) | - | - | - | (24) |
| Depreciation charged during the year | - | (197) | (2,708) | (243) | (58) | (49) | - | - | (3,255) |
|  |  |  |  |  |  |  |  |  |  |
| Closing net book amount | 4,941 | 2,702 | 30,946 | 468 | 251 | 119 | - | 107,206 | 146,633 |
|  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2021** |  |  |  |  |  |  |  |  |  |
| Cost | 4,941 | 3,740 | 108,034 | 5,784 | 1,575 | 681 | 1 | 107,206 | 231,962 |
| Less Accumulated depreciation | - | (1,038) | (77,088) | (5,316) | (1,324) | (562) | (1) | - | (85,329) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 4,941 | 2,702 | 30,946 | 468 | 251 | 119 | - | 107,206 | 146,633 |

The gross amounts of the Group’s and the Company’s fully depreciated plant and equipment that were still in use as at 31 December 2021, were Baht 56,901 million (2020: Baht 56,582 million) and Baht 47,651 million (2020: Baht 46,767 million), respectively.

As at 31 December 2021, certain subsidiaries mortgaged their land, building, petrochemical plant and machines   
as collateral for credit facilities as described in note 27. The net book value of land, building, petrochemical plant, and machines amounted to Baht 16,769 million (2020: Baht 19,242 million).

For the year ended 31 December 2021, borrowing costs of Baht 3,365 million for the Group and Baht 3,797 million for the Company (2020: Baht 1,965 million and Baht 2,277 million, respectively) represented the borrowing to finance the Clean Fuel Project. The Group and the Company applied capitalisation rate at 2.92% to 5.47% and 3.68% to 5.99% per annum, respectively (2020: 3.43% to 5.47% and 3.83% to 5.99% per annum, respectively) for borrowing cost calculation. The borrowing costs were included in ‘Additions’ during the year.

|  |
| --- |
| **20 Right-of-use assets** |

As at 31 December, right-of-use asset balance are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | **Separate financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Land | 12,307 | 12,720 | 11,315 | 11,690 |
| Building | 43 | 88 | 6 | 25 |
| Equipment | 78 | 36 | 52 | 24 |
| Oil tankers | 4,627 | 1,772 | 4,627 | 1,772 |
| Vehicles | 76 | 113 | 66 | 99 |
|  |  |  |  |  |
| Total | 17,131 | 14,729 | 16,066 | 13,610 |

For the year ended 31 December, amounts recognised to profit or loss and cash flows relating to leases are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | **Separate financial**  **statements** | |
|  | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
| Depreciation charge of right-of-use assets: |  |  |  |  |
| Land | 348 | 411 | 314 | 382 |
| Building | 60 | 36 | 23 | 24 |
| Equipment | 36 | 13 | 24 | 7 |
| Oil tankers | 1,006 | 1,244 | 1,006 | 1,244 |
| Vehicles | 45 | 45 | 38 | 36 |
|  |  |  |  |  |
| Total | 1,495 | 1,749 | 1,405 | 1,693 |
|  |  |  |  |  |
| Addition to the right-of-use assets during the year | 4,042 | 670 | 4,000 | 498 |
|  |  |  |  |  |
| Total cash outflow for leases | 1,719 | 1,721 | 1,579 | 1,707 |
|  |  |  |  |  |
| Expense relating to short-term leases | 49 | 11 | 48 | - |
| Expense relating to leases of low-value assets | 13 | 18 | 12 | 18 |
| Income from subleasing right-of-use asset | 1 | 2 | 54 | 54 |

|  |
| --- |
| **21 Goodwill** |

|  | **Consolidated financial statements** | |
| --- | --- | --- |
|  | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** |
| **At 1 January** |  |  |
| Cost | 764 | 765 |
|  |  |  |
| Net book amount | 764 | 765 |
|  |  |  |
| **For the year ended 31 December** |  |  |
| Opening net book amount | 764 | 765 |
| Additions from business combination | 20 | - |
| Exchange differences | 66 | (1) |
|  |  |  |
| Closing net book amount | 850 | 764 |
|  |  |  |
| **At 31 December** |  |  |
| Cost | 850 | 764 |
|  |  |  |
| Net book amount | 850 | 764 |

Goodwill is allocated to the Group’s cash-generating units (CGUs) identified according to business segment which is solvent segment.

**Impairment testing for goodwill**

The Group tests goodwill impairment on an annual basis, the recoverable amount was based on its value-in-use, determined by discounting future cash flows to be generated in the future from the continuing use of CGU which based on the management approved five-year financial budget. Those cash flows are determined by annual earnings before interest, taxes, depreciation, and amortisation (EBITDA) estimated by management, adjusted by corporate income tax, change in working capital and relavant capital expenditures. The estimate also included a long-term growth rate with reference to gross domestic product (GDP) growth rates for the countries in which the CGUs operates and experiences by management.

The key assumptions used for value-in-use calculations are as follows:

|  | Goodwill  - Thailand | Goodwill  - Vietnam |
| --- | --- | --- |
|  | % | % |
|  |  |  |
| Gross margin | 7.48 - 7.71 | 5.27 - 6.45 |
| Long-term growth rate | 3.00 | 6.50 |
| Discount rate from weighted average cost of capital (WACC) | 8.65 | 10.14 |
| Average working capital turnover rate | 5.33 | 6.95 |

The recoverable amount of CGU in which goodwill is allocated is estimated to exceed the carrying amount of the CGU; therefore, the Group did not recognise loss from impairment to the consolidated financial statements of the Group.

|  |
| --- |
| **22 Intangible assets, net** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statements** | | | |
|  |  |  |  | **Million Baht** | |
|  |  | **Computer** |  | **Intangible asets** |  |
|  | **License fee** | **software** | **Patent** | **under processing** | **Total** |
|  |  |  |  |  |  |
| **At 1 January 2020** |  |  |  |  |  |
| Cost | 3,376 | 980 | 1 | 144 | 4,501 |
| Less Accumulated amortisation | (1,575) | (539) | - | - | (2,114) |
|  |  |  |  |  |  |
| Net book amount | 1,801 | 441 | 1 | 144 | 2,387 |
|  |  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |  |
| Opening net book amount | 1,801 | 441 | 1 | 144 | 2,387 |
| Additions during the year | 27 | 24 | - | 221 | 272 |
| Transfer in (out) | - | 4 | - | (4) | - |
| Amortisation charged during the year | (96) | (84) | - | - | (180) |
|  |  |  |  |  |  |
| Closing net book amount | 1,732 | 385 | 1 | 361 | 2,479 |
|  |  |  |  |  |  |
| **At 31 December 2020** |  |  |  |  |  |
| Cost | 3,403 | 1,008 | 1 | 361 | 4,773 |
| Less Accumulated amortisation | (1,671) | (623) | - | - | (2,294) |
|  |  |  |  |  |  |
| Net book amount | 1,732 | 385 | 1 | 361 | 2,479 |
|  |  |  |  |  |  |
| **For the year ended 31 December 2021** |  |  |  |  |  |
| Opening net book amount | 1,732 | 385 | 1 | 361 | 2,479 |
| Additions during the year | 7 | 2 | - | 155 | 164 |
| Transfer in (out) | 9 | 68 | - | (77) | - |
| Amortisation charged during the year | (99) | (87) | - | - | (186) |
|  |  |  |  |  |  |
| Closing net book amount | 1,649 | 368 | 1 | 439 | 2,457 |
|  |  |  |  |  |  |
| **At 31 December 2021** |  |  |  |  |  |
| Cost | 3,419 | 1,078 | 1 | 439 | 4,937 |
| Less Accumulated amortisation | (1,770) | (710) | - | - | (2,480) |
|  |  |  |  |  |  |
| Net book amount | 1,649 | 368 | 1 | 439 | 2,457 |

|  |  | **Separate financial statements**  **(Restated)** | | | |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  | **Million Baht** | |
|  |  | **Computer** |  | **Intangible assets** |  |
|  | **License fee** | **software** | **Patent** | **under processing** | **Total** |
| **At 1 January 2020** |  |  |  |  |  |
| Cost | 876 | 822 | 1 | 144 | 1,843 |
| Less Accumulated amortisation | (810) | (384) | - | - | (1,194) |
|  |  |  |  |  |  |
| Net book amount | 66 | 438 | 1 | 144 | 649 |
|  |  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |  |
| Opening net book amount | 66 | 438 | 1 | 144 | 649 |
| Additions during the year | 27 | 20 | - | 220 | 267 |
| Transfer in (out) | - | 4 | - | (4) | - |
| Amortisation charged during the year | (11) | (76) | - | - | (87) |
|  |  |  |  |  |  |
| Closing net book amount | 82 | 386 | 1 | 360 | 829 |
|  |  |  |  |  |  |
| **At 31 December 2020** |  |  |  |  |  |
| Cost | 903 | 846 | 1 | 360 | 2,110 |
| Less Accumulated amortisation | (821) | (460) | - | - | (1,281) |
|  |  |  |  |  |  |
| Net book amount | 82 | 386 | 1 | 360 | 829 |
|  |  |  |  |  |  |
| **For the year ended 31 December 2021** |  |  |  |  |  |
| Opening net book amount | 82 | 386 | 1 | 360 | 829 |
| Additions during the year | 7 | - | - | 151 | 158 |
| Transfer in (out) | 9 | 68 | - | (77) | - |
| Amortisation charged during the year | (14) | (80) | - | - | (94) |
|  |  |  |  |  |  |
| Closing net book amount | 84 | 374 | 1 | 434 | 893 |
|  |  |  |  |  |  |
| **At 31 December 2021** |  |  |  |  |  |
| Cost | 919 | 914 | 1 | 434 | 2,268 |
| Less Accumulated amortisation | (835) | (540) | - | - | (1,375) |
|  |  |  |  |  |  |
| Net book amount | 84 | 374 | 1 | 434 | 893 |

|  |
| --- |
| **23 Deferred income taxes** |

The analysis of deferred tax assets and deferred tax liabilities is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **At 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Deferred tax assets | 2,585 | 2,678 | 2,410 | 2,378 |
| Deferred tax liabilities | (170) | (135) | - | - |
|  |  |  |  |  |
| Deferred tax assets, net | 2,415 | 2,543 | 2,410 | 2,378 |

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

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | |
|  | **Million Baht** | | | | | | | | |
|  | **Employee**  **benefit**  **obligation** | **Impairment**  **losses**  **on assets** | **Tax**  **losses** | **Lease**  **liabilities** | **Cash flow**  **hedges** | **Borrowing**  **cost** | **Loss from**  **exchange rate**  **in construction**  **in progress** | **Others** | **Total** |
|  |  |  |  |  |  |  |  |  |  |
| **Deferred tax assets** |  |  |  |  |  |  |  |  |  |
| At 1 January 2020 | 917 | - | - | 2 | 57 | - | - | 26 | 1,002 |
| Charged (credited) to profit or loss | 20 | 32 | 900 | 151 | 180 | 380 | 188 | (9) | 1,842 |
| Charged to other comprehensive income | 8 | - | - | - | 75 | - | - | - | 83 |
| Classified as assets held-for-sale | (4) | - | - | - | - | - | - | 2 | (2) |
| Adjustments in respect of prior year | - | - | - | - | - | (26) | - | - | (26) |
|  |  |  |  |  |  |  |  |  |  |
| At 31 December 2020 | 941 | 32 | 900 | 153 | 312 | 354 | 188 | 19 | 2,899 |
|  |  |  |  |  |  |  |  |  |  |
| At 1 January 2021 | 941 | 32 | 900 | 153 | 312 | 354 | 188 | 19 | 2,899 |
| Charged (credited) to profit or loss | 19 | (32) | (824) | 97 | (312) | (148) | 1,728 | 9 | 537 |
| Charged to other comprehensive income | - | - | - | - | - | - | - | 15 | 15 |
| Reclassification | - | - | - | (2) | - | - | - | (7) | (9) |
|  |  |  |  |  |  |  |  |  |  |
| At 31 December 2021 | 960 | - | 76 | 248 | - | 206 | 1,916 | 36 | 3,442 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **Million Baht** | | | | | |
|  | **Depreciation** | **Deferred cost of debentures** | **Borrowing cost** | **Cash flow hedges** | **Others** | **Total** |
|  |  |  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |  |  |
| At 1 January 2020 | (180) | (39) | (143) | - | (35) | (397) |
| (Charged) credited to profit or loss | (50) | (22) | 143 | - | (31) | 40 |
| Classified as liabilities related to assets held-for-sale | - | - | - | - | 1 | 1 |
|  |  |  |  |  |  |  |
| At 31 December 2020 | (230) | (61) | - | - | (65) | (356) |
|  |  |  |  |  |  |  |
| At 1 January 2021 | (230) | (61) | - | - | (65) | (356) |
| Charged to profit or loss | (111) | (9) | - | (217) | (314) | (651) |
| Charged to other comprehensive income | - | - | - | (29) | - | (29) |
| Reclassification | (3) | - | - | - | 12 | 9 |
|  |  |  |  |  |  |  |
| At 31 December 2021 | (344) | (70) | - | (246) | (367) | (1,027) |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statement** | | | | | | | | |
|  | **Million Baht** | | | | | | | | |
|  | **Employee benefit obligation** | **Impairment losses on assets** | **Tax losses** | **Lease liabilities** | **Cash flow Hedges** | **Borrowing cost** | **Loss from**  **exchange rate**  **in construction**  **in progress** | **Others** | **Total** |
|  |  |  |  |  |  |  |  |  |  |
| **Deferred tax assets** |  |  |  |  |  |  |  |  |  |
| At 1 January 2020 | 900 | - | - | 2 | (22) | - | - | - | 880 |
| Charged to profit or loss | 33 | 32 | 898 | 126 | 178 | 354 | 188 | 4 | 1,813 |
| Charged (credited) to  other comprehensive income | (8) | - | - | (2) | 50 | - | - | - | 40 |
|  |  |  |  |  |  |  |  |  |  |
| At 31 December 2020 (Restated) | 925 | 32 | 898 | 126 | 206 | 354 | 188 | 4 | 2,733 |
|  |  |  |  |  |  |  |  |  |  |
| At 1 January 2021 | 925 | 32 | 898 | 126 | 206 | 354 | 188 | 4 | 2,733 |
| Charged (credited) to profit or loss | 15 | (32) | (850) | 75 | (206) | (148) | 1,728 | 7 | 589 |
| Reclassification | - | - | - | (2) | - | - | - | - | (2) |
|  |  |  |  |  |  |  |  |  |  |
| At 31 December 2021 | 940 | - | 48 | 199 | - | 206 | 1,916 | 11 | 3,320 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
|  | **Million Baht** | | | | | |
|  | **Depreciation** | **Deffered cost of debentures** | **Borrowing cost** | **Cash flow hedges** | **Others** | **Total** |
|  |  |  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |  |  |
| At 1 January 2020 | (180) | (49) | (169) | - | (22) | (420) |
| (Charged) credited to profit or loss | (52) | (23) | 169 | - | (29) | 65 |
|  |  |  |  |  |  |  |
| At 31 December 2020 (Restated) | (232) | (72) | - | - | (51) | (355) |
|  |  |  |  |  |  |  |
| At 1 January 2021 | (232) | (72) | - | - | (51) | (355) |
| Charged to profit or loss | (36) | (8) | - | (323) | (213) | (580) |
| Credited to other comprehensive income | - | - | - | 14 | - | 14 |
| Reclassification | - | - | - | - | 2 | 2 |
| Transfer from entire business transfer | 9 | - | - | - | - | 9 |
|  |  |  |  |  |  |  |
| At 31 December 2021 | (259) | (80) | - | (309) | (262) | (910) |

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable.   
The Group did not recognise deferred income tax assets of Baht 12 million (2020: Baht 436 million) in respect of losses amounting to Baht 57 million (2020: Baht 2,180 million) that can be carried forward against future taxable income. Losses amounting to Baht 57 million will expire during 2022 to 2026 (2020: Baht 2,180 million will expire during 2021 to 2025).

|  |
| --- |
| **24 Short-term loans from financial institutions** |

Short-term loans from financial institutions for the Group and the Company are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | |
| **As at 31 December** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** |
|  |  |  |
| Short-term loans from financial institutions |  |  |
| * Secured | 270 | 363 |
| * Unsecured | 659 | 350 |
|  |  |  |
| Total short-term loans from financial institutions | 929 | 713 |

Movements of short-term loans from financial institutions for the Group and the Company are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | |
| **For the year ended 31 December** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** |
|  |  |  |
| Opening balance | 713 | 1,576 |
| Cash flows: |  |  |
| Proceeds from short-term loans | 6,035 | 6,209 |
| Repayments of short-term loans | (5,821) | (6,731) |
| Other non-cash movements: |  |  |
| Classified as liabilities related to  assets held-for-sale | - | (344) |
| Exchange differences | 2 | 3 |
|  |  |  |
| Closing balance | 929 | 713 |

As at 31 December 2021, short-term loans from financial institutions represented promissory notes of the subsidiaries which denominated in Thai Baht amounting to Baht 670 million, Vietnamese Dong 177,037 million (equivalent to Baht 259 million), and bore interest at rates of 2.05% to 3.05% per annum (2020: subsidiaries’ short-term loans denominated in Thai Baht amounting to Baht 665 million, Vietnamese Dong 31,124 million (equivalent to Baht 40 million) and Indonesian Rupiah 8,447 million (equivalent to Baht 18 million), and bore interest at rates of 1.7% to 10% per annum).

These short-term loans of subsidiaries are secured and jointed collateral with the long-term loans under the terms and condition in the Credit Facilities Agreement as detailed in note 27.

|  |
| --- |
| **25 Trade accounts payable** |

|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
| --- | --- | --- | --- | --- |
| As at 31 December | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Related parties (Note 39) | 14,164 | 5,470 | 17,159 | 7,165 |
| Other parties | 8,837 | 4,047 | 8,185 | 3,616 |
|  |  |  |  |  |
| Total | 23,001 | 9,517 | 25,344 | 10,781 |

|  |
| --- |
| **26 Other payables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Other payables | 4,555 | 4,013 | 3,981 | 3,808 |
| Accrued interest | 1,255 | 1,221 | 1,338 | 1,295 |
| Accrued operating expenses | 290 | 285 | 115 | 51 |
| Oil Fuel Fund payable | 52 | 20 | 52 | 20 |
| Others | 409 | 210 | 299 | 155 |
|  |  |  |  |  |
| Total | 6,561 | 5,749 | 5,785 | 5,329 |

|  |
| --- |
| **27 Long-term loans from financial institutions and a third party** |

Long-term loans from financial institutions and a third party are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Current portion of long-term loans from |  |  |  |  |
| financial institutions, net |  |  |  |  |
| * Secured | 1,139 | 766 | - | - |
| * Unsecured | 74 | 187 | - | - |
| Long-term loans from financial institutions, net |  |  |  |  |
| * Secured | 10,474 | 11,481 | - | - |
| * Unsecured | 20,002 | 640 | 19,536 | - |
| Long-term loans from a third party |  |  |  |  |
| * Unsecured | 279 | 279 | - | - |
|  |  |  |  |  |
| Total long-term loans | 31,968 | 13,353 | 19,536 | - |

Movements of long-term loans from financial institutions and a third party are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Opening balance | 13,353 | 15,440 | - | - |
| Cash flows: |  |  |  |  |
| Proceeds from long-term loans | 19,550 | 126 | 19,517 | - |
| Repayments of long-term loans | (1,014) | (763) | - | - |
| Other non-cash movements: |  |  |  |  |
| Amortisation of deferred financing fee | 43 | 10 | 19 | - |
| Classified as liabilities related to  assets held-for-sale | - | (1,459) | - | - |
| Exchange differences | 36 | (1) | - | - |
|  |  |  |  |  |
| Closing balance | 31,968 | 13,353 | 19,536 | - |

The weighted average effective interest rate of the long-term loans of the Group were 1.90% per annum (2020: 2.92%   
per annum).

The detail of long-term loans of the Group are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Outstanding balance as at 31 December** | | | |  |  |  |
|  |  | **2021** | | **2020** | |  |  |  |
|  |  | **Original** | **Equipvalent** | **Original** | **Equipvalent** |  | **Principal** | **Interest** |
|  | **Currency in** | **Currency** | **to** | **Currency** | **to** | **Interest rate** | **repayment** | **payment** |
| **No.** | **agreement** | **(Million)** | **Million Baht** | **(Million)** | **Million Baht** | **per annum (%)** | **term** | **period** |
|  |  |  |  |  |  |  |  |  |
| 1 | Baht | 321 | 321 | 487 | 487 | FDR (6M) plus a certain margin | Semi-Annual | Semi-Annual |
| 2 | Baht | 30 | 30 | 47 | 47 | FDR (6M) plus a certain margin | Semi-Annual | Semi-Annual |
| 3 | Baht | 7,277 | 7,277 | 7,609 | 7,609 | THBFIX (3M) plus a certain margin | Semi-Annual | Quarterly |
| 4 | Baht | 4,185 | 4,185 | 4,591 | 4,591 | THBFIX (3M) plus a certain margin | Semi-Annual | Monthly |
| 5 | Baht | 279 | 279 | 279 | 279 | THBFIX (3M) plus a certain margin | A specified in  the agreement | A specified in  the agreement |
| 6 | Vietnamese Dong | 187,978 | 276 | 216,857 | 282 | Fixed rate | Semi-Annual | Semi-Annual |
| 7 | Baht | 19 | 19 | 27 | 27 | MLR minus a certain margin | Semi-Annual | Semi-Annual |
| 8 | Baht | 12 | 12 | 27 | 27 | MLR minus a certain margin | Semi-Annual | Semi-Annual |
| 9 | Baht | 33 | 33 | 4 | 4 | MLR minus a certain margin | Semi-Annual | Semi-Annual |
| 10 | Baht | 1,494 | 1,494 | - | - | BIBOR plus a certain margin | Terminage agreement | Quarterly |
| 11 | Baht | 5,089 | 5,089 | - | - | 3MBIBOR plus a certain margin | Terminage agreement | Quarterly |
| 12 | Baht | 9,563 | 9,563 | - | - | MLR plus a certain margin | Terminage agreement | Quarterly |
| 13 | Baht | 1,908 | 1,908 | - | - | MLR plus a certain margin | Quarterly | Quarterly |
| 14 | Baht | 1,482 | 1,482 | - | - | 6MBIBOR plus a certain margin | Semi-Annual | Quarterly |
|  |  |  |  |  |  |  |  |  |
| Total |  |  | 31,968 |  | 13,353 |  |  |  |

The Group’s long-term loans are secured by collateral of land, building, petrochemical plants, machinery and deposits at financial institutions (Note 10, Note 11 and Note 19) in accordance with the Credit Facilities Agreement.

The Group is required to comply with certain criteria and conditions; for example, maintaining shareholders’ portion, maintaining debt to equity ratio at the level as specified in the contract and providing financial supports based on ownership percentage.

|  |
| --- |
| **28 Debentures, net** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | Separate  financial statements | |
| **As at 31 December** | 2021 | 2020 | 2021 | 2020 |
|  | Million Baht | Million Baht | Million Baht | Million Baht |
|  |  |  |  |  |
| Debentures, net | 136,710 | 127,648 | 30,561 | 32,244 |
| Less Discount on debenture | (842) | (811) | (131) | (140) |
|  |  |  |  |  |
|  | 135,868 | 126,837 | 30,430 | 32,104 |
| Less Current portion of debentures, net | (3,000) | (3,000) | (3,000) | (3,000) |
|  |  |  |  |  |
| Debentures, net | 132,868 | 123,837 | 27,430 | 29,104 |

Movements of debentures of the Group and the Company are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | Separate  financial statements | |
| **For the year ended 31 December** | 2021 | 2020 | 2021 | 2020 |
|  | Million Baht | Million Baht | Million Baht | Million Baht |
|  |  |  |  |  |
| Opening balance | 126,837 | 97,184 | 32,104 | 32,129 |
| Cash flows: |  |  |  |  |
| Additions | - | 31,120 | - | - |
| Repayments | (3,000) | - | (3,000) | - |
| Financing fee | - | (123) | - | - |
| Other non-cash movements: |  |  |  |  |
| Interest of discount on debenture | 44 | 52 | 9 | 23 |
| Exchange differences | 11,987 | (1,396) | 1,317 | (48) |
|  |  |  |  |  |
| Closing balance | 135,868 | 126,837 | 30,430 | 32,104 |

Debentures issued by the Company and a subsidiary are unsecured and unsubordinated. The debentures issued by a subsidiary are fully guaranteed by the Company. Detail are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Consolidated financial statements** | | | | | | | |
|  |  |  |  | 2021 | 2020 | Interest rate | Interest |
| **Issuance date** | Maturity date | Years | Currency | (Million) | (Million) | (% p.a.) | payment term |
|  |  |  |  |  |  |  |  |
| 30 April 2010 | 30 April 2022 | 12 | Baht | 3,000 | 3,000 | 4.80 | Semi-annual basis |
| 23 March 2012 | 23 March 2027 | 15 | Baht | 7,500 | 7,500 | 5.05 | Semi-annual basis |
| 23 January 2013 | 23 January 2023 | 10 | US Dollars | 216.4 | 216.4 | 3.625 | Semi-annual basis |
| 23 January 2013 | 23 January 2043 | 30 | US Dollars | 172.4 | 172.4 | 4.875 | Semi-annual basis |
| 12 March 2014 | 12 March 2024 | 10 | Baht | 7,000 | 7,000 | 4.84 | Semi-annual basis |
| 10 April 2018 | 23 January 2023 | 10 | US Dollars | 283.6 | 283.6 | 3.625 | Semi-annual basis |
| 10 April 2018 | 23 January 2043 | 30 | US Dollars | 327.6 | 327.6 | 4.875 | Semi-annual basis |
| 20 November 2018 | 20 November 2028 | 10 | US Dollars | 400 | 400 | 4.625 | Semi-annual basis |
| 20 November 2018 | 20 November 2048 | 30 | US Dollars | 600 | 600 | 5.375 | Semi-annual basis |
| 17 October 2019 | 17 October 2049 | 30 | US Dollars | 565 | 565 | 3.50 | Semi-annual basis |
| 18 June 2020 | 18 June 2030 | 10 | US Dollars | 400 | 400 | 2.50 | Semi-annual basis |
| 18 June 2020 | 18 June 2050 | 30 | US Dollars | 600 | 600 | 3.75 | Semi-annual basis |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Separate financial statements** | | | | | | | |
|  |  |  |  | 2021 | 2020 | Interest rate | Interest |
| **Issuance date** | Maturity date | Years | Currency | (Million) | (Million) | (% p.a.) | payment term |
|  |  |  |  |  |  |  |  |
| 30 April 2010 | 30 April 2022 | 12 | Baht | 3,000 | 3,000 | 4.80 | Semi-annual basis |
| 23 March 2012 | 23 March 2027 | 15 | Baht | 7,500 | 7,500 | 5.05 | Semi-annual basis |
| 23 January 2013 | 23 January 2023 | 10 | US Dollars | 216.4 | 216.4 | 3.625 | Semi-annual basis |
| 23 January 2013 | 23 January 2043 | 30 | US Dollars | 172.4 | 172.4 | 4.875 | Semi-annual basis |
| 12 March 2014 | 12 March 2024 | 10 | Baht | 7,000 | 7,000 | 4.84 | Semi-annual basis |

The Company and a subsidiary are required to comply with certain criteria and conditions; for example, maintaining shareholders’ portion at the level as specified in the contract.

|  |
| --- |
| **29 Lease liabilities, net** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | **Separate**  **financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Within 1 year | 1,405 | 1,315 | 1,339 | 1,261 |
| Over than 1 year but less than 5 years | 4,156 | 2,913 | 4,099 | 2,831 |
| Over than 5 years | 19,127 | 17,158 | 19,080 | 17,098 |
|  |  |  |  |  |
| Less Future interest paid of lease liabilities | (9,306) | (9,275) | (9,295) | (9,253) |
|  |  |  |  |  |
| Present value of lease liabilities, net | 15,382 | 12,111 | 15,223 | 11,937 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | **Separate**  **financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Lease liabilities, net | 15,382 | 12,111 | 15,223 | 11,937 |
| Less Current portion of lease liabilities, net | (1,247) | (839) | (1,187) | (793) |
|  |  |  |  |  |
|  | 14,135 | 11,272 | 14,036 | 11,144 |

|  |
| --- |
| **30 Employee benefit obligations** |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| At 1 January | 4,701 | 4,586 | 3,898 | 3,955 |
| Current service cost | 344 | 342 | 208 | 241 |
| Past service cost | - | 7 | - | - |
| Acturial losses (gain) | - | 71 | - | (28) |
| Benefit payment | (242) | (283) | (232) | (270) |
| Classified as liabilities related to  assets held-for-sale | - | (22) | - | - |
| Currency translation difference | (4) | - | - | - |
|  |  |  |  |  |
| At 31 December | 4,799 | 4,701 | 3,874 | 3,898 |

Actuarial (gains)/losses recognised in other comprehensive income arising from:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Experience | - | (33) | - | (75) |
| Demographic assumptions | - | 31 | - | 21 |
| Financial assumptions | - | 38 | - | 18 |
|  |  |  |  |  |
| Total | - | 36 | - | (36) |

The principal actuarial assumptions used were as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | | | |
|  | **2021** | **2020** | | **2021** | **2020** |
|  |  |  | |  |  |
| Discount rate | 1.5% | 1.5% | | 1.5% | 1.5% |
| Salary increases rate | 5.0%-10.0% | 5.0%-10.0% | | 5.0%-10.0% | 5.0%-10.0% |
| Employee turnover | 0.0%-4.0% | 0.0%-4.0% | | 0.0%-4.0% | 0.0%-4.0% |

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

Sensitivity analysis for each significant assumption used is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  |  | | | **Impact on defined benefit obligation** | | |
|  | **Change in assumption** | | **Increase in assumption** | | **Decrease in assumption** | |
|  | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  | **%** | **%** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |  |  |
| Discount rate | 1 | 1 | (429) | (420) | 508 | 496 |
| Salary growth rate | 1 | 1 | 526 | 522 | (458) | (454) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
|  | **Impact on defined benefit obligation** | | | | | |
|  | **Change in assumption** | | **Increase in assumption** | | **Decrease in assumption** | |
|  | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  | **%** | **%** | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |  |  |
| Discount rate | 1 | 1 | (302) | (306) | 349 | 353 |
| Salary growth rate | 1 | 1 | 419 | 424 | (370) | (374) |

The above sensitivity analysis are based on a change in an assumption while all other assumptions remain 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 which is the present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period has been applied when calculating the pension liability recognised within the consolidated statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change when compared to the previous period.

The weighted average employee benefit obligations of the Group is 10 years (2020: 10 years).

Expected maturity analysis of undiscounted retirement benefits are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
|  | **Less than**  **1 year** | **Between**  **1-2 years** | **Between**  **2-5 years** | **Over**  **5 years** | **Total** |
|  |  |  |  |  | **Million Baht** |
|  |  |  |  |  |  |
| **At 31 December 2021** |  |  |  |  |  |
| Retirement benefits | 220 | 257 | 1,159 | 1,108 | 2,744 |
|  |  |  |  |  |  |
| **At 31 December 2020** |  |  |  |  |  |
| Retirement benefits | 247 | 222 | 981 | 1,555 | 3,005 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
|  | **Less than**  **1 year** | **Between**  **1-2 years** | **Between**  **2-5 years** | **Over**  **5 years** | **Total** |
|  |  |  |  |  | **Million Baht** |
|  |  |  |  |  |  |
| **At 31 December 2021** |  |  |  |  |  |
| Retirement benefits | 212 | 238 | 1,129 | 846 | 2,425 |
|  |  |  |  |  |  |
| **At 31 December 2020** |  |  |  |  |  |
| Retirement benefits | 236 | 212 | 932 | 1,282 | 2,662 |

|  |
| --- |
| **31 Non-controlling interests** |

Movement of non-controlling interests are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial statements** | |
| **For the year ended 31 December** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** |
|  |  |  |
| Opening balance | 3,889 | 3,951 |
| Impact from the first time adoption of new financial reporting standards | - | (94) |
| Addition from business combination | 13 | - |
| Dividend payment from subsidiaries | (5,972) | (380) |
| Business restructuring under common control | 4,671 | - |
| Liquidation of a subsidiary | (806) | - |
| Deficit from the changes in net assets in an associate | (5) | - |
| Share of total comprehensive income from subsidiaries | 423 | 412 |
|  |  |  |
| Closing balance | 2,213 | 3,889 |

|  |
| --- |
| **32 Other income** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020** |
|  |  | **(Re-presented)** |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Interest income | 199 | 683 | 261 | 1,066 |
| Gain from investment reclassification | 504 | - | - | - |
| Service income and others | 426 | 417 | 1,937 | 1,824 |
|  |  |  |  |  |
| Total | 1,129 | 1,100 | 2,198 | 2,890 |

|  |
| --- |
| **33 Expenses by nature** |

The statement of income includes an analysis of expenses by function. Significant expenses by nature are detailed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Changes in finished goods and |  |  |  |  |
| work in progress | (2,794) | 1,701 | (1,625) | 1,600 |
| Purchase and raw materials used | 241,426 | 167,329 | 271,901 | 184,464 |
| Natural gas used | 9,536 | 8,420 | 3,699 | 3,514 |
| Employee benefit expenses | 3,911 | 3,530 | 2,076 | 1,919 |
| Depreciation and amortisation | 7,424 | 7,554 | 4,773 | 4,884 |
| Excise tax | 54,170 | 59,889 | 54,124 | 59,855 |
| Oil fuel fund contribution/  Energy conservation fund contribution | 3,417 | 4,371 | 3,417 | 4,371 |

|  |
| --- |
| **34 Income tax expense** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020** |
|  |  | **(Re-presented)** |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Current tax: |  |  |  |  |
| Current tax on profits for the year | 1,951 | 825 | 481 | 93 |
| Adjustments in respect of prior year | (32) | 409 | -(1) | 409 |
|  |  |  |  |  |
| Total current tax | 1,919 | 1,234 | 481 | 502 |
|  |  |  |  |  |
| Deferred tax: |  |  |  |  |
| Changes from temporary differences (Note 23) | 114 | (1,881) | (9) | (1,878) |
|  |  |  |  |  |
| Income tax (benefit) expense | 2,033 | (647) | 472 | (1,376) |
|  |  |  |  |  |
| Income tax expense attributable to: |  |  |  |  |
| Profit from continuing operation | 2,032 | (650) | 472 | (1,376) |
| Profit from discontinuing operation | 1 | 3 | - | - |

(1)The balance is below Baht 1 million.

The tax on the Group’s profit before income tax expense differs from the theoretical amount that would arise using   
the basic tax rate of the home country of the Company are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020** |
|  |  | **(Re-presented)** |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Profit (loss) before income tax expense | 15,100 | (3,315) | 25,125 | (2,227) |
|  |  |  |  |  |
| Tax calculated at a tax rate of | 20 | 20 | 20 | 20 |
| The result of the accounting profit |  |  |  |  |
| multiplied by the income tax rate | 3,020 | (663) | 5,025 | (445) |
|  |  |  |  |  |
| Tax effect of: |  |  |  |  |
| Income not subject to tax | (1,031) | (488) | (4,621) | (1,392) |
| Expenses not deductible for tax purpose | 132 | 98 | 68 | 52 |
| Tax losses for which no deferred | (56) | (3) | - | - |
| income tax asset was recognised | (32) | 409 | -(1) | 409 |
|  |  |  |  |  |
| Income tax (benefit) expense | 2,033 | (647) | 472 | (1,376) |

(1)The balance is below Baht 1 million.

The weighted average applicable tax rate of the Group and Company were 13.47% and 1.88%, respectively (2020: 19.95% and 49.59%, respectively).

Revenues, profit before finance costs, and income tax expense from operation in foreign countries of the Group for the year ended 31 December 2021 are as follow:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Revenues(1)** | **Profit before**  **finance costs and**  **income tax expense** | **Income tax expense** |
|  | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |
| Thailand | 334,375 | 18,468 | 2,003 |
| Vietnam | 3,955 | 167 | 23 |
| Indonesia | 987 | 30 | 6 |
| Singapore | 291 | 8 | 1 |
| Hong Kong (2) | - | (1) | - |
| America (2) | 23 | 23 | - |
|  |  |  |  |
| Total | 339,631 | 18,695 | 2,033 |

Notes:

1. Revenues subject to tax consist of revenue from sale of services, subsidy from oil fuel fund, dividend income, net derivative gain on hedging, net foreign exchange gain, and other income.
2. No income tax expense due to unutilised tax losses brought forward from the previous year.

|  |
| --- |
| **35 Promotional privileges** |

Certain local subsidiaries have been granted privileges by the Board of Investment relating to power and steam generation, petrochemical product production and chemical product production. The summary of privileges granted are as follows:

1. an exemption from payment of import duty and tax on machinery and equipment as approved by the Board of Investment.
2. an exemption from payment of corporate income tax for promoted operations for periods of 7 to 8 years from the dates on which the income is first derived from such operations or 8 years from the date on which the income is received subsequent to when the privileges were granted.
3. a 50% reduction in the normal corporate income tax rate on the net profit derived from certain promotional operations for a period of 5 years, commencing from the expiry date in (b) above.

As promoted companies, the subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

Revenues from promoted businesses were as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | |
|  | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** |
|  |  |  |
| Revenues from promoted businesses | 24,204 | 19,335 |

|  |
| --- |
| **36 Basic earnings per share** |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020**  **(Re-presented)** | **2021** | **2020**  **(Restated)** |
|  |  |  |  |  |
| Net profit (loss) from continuing operations |  |  |  |  |
| attributable to the ordinary shareholders |  |  |  |  |
| of the Company (Million Baht) | 12,641 | (3,088) | 24,652 | (1,488) |
|  |  |  |  |  |
| Weighted average number of ordinary shares |  |  |  |  |
| outstanding (Million shares) | 2,040 | 2,040 | 2,040 | 2,040 |
|  |  |  |  |  |
| **Basic earnings (loss) per share from**  **continuing operations (Baht per share)** | 6.20 | (1.51) | 12.08 | (0.73) |
|  |  |  |  |  |
| Net loss from discontinued operations |  |  |  |  |
| attributable to the ordinary shareholders |  |  |  |  |
| of the Company (Million Baht) (Note 15) | (63) | (214) | - | - |
|  |  |  |  |  |
| Weighted average number of ordinary shares |  |  |  |  |
| outstanding (Million shares) | 2,040 | 2,040 | 2,040 | 2,040 |
|  |  |  |  |  |
| **Basic earnings (loss) per share from**  **discontinued operations (Baht per share)** | (0.03) | (0.11) | - | - |
|  |  |  |  |  |
| **Basic earnings (loss) per share (Baht per share)** | 6.17 | (1.62) | 12.08 | (0.73) |

The Group did not have any potential dilutive ordinary shares issued during the year ended 31 December 2021 and 2020,   
so there is no presentation of diluted earning per share.

|  |
| --- |
| **37 Dividends** |

At the Annual General Meeting of Shareholders of the Company held on 7 April 2021, the shareholders approved the payment of dividends in respect of the operating results of 2020 at Baht 0.70 per share, totalling Baht 1,428 million.   
The dividends was paid to the shareholders on 26 April 2021.

At the Board of the Director meeting of the Company held on 27 August 2021, the Board of Directors of the Company approved the distribution of interim dividends in respect of the operating results for the first six-month period of 2021 at Baht 0.60 per share, totalling Baht 1,224 million. The interim dividend was paid to the shareholders on 23 September 2021.

|  |
| --- |
| **38 Commitments and contingencies** |

|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
| --- | --- | --- | --- | --- |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| **Capital commitments** |  |  |  |  |
| Project construction agreements | 16,928 | 34,092 | 14,662 | 33,723 |
|  |  |  |  |  |
| Total | 16,928 | 34,092 | 14,662 | 33,723 |
|  |  |  |  |  |
| **Other commitments** |  |  |  |  |
| Letters of guarantee issued by financial institutions | 2,181 | 2,196 | 1,516 | 1,599 |
| Crude oil purchase agreements | 67,007 | 33,424 | 67,007 | 33,424 |
|  |  |  |  |  |
| Total | 69,188 | 35,620 | 68,523 | 35,023 |

**Investment in Clean Fuel Project**

The Company has engaged contractors for construction of Clean Fuel Project (CFP) which has been approved in the Extraordinary General Meeting of Shareholders held on 27 August 2018, with the investment project value of not exceeding US Dollar 4,825 million or equivalent to Baht 160,279 million. The project cost includes the investment of Energy Recovery Unit (ERU). The ERU is an electrical power plant, with the designed generating capacity of 250 megawatts and steam, to supply the production process of the CFP.

**Interest Rate Swap Contracts**

The Company has entered into interest rate swap contracts with various financial institutions to manage exposure and fluctuations in interest rate on long-term loans in Thai Baht. As at 31 December 2021, the Company had contracts with a notional amount of Baht 14,500 million, to exchange the floating interest rate based on THBFIX 6M plus certain fixed margin per annum with fixed interest rate. The swap contracts are effective from July 2021 to March 2027.

A subsidiary has entered into interest rate swap contracts with various financial institutions to manage exposure and fluctuations in interest rate on long-term loans in Thai Baht. As at 31 December 2021, a subsidiary had notional amount of Baht 5,524 million (2020: Baht 5,779 million), to exchange the floating interest rate based on THBFIX 3M plus certain fixed margin per annum with fixed interest rate. The swap contracts are effective from April 2018 to March 2028.

**Cross Currency Swap Contracts**

For the year ended 31 December 2021, the Company has entered into cross currency swap contracts with various local financial institutions to hedge foreign exchange and interest rate exposure of long-term debts in US Dollar currency, totalling of US Dollar 623 million (31 December 2020: US Dollar 563 million). A counterparty agrees to pay the interest and the notional amount according to the terms and conditions in the contracts. The swap contracts are effective from March 2020 to October 2035.

**Forward Foreign Exchange Contracts**

For the year ended 31 December 2021, the Company has entered into forward foreign exchange contracts with various local financial institutions to hedge foreign exchange exposure of long-term debts in US Dollar currency, totalling of   
US Dollar 170 million (31 December 2020: US Dollar 170 million). A counterparty agrees to make payment according to the terms and conditions in the contracts. The contracts are effective from September 2020 to January 2023.

**Oil Price Crack Spread Swap and Time Spread Swap Contracts**

The Group and the Company have oil price crack spread swap and time spread swap contracts with foreign companies and related parties (counterparties). The Company has or the counterparties have commitments to make payments for the differences between the fixed price and floating price of each period.

As at 31 December 2021, the Group had oil volume under the contracts totalling 6 million barrels and 0.024 million metric tons and the Company had oil volume totalling 6 million barrels and 0.048 million metric tons (31 December 2020, the Group had oil volume under the contracts totalling 2 million barrels and 0.03 million metric tons and the Company had oil volume totalling 2 million barrels and 0.05 million metric tons).

|  |
| --- |
| **39 Related party transaction** |

The Company is an entity in the PTT Public Company Limited (PTT) group of companies. PTT is incorporated in Thailand and is the major shareholder and the parent of the Company. PTT owned 45.03% of the Company’s issued and   
paid-up share capital as at 31 December 2021 (2020: 45.03%).

Relationships with key management and other related parties were as follows:

|  |  |  |
| --- | --- | --- |
|  | **Country of** |  |
| **Name of entities** | **incorporation** | **Nature of relationships** |
|  |  |  |
| PTT Public Company Limited | Thailand | Parent company |
| Thai Paraxylene Co., Ltd. | Thailand | Subsidiary and/or common directors |
| Thai Lube Base Public Company | Thailand | Subsidiary and/or the Company’s management |
| Limited |  | as a director |
| Thaioil Marine Co., Ltd. (1) | Thailand | Subsidiary and/or the Company’s |
|  |  | management as a director |
| Thaioil Energy Services Co., Ltd. | Thailand | Subsidiary and/or the Company’s |
|  |  | management as a director |
| PT TOP Investment Indonesia | Republic of | Subsidiary and/or the Company’s |
|  | Indonesia | management as a director |
| Thaioil Solvent Co., Ltd. | Thailand | Subsidiary and/or the Company’s |
|  |  | management as a director |
| TOP Solvent Co., Ltd. | Thailand | Indirect subsidiary and/or common diretors |
|  |  | management as a director |
| Sak Chaisidhi Co., Ltd. | Thailand | Indirect subsidiary and/or the Company’s |
|  |  | management as a director |
| TOP Solvent (Vietnam) LLC. | Socialist Republic | Indirect subsidiary and/or the Company’s |
|  | of Vietnam | management as a director |
| PT Tirta Surya Raya | Republic of | Indirect subsidiary |
|  | Indonesia |  |
| JSKEM Private Limited | Republic of | Indirect subsidiary and/or the Company’s |
|  | Indonesia | management as a director |
| TSCHEM India Private Limited | Republic of | Subsidiary of indirect subsidiary |
|  | India |  |
| Thaioil Ethanol Co., Ltd. | Thailand | Subsidiary and/or the Company’s |
|  |  | management as a director |
| Thaioil Power Co., Ltd. (2) | Thailand | Subsidiary and/or common directors |
| TOP SPP Co., Ltd. | Thailand | Subsidiary and/or the Company’s |
|  |  | management as a director |
| Thaioil Treasury Center Co.,Ltd. | Thailand | Subsidiary and/or the Company’s |
|  |  | management as a director |
| TOP Ventures Company Limited | Thailand | Indirect subsidiary and/or the Company’s |
|  |  | management as a director |
| TOP Ventures Hong Kong Limited | Hong Kong Special | Indirect subsidiary and/or the Company’s |
|  | Administrative Region | management as a director |
| TOP Ventures America LLC. | United States | Indirect subsidiary and/or the Company’s |
|  | Of America | management as a director |
| Sapthip Co., Ltd. | Thailand | Indirect subsidiary and/or the Company’s |
|  |  | management as a director |
| Sapthip Green Energy Co.,Ltd. | Thailand | Indirect subsidiary and/or the Company’s |
|  |  | management as a director |
| Thaioil Marine International Pte. Ltd. (4) | Republic of | Indirect subsidiary and/or the Company’s |
|  | Singapore | management as a director |
| TOP Maritime Service Co., Ltd. (1) | Thailand | Indirect subsidiary and/or the Company’s |
|  |  | management as a director |

|  |  |  |
| --- | --- | --- |
|  | **Country of** |  |
| **Name of entities** | **incorporation** | **Nature of relationships** |
|  |  |  |
| LABIX Co., Ltd. | Thailand | Indirect subsidiary and/or common directors |
| TOP-NTL Pte. Ltd. (1) | Republic of | Joint venture of subsidiary |
|  | Singapore |  |
| TOP-NTL Shipping Trust (1) | Republic of | Joint venture of subsidiary |
|  | Singapore |  |
| TOP Nautical Star Co., Ltd. (1) | Thailand | Joint venture of subsidiary and/or |
|  |  | the Company’s management as a director |
| TOP-NYK MarineOne Pte. Ltd. (1) | Republic of | Joint venture of indirect subsidiary and/or |
|  | Singapore | the Company’s management as a director |
| PTT Digital Solutions Co., Ltd. | Thailand | Associate and/or the Company’s |
|  |  | management as a director |
| PTT Energy Solutions Co., Ltd. | Thailand | Associate and/or the Company’s |
|  |  | management as a director |
| Thai Petroleum Pipeline Co., Ltd. | Thailand | Associate and/or the Company’s |
|  |  | management as a director |
| Global Power Synergy Public | Thailand | Indirect associate and/or common directors |
| Company Limited |  |  |
| PT Chandra Asri Petrochemical Tbk | Republic of | Indirect associate and/or common directors |
|  | Indonesia |  |
| Ubon Bio Ethanol Public Company Limited (3) | Thailand | Indirect associate and/or the Company’s |
|  |  | management as a director |
| T.I.M. Ship Management Co., Ltd. (1) | Thailand | Indirect associate and/or the Company’s |
|  |  | management as a director |
| PTT International Trading Pte. Ltd. | Republic of | Subsidiary of the parent company |
|  | Singapore |  |
| PTT Oil and Retail Business | Thailand | Subsidiary of the parent company |
| Public Company Limited |  | and/or common directors |
| PTT Exploration and Production | Thailand | Subsidiary of the parent company |
| Public Company Limited |  |  |
| PTT Treasury Center Co., Ltd. | Thailand | Subsidiary of the parent company |
| Energy Recovery Unit Co.,Ltd. | Thailand | Indirect subsidiary of the parent company |
| Energy Complex Co., Ltd. | Thailand | Subsidiary of the parent company |
| IRPC Public Company Limited | Thailand | Subsidiary of the parent company |
| PTT Tank Terminal Co., Ltd. | Thailand | Subsidiary of the parent company |
| PTT Global Chemical Public | Thailand | Subsidiary of the parent company |
| Company Limited |  |  |
| PTT International Trading London Ltd. | England | Subsidiary of the parent company |
| PTT Phenol Co., Ltd. | Thailand | Indirect subsidiary of the parent company |
| PTT Exploration and Production | Thailand | Indirect subsidiary of the parent company |
| International Company Limited |  |  |
| PTTEP Energy Development | Thailand | Indirect subsidiary of the parent company |
| Company Limited |  |  |
| Solution Creation Co.,Ltd. | Thailand | Indirect subsidiary of the parent company |
| Thai Tank Terminal Ltd. | Thailand | Indirect subsidiary of the parent company |
| Global Green Chemicals Public | Thailand | Indirect subsidiary of the parent company |
| Company Limited |  |  |
| Vencorex (Thailand) Co., Ltd. | Thailand | Indirect subsidiary of the parent company |
| GC Glycol Co., Ltd. | Thailand | Indirect subsidiary of the parent company |
| Sarn Palung Social Enterprise Co., Ltd. | Thailand | Related company and/or the Company’s |
|  |  | management as a director |
| PTT Oil Myanmar Co.,Ltd. | Republic of the | Indirect subsidiary of the parent company |
|  | Union of Myanmar |  |
| PTT MCC Biochem Co., Ltd. | Thailand | Joint venture of subsidiary |
|  |  | of the parent company |
| Brighter PTT Oil and Retail Co., Ltd. | Republic of the | Joint venture of subsidiary |
|  | Union of Myanmar | of the parent company |
| NPC Safety and Environmental | Thailand | Indirect subsidiary of the parent company |
| Service Co., Ltd. |  |  |

(1) During the year 2020, Thai Oil Marine Company Limited has been classified as assets held-for-sale and the Company completely disposed all of its ordinary shares during the year 2021 (Note 15). Thaioil Marine Company Limited holds shares of subsidiaries and other associates such as TOP Maritime Service Co., Ltd, TOP Nautical Star Co., Ltd, TOP-NYK MarineOne Pte Ltd, T.I.M. Ship Management Co., Ltd, TOP-NTL Shipping Trust, and TOP-NTL Pte., Ltd.

(2) On 1 February 2021, the Company carried out an entire business transfer from Thaioil Power Company Limited (TP) after that on 25 February 2021, TP has registered as dissolution with Department of Business Development and complete dissolution process on 17 September 2021.

(3) During 2021, the Group classified this investment in an associate as financial asset measured at fair value through other comprehensive income (Note 7).

(4) On 19 November 2021, the Company passed a resolution to dissolve Thaioil Marine International Pte. Ltd. and expected to complete the dissolution in August 2022.

The pricing policies for particular types of transactions are explained further below:

|  |  |
| --- | --- |
| **Transactions** | **Pricing policies** |
|  |  |
| Revenue from sale and services, lease income, | Market prices or, where no market price exists, |
| purchase of goods and assets | at contractually agreed prices |
| Interest income and expense | Agreed rates as stipulated in the agreements |
| Dividend income | Right to receive dividends |
| Other income and expenses | Contractually agreed prices |
| Directors’ remuneration | Amounts approved by the Group’s shareholders |

Significant transactions for the year ended 31 December 2021 and 2020 with related parties were as follows:

|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| --- | --- | --- | --- | --- |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
| **Parent Company** |  |  |  |  |
| Revenue from sales and services | 5 | 6 | - | - |
| Purchase of crude oil and feedstock | 114,854 | 74,773 | 109,023 | 69,871 |
| Other income | 8 | 15 | 8 | 15 |
| Gain from disposal of investment in |  |  |  |  |
| an associate | - | 5,801 | - | 8,965 |
| Other expenses | 83 | 84 | 82 | 83 |
| Purchase of assets | 5 | 6 | 5 | 6 |
|  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |
| Revenue from sales and services | - | - | 74,371 | 43,173 |
| Purchase of crude oil and feedstock | - | - | 43,627 | 29,777 |
| Interest income | - | - | 95 | 402 |
| Dividend income | - | - | 22,061 | 3,200 |
| Land lease income | - | - | 45 | 72 |
| Other income | - | - | 1,581 | 1,429 |
| Interest expense | - | - | 1,051 | 2,027 |
| Capitalised interest expense | - | - | 3,688 | 2,277 |
| Other expenses | - | - | 2,690 | 1,796 |
| Purchase of assets | - | - | 187 | 135 |
|  |  |  |  |  |
| **Joint ventures** |  |  |  |  |
| Revenue from sales and services | - | 1 | - | - |
| Purchase of crude oil and feedstock | 238 | 906 | 238 | 906 |
| Other income | - | 2 | - | 1 |
| Interest expense | 27 | 110 | 27 | 110 |
|  |  |  |  |  |
| **Associates** |  |  |  |  |
| Revenue from sales and services | 2,589 | 1 | 2,587 | - |
| Purchase of crude oil and feedstock | 535 | 676 | 507 | 676 |
| Interest income | -(1) | 2 | -(1) | 2 |
| Dividend income | - | - | 1,024 | 1,264 |
| Other income | 14 | 20 | 14 | 18 |
| Other expenses | 410 | 457 | 398 | 432 |
| Purchase of assets | 46 | 85 | 44 | 85 |
|  |  |  |  |  |
| **Subsidiaries of the parent company** |  |  |  |  |
| Revenue from sale and services | 144,421 | 115,273 | 132,596 | 109,707 |
| Purchase of crude oil and feedstock | 10,883 | 6,655 | 5,956 | 3,600 |
| Other income | 11 | 17 | 11 | 16 |

|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| --- | --- | --- | --- | --- |
| **For the year ended 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| **Subsidiries of the parent company** |  |  |  |  |
| Interest expenses | 101 | 115 | 79 | 115 |
| Capitalised interest expense | 12 | - | 12 | - |
| Other expenses | 152 | 244 | 101 | 189 |
| Purchase of assets | 12 | - | 12 | - |
|  |  |  |  |  |
| **Other related parties** |  |  |  |  |
| Revenue from sales and services | 3 | 7 | - | - |
| Purchase of crude oil and feedstock | 28 | 14 | 13 | - |
| Other expenses | 1 | 1 | -(1) | - |
|  |  |  |  |  |
| **Directors’ remuneration** | 33 | 60 | 24 | 48 |

(1)The balance is below Baht 1 million.

Balances as at 31 December 2021 and 2020 with related parties were as follows:

**Trade accounts receivable - related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Subsidiaries | - | - | 8,252 | 4,183 |
| Associate | 593 | - | 593 | - |
| Subsidiaries of the parent company | 9,282 | 6,568 | 8,600 | 5,965 |
|  |  |  |  |  |
|  | 9,875 | 6,568 | 17,445 | 10,148 |
| Less Expected credit loss allowance | - | - | - | - |
|  |  |  |  |  |
| Trade accounts receivable - related parties, net | 9,875 | 6,568 | 17,445 | 10,148 |

**Other receivables - related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Parent company | 5 | 1 | 5 | 1 |
| Subsidiaries | - | - | 232 | 158 |
| Associates | 30 | 19 | 30 | 19 |
|  |  |  |  |  |
| Total | 35 | 20 | 267 | 178 |

**Finance lease receivables - related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Subsidiaries | - | - | 1,051 | 1,021 |
| Associate | - | 6 | - | 6 |
|  |  |  |  |  |
| Total | - | 6 | 1,051 | 1,027 |

**Short-term loans to related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Subsidiaries | - | - | 782 | 276 |
|  |  |  |  |  |
| Total | - | - | 782 | 276 |

Interest rates during the year 2021 and 2020 were based on BIBOR 3M plus certain fixed margin per annum and LIBOR 3M plus certain fixed margin per annum.

Movements of short-term loans to related parties during the year ended 31 December 2021 and 2020 were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| At 1 January | - | - | 276 | 3,221 |
| Cash flows: |  |  |  |  |
| Payments for short-term loans | - | - | 31,469 | 656 |
| Proceeds from short-term loans | - | - | (30,975) | (3,592) |
| Other non-cash movements: |  |  |  |  |
| Exchange losses | - | - | 12 | (9) |
|  |  |  |  |  |
| At 31 December | - | - | 782 | 276 |

**Long-term loans to related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Current portion of long-term loans  to related parties |  |  |  |  |
| - Subsidiaries | - | - | - | 12,081 |
| Long-term loans to related parties |  |  |  |  |
| - Subsidiaries | - | - | - | - |
|  |  |  |  |  |
| Total | - | - | - | 12,081 |

Movements of long-term loans to related parties during the year ended 31 December 2021 and 2020 were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| At 1 January | - | - | 12,081 | 11,781 |
| Cash flows: |  |  |  |  |
| Payments for long-term loans | - | - | - | 700 |
| Proceeds from long-term loan | - | - | (12,081) | (400) |
|  |  |  |  |  |
| At 31 December | - | - | - | 12,081 |

On 12 June 2020, the Company entered into a loan agreement with a subsidiary in an amount of Baht 700 million for financial restructuring. The borrowing bore the interest rate at BIBOR 6M plus certain fixed margin per annum. The agreement is effective for a period of 2 years from the signing date. Subsequently, on 24 December 2020, the Company entered into the Share Purchase Agreement to dispose all ordinary shares directly held in this subsidiary, including all shares of subsidiaries and associates held by this subsidiary. The proceed from repayment of such long term loans balance included in proceeds from business restructuring as described in Note 15.

**Right-of-use assets - related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Parent company | 7 | 8 | 7 | 8 |
| Subsidiaries | - | - | 240 | 59 |
| Joint venture | - | 1,642 | - | 1,642 |
| Associate | 3 | - | 3 | - |
| A subsidiary of the parent company | -(1) | 20 | -(1) | 20 |
|  |  |  |  |  |
| Total | 10 | 1,670 | 250 | 1,729 |

(1)The balance is below Baht 1 million.

**Other non-current assets - related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Subsidiaries | - | - | 63 | 60 |
| A subsidiary of the parent company | 14 | 14 | 14 | 14 |
|  |  |  |  |  |
| Total | 14 | 14 | 77 | 74 |

**Trade accounts payable - related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Parent company | 13,525 | 4,670 | 12,941 | 4,296 |
| Subsidiaries | - | - | 4,013 | 2,362 |
| Associate | - | 59 | - | 59 |
| Subsidiaries of the parent company | 639 | 741 | 205 | 448 |
|  |  |  |  |  |
| Total | 14,164 | 5,470 | 17,159 | 7,165 |

**Other accounts payable - related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Parent company | - | 48 | - | 48 |
| Subsidiaries | - | - | 1,089 | 873 |
| Associates | 96 | 105 | 95 | 105 |
| Subsidiaries of the parent company | 20 | 21 | 19 | 18 |
|  |  |  |  |  |
| Total | 116 | 174 | 1,203 | 1,044 |

**Lease liabilities - related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Parent company | 6 | 7 | 6 | 7 |
| Subsidiaries | - | - | 207 | 215 |
| Associates | 3 | - | 3 | - |
| Joint venture | - | 1,802 | - | 1,802 |
| A subsidiary of the parent company | -(1) | 21 | -(1) | 21 |
|  |  |  |  |  |
| Total | 9 | 1,830 | 216 | 2,045 |

(1)The balance is below Baht 1 million.

**Short-term loans from related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Subsidiaries | - | - | 2,135 | 57 |
|  |  |  |  |  |
| Total | - | - | 2,135 | 57 |

Interest rates during the year 2021 and 2020 were charged based on BIBOR 1M plus certain fixed margin per annum.

Movements of short-term loans from related parties during the year ended 31 December 2021 and 2020 were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| At 1 January | - | - | 57 | 2,467 |
| Cash flows: |  |  |  |  |
| Proceeds from (payments for) short-term loans | - | - | 2,078 | (2,410) |
|  |  |  |  |  |
| At 31 December | - | - | 2,135 | 57 |

**Derivative liabilities - related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Subsidiaries | - | - | 67 | 21 |
|  |  |  |  |  |
| Total | - | - | 67 | 21 |

**Long-term loans from related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Current portion of long-term loans from |  |  |  |  |
| related party |  |  |  |  |
| - A subsidiary | - | - | - | 11,381 |
| - A subsidiary of the parent company | - | 3,999 | - | 3,999 |
| Long-term loans from related parties |  |  |  |  |
| - A subsidiary | - | - | 105,858 | 95,135 |
| - A subsidiary of the parent company | 14,000 | - | 14,000 | - |
|  |  |  |  |  |
| Total | 14,000 | 3,999 | 119,858 | 110,515 |

Movements of long-term loans from related parties during the year ended 31 December 2021 and 2020 were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
|  | **2021** | **2020** | **2021** | **2020**  **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| At 1 January | 3,999 | 3,999 | 110,515 | 80,746 |
| Cash flows: |  |  |  |  |
| Proceeds from long-term loans | 14,000 | - | 14,000 | 31,140 |
| Payment for long-term loans | (3,999) | - | (15,380) | - |
| Payment for loans financing fee | - | - | - | (131) |
| Other non-cash movements: |  |  |  |  |
| Amortisation of deferred financing fee |  | - | 18 | 15 |
| Exchange (gain)/losses | - | - | 10,705 | (1,255) |
|  |  |  |  |  |
| At 31 December | 14,000 | 3,999 | 119,858 | 110,515 |

The Company entered into long-term loan agreements with a subsidiary totalling of US Dollar 2,163.11 million. The loans bear a fixed interest rate of 3.93% to 5.96% per annum with maturity dates in 2023 to 2049.

On 19 June 2020, the Company entered into long-term loan agreement with a subsidiary totalling of US Dollar 998.24 million. The loans bear fixed interest rates of 2.89% to 4.17% per annum with maturity dates between 2030 to 2050.

On May 21, 2021, the Company passed a resolution to enter into a credit agreement with a related party for a period of not more than 18 months, with a market rate of not more than 2.5% per annum, in an amount not exceeding US Dollar 670 million, or approximately Baht 22,154 million, to support the Company's investment through a newly established subsidiary in the Republic of Indonesia.

**Other non-current liabilities from related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
| **As at 31 December** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  | **(Restated)** |
|  | **Million Baht** | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |  |
| Subsidiaries | - | - | 924 | 836 |
| Associate | 7 | 10 | 7 | 10 |
| A subsidiary of the parent company | 2,192 | 2,192 | 2,192 | 2,192 |
|  |  |  |  |  |
| Total | 2,199 | 2,202 | 3,123 | 3,038 |

**Significant agreements with related parties**

During the year ended 31 December 2021, the Group had the following significant agreements with related parties.

**Asset Sale and Purchase Agreement for the Energy Recovery Unit (ERU)**

The Company has entered into the Asset Sale and Purchase Agreement for the ERU with a related company to support energy and utilities for Clean Fuel Project (CFP) whereby the purchase price is specified in the agreement. The Company will transfer ownership in the ERU to the purchaser upon satisfaction of all the conditions precedent set out in the agreement (Closing Date). Such conditions precedent include the Company’s countersigning of the Provisional Acceptance Certificate (PAC) to the contractor which is expected to occur in 2023 and purchaser and seller receive all necessary certification from relevant authorities.

**Fuel and Utilities Supply Agreement**

The Company has entered into the Fuel and Utilities Supply Agreement with a related company to supply pitch, other fuels and utilities used in the operation of the ERU. The term of the agreement is 25 years from the Closing Date and the parties may agree to extend the term for another 5 years.

**Power Purchase Agreement**

The Company has entered into the Power Purchase Agreement with a related company to purchase electricity, steam and other by-products generated by the ERU. The term of the agreement is 25 years from the Closing Date and the parties may agree to extend the term for another 5 years.

**Operation and Maintenance Services Agreement**

The Company has entered into the Operation and Maintenance Services Agreement with a related company to provide the services of operation and maintenance of the ERU. The term of the agreement is 25 years from the Closing Date and the parties may agree to extend the term for another 5 years.

**The Restructuring of Shareholding in Power Business and the Entire Business Transfer Agreement**

The Company has entered into the Restructuring of Shareholding in Power Business by way of disposal of shares directly held by the Company in an associate to the parent company, representing approximately 8.91% of all paid-up shares of the associate at approximately amounting to Baht 16,882 million. The share disposal transaction was completed in December 2020. In this connection of the restructuring plan, the Company has entered into an entire business transfer agreement with a subsidiary at the total price of approximately Baht 26,773 million whereby the Company agrees to accept the transfer of all assets, liabilities, rights, duties and obligations of a subsidiary existing on the day prior to the date of the entire business transfer, include contracts and licenses related to and used in the business operations of a subsidiary to enable the Company to continue the business operations. After the entire business transfer of a subsidiary to the Company, a subsidairy will pay dividend, cease its business operations, undergo dissolution and enter into the liquidation process within the same fiscal year in which the entire business transfer was occurred. After deduction of expenses, fees or any other money in connection with or arising from the completion of dissolution and liquidation, a subsidiary shall distribute its assets to the Company and parent company as a subsidiary’s shareholders in proportion to their respective shareholding.

**Master Agreement for Business Collaboration**

The Company has entered into Master Agreement for Business Collaboration with a parent company in order to assign rules, conditions and guidelines for credit term extension of crude and condensate from 30 days to not exceeding 90 days. Term of the contract is 1 years which will be expired in 31 December 2022.

**Feedstock Supply Agreement**

The Company has entered into Feedstock Supply Agreement with a parent company. A parent company will supply crude and condensate for the Company’s refinery production including hire a vessels to deliver crude. Term of the contracts is 3 years which will be expired in 31 December 2024.

**P1 Collaboration Agreement**

The Company and subsidiaries have entered into P1 Collaboration Agreement to assign a collaboration guideline between PTT group, the Company and one of the Company’s subsidiaries for supplying crude and condensate, petroleum product and petrochemical product, hire vessel, and derivatives related to an export and import of crude and condensate petroleum products and petrochemical products, including managing time charter vessel of the Company. These services will be managed by a related party in order to get a maximum benefit among PTT Group. The term of the contracts is 3 years which will be expired on 31 December 2024.

|  |
| --- |
| **40 Entire business transfer under common control** |

On 1 February 2021, the Company carried out an entire business transfer from TP, a subsidiary of the Company.  
As a result, the Company accepted a transfer of assets, liabilities, right and obligation and all of the commitments of TP before the entire business transfer date including the contracts and licenses to continue operation. This transaction is considered a business combination under common control according to the guidelines for transactions in respect of business combination under common control announced by the Federation of Accounting Professions. On the transfer date, a difference between a cost of business combination under common control and the Company’s proportion of carrying amount of TP was directly recognised in equity of the separate financial information totalling Baht 17,971 million. The adjusted non-controlling interests related to the entire business transfer are re-presented as a deficit from business restructuring under common control in the consolidated financial information totalling Baht 4,671 million.

An entire business transfer includes assets and liabilities of TP as of 31 January 2021. This entire business transfer was completed and effective on 1 February 2021 onward.

**Details of entire business transfer**

|  |  |
| --- | --- |
|  | **Million Baht** |
|  |  |
| Cash received | 25,904 |
| Net carrying amount of assets | 7,933 |
|  |  |
| The difference between cash received and net carrying amount of assets | 17,971 |

Carrying amount of assets and liabilities as at 31 January 2021 are as follows;

|  |  |
| --- | --- |
|  | **Million Baht** |
|  |  |
| Cash and cash equivalents | 216 |
| Trade and other receivables | 398 |
| Inventories | 61 |
| Investment in an associate | 22,279 |
| Property and equipment, net | 744 |
| Deferred charges | 5 |
| Other non-current assets | -(1) |
|  |  |
| **Total assets** | 23,703 |
|  |  |
| Trade and other payables | 295 |
| Value added tax payables | 14 |
| Income tax payables | 18 |
| Long-term loans from related parties | 15,380 |
| Deferred tax liabilities | 63 |
|  |  |
| **Total liabilities** | 15,770 |
|  |  |
| **Total net assets** | 7,933 |

(1) The balance is below Baht 1 million.

|  |
| --- |
| **41 Restatements** |

From the result of an entire business transfer under common control as disclosed in Note 40, the Company restated prior year financial statements for comparison purpose in order to comply with the guidelines for transactions in respect of business combination under common control announced by the Federation of Accounting Professions.

The effects of a transaction to the statement of financial position as at 31 December 2020 are as follows;

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial information** | | |
|  | **Previously presented** | **Adjustment** | **Restated** |
|  | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |
| **Assets** |  |  |  |
| Cash and cash equivalents | 47,500 | 143 | 47,643 |
| Trade accounts receivable, net | 13,001 | 198 | 13,199 |
| Other receivables | 1,040 | (15) | 1,025 |
| Inventories | 19,140 | 61 | 19,201 |
| Investment in associates | 993 | 22,186 | 23,179 |
| Property, plant and equipment, net | 111,897 | 768 | 112,665 |
| Right-of-use assets, net | 13,610 | -(1) | 13,610 |
| Intangible assets, net | 829 | -(1) | 829 |
| Deferred tax assets | 2,450 | (72) | 2,378 |
|  |  |  |  |
| **Liabilities** |  |  |  |
| Trade accounts payable | 10,731 | 50 | 10,781 |
| Other payables | 5,335 | (6) | 5,329 |
| Current portion of long-term loans from related parties, net | - | 15,380 | 15,380 |
| Income tax payables | - | 8 | 8 |
| Other non-current liabilities | 3,690 | (3) | 3,687 |
|  |  |  |  |
| **Equity** |  |  |  |
| Business restructuring under common control interests | - | 7,838 | 7,838 |

(1) The balance is below Baht 1 million.

The effects to the separate statement of income and separate statement of cash flow for the year ended 31 December 2020 are as follows;

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial information** | | |
| **For the year ended 31 December 2020** | **Previously presented** | **Adjustment** | **Restated** |
|  | **Million Baht** | **Million Baht** | **Million Baht** |
|  |  |  |  |
| Revenue from sales and services | 247,302 | 1,941 | 249,243 |
| Cost of sales of goods and services | 267,162 | 1,138 | 268,300 |
| Dividend income | 4,611 | (894) | 3,717 |
| Net foreign exchange loss | 1,692 | -(1) | 1,692 |
| Other income | 3,194 | (304) | 2,890 |
| Administrative expenses | 2,401 | 4 | 2,405 |
| Share of profit of joint ventures and associate, net | - | 1,560 | 1,560 |
| Finance cost | 3,788 | 435 | 4,223 |
| Income tax benefit | 1,464 | (88) | 1,376 |
| Share of other comprehensive income of |  |  |  |
| an associate accounted for using the equity method, |  |  |  |
| net of tax | - | (20) | (20) |
|  |  |  |  |
| Cash flow from operating activities | (5,781) | 708 | (5,073) |
| Cash flow from investing activities | (41,029) | (134) | (41,163) |
| Cash flow from financing activities | 20,431 | (854) | 19,577 |

(1) The balance is below Baht 1 million.

|  |
| --- |
| **42 Acquisition of investment in an associate and business combination** |

**Acquisition of investment in an associate**

In September 2021, PT TOP Investment Indonesia (TII), a subsidiary of the Group, entered into the share acquisition of   
PT Chandra Asri Petrochemical Tbk (CAP), a registered company in the Republic of Indonesia with the total consideration of US Dollar 913.3 million or equivalent to Baht 29,798.4 million. The Group has 15% of shareholding interest in CAP. The investment is classified as investment in an associate. The Group paid share capital and estimated the contingent consideration for future investments of US Dollar 916.6 million or equivalent to Baht 29,910.6 million.

Furthermore, the Group will acquire an additional 0.38% of shareholding interest in CAP with the contingent considerations not exceeding of US Dollar 3.9 million (Baht 129 million) or not exceeding US Dollar 270 million (Baht 8,928 million) which will depend on the condition of the approval for the final investment decision on the petrochemical plant construction project by PT Chandra Asri Perkasa (CAP2), a subsidiary of CAP within 5 years from the date of investment acquisition.

Details of consideration paid and net identifiable assets at the portion of the Group before the direct acquisition cost   
as at 31 December 2021 are as follow:

|  |  |
| --- | --- |
|  | **Million Baht** |
|  |  |
| Portion of estimated fair value of net assets acquired | 16,085 |
| Purchase price over net assets acquired (presented in investment in an associate) | 13,826 |
|  |  |
| Purchase considerations | 29,911 |
|  |  |
| Purchase considerations are as follows; |  |
| - Consideration at acquisition date | 29,799 |
| - Contingent consideration | 112 |

As at 31 December 2021, the Group is in the process of determining fair value of the acquired net assets and reviewing purchase price allocation (PPA). Therefore, the purchase price over net assets’ carrying value may be subject to further adjustments depending on the determination of fair value and the result of the PPA, which is expected to be finalised within 12 months from the acquisition date.

**Business combination**

On 1 July 2021, Thaioil Solvent Company Limited (TS) acquired shares of JSKEM Private Limited (JSKEM), which operates the business of distributing solvents and chemicals in Singapore and India from existing shareholders of JSKEM representing 60% of shareholding interest. The Company fully paid for the shares and estimate additional cost of investment totaling US Dollar 1.2 million or equivalent to Baht 38.9 million. From business combination, the Group recognised the goodwill of Baht 19.9 million.

According to the Share Purchase Agreement, there may be an additional contingent consideration in an amount not exceeding US Dollar 0.52 million or equivalent to Baht 17 million, if total sales of JSKEM significantly meets the condition in an agreement.

The following table summarises the consideration paid for JSKEM, and the estimated fair value of the assets acquired and liabilities assumed recognised on 1 July 2021, as follows;

|  |  |
| --- | --- |
|  | **Million Baht** |
|  |  |
| Cash | 22 |
| Contingent consideration | 17 |
|  |  |
| Total purchase consideration | 39 |

Recognised estimated fair value of identifiable assets acquired and liabilities assumed are as follows:

|  |  |
| --- | --- |
|  | **Million Baht** |
|  |  |
| Cash and cash equivalents | 16 |
| Trade accounts receivable | 15 |
| Other receivables | 3 |
| Trade accounts payable | (1) |
| Other liabilities | (1) |
| Estimated fair value of identifiable net assets | 32 |
| Less Non-controlling interest | (13) |
|  |  |
| Total estimated fair value of identifiable net assets acquired | 19 |
| Goodwill | 20 |
|  |  |
| Purchase consideration | 39 |

The Group is in the process of determining fair value of the acquired net assets which is expected to be finalised within   
12 months from the acquisition date.

The revenue and net profit in the consolidated statement of income for the year ended 31 December 2021 are included revenue and net profit of JSKEM of Baht 288 million and Baht 3 million since 1 July 2021, respectively.

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| **43 Event after the reporting period** |

**Dividend declaration**

At the meeting of the Board of Directors of the Company held on 15 February 2022, the Company’s Board of Directors approved the submission for approval at the annual general meeting of the shareholders of the Company the appropriation of 2021 annual dividends at Bath 2.60 per share, totalling Baht 5,304 million. After a deduction of the interim dividends of Baht 0.60 per share which were paid to the Company’s shareholders in September 2021, the remaining dividends of Baht 2.00 per share, totalling Baht 4,080 milllion, are scheduled for payment on 25 April 2022. This dividend is subject to the approval of the Company’s shareholders at the annual general meeting to be held on 7 April 2022.