

STAR PETROLEUM REFINING PUBLIC COMPANY LIMITED

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2019

Independent Auditor's Report

To the Shareholders and the Board of Directors of Star Petroleum Refining Public Company Limited

My opinion

In my opinion, the financial statements of Star Petroleum Refining Public Company Limited ("the Company") present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My audit approach - overview



Materiality

The overall materiality: USD 8.9 million which represents 5% of Company's three-year average profit before tax.

The overall materiality is determined from profit before tax in USD which is the Company's functional currency as described in the accounting policy in Note 2.3 (a).

Audit scope

I conducted a full scope audit work of the Company which is engaged in the operation of a petroleum refinery in Thailand.

Key audit matters

I identified revenue recognition as key audit matter.

Materiality

The scope of my audit was influenced by my application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on my professional judgement, I determined certain quantitative thresholds for overall materiality for the financial statements as set out in the table below. These, together with qualitative considerations, helped me to determine the scope of my audit and the nature, timing and extent of my audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall materiality	USD 8.9 million (2018: USD 12.0 million)
How I determined it	5% of three-year average profit before tax (2018: 5% of three-year average profit before tax)
Rationale for the materiality benchmark applied	I chose average profit before tax as the critical measure because, in my view, it is the measure against which the performance of the Company is most commonly assessed. The 5% benchmark is a generally accepted auditing practice and there were no significant unusual elements that merited adjustments to this benchmark.

I agreed with the audit committee that I would report to them misstatements identified during my audit.

How I tailored my audit scope

I tailored the scope of my audit in order to perform sufficient work to enable me to provide an opinion on the financial statements, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Revenue recognition</p> <p>In 2019, the Company recognised USD 5,391.7 million in revenue under purchase and sale agreement and amendment to agreement as described in Note 22 and short-term product sale agreements, most was generated under the purchase and sale agreement with two customers.</p> <p>From 1 January 2019, the Company has adopted the new financial reporting standards: revenue from contract with customers and reassessed the revenue recognition to be aligned with the requirements of the standard, which mainly deal with the transaction price, variable consideration, revenue recognition when control of products is passed to customer, and the presentation of revenue. The revenue is determined based on the contractual price and volume of petroleum products delivered. The sale price is calculated based on market price with premium or discount adjusted by a number of factors following the individual agreement for each product. The volume sold is measured using the metre at the refinery when the petroleum products are delivered to customers via pipeline, truck, or vessel.</p> <p>I identified the accuracy of the revenue as an area of focus for my audit work because the amount is material and to ensure that the Company complied with the requirements in the new standard. Because the various factors applied to the selling prices per agreements, this required a detailed understanding of the contractual arrangements to ensure that the terms of agreements were correctly applied to determine the amount of revenue, and the source data for the price factors and price adjustment used in the invoice and volumes measured were complete and accurate.</p>	<p>I made understanding the process of first-time implementation of the new financial reporting standards: Revenue from contract with customers.</p> <p>I tested the design and operating effectiveness of key controls for the recognition of revenue, particularly focussing on controls over the invoicing process. I determined that the testing of these controls provided me with audit evidence that revenue had been recorded appropriately and in the correct period, and the amounts billed to customers were accurate.</p> <p>I sample tested the revenue recognised against amounts invoiced to customers and the subsequent cash receipts from those customers. I obtained and read the purchase and sale agreement including amendment to agreement and checked it against customer invoices to ensure that the price factors and adjustment were applied in the invoices accurately and completely. This includes assessment for the appropriateness of the revenue recognition in accordance with the new financial reporting standards.</p> <p>I also selected a sample of shipment documents before and after year end to test to the revenue recorded to ensure that the revenue is recognised in the correct period.</p> <p>In addition, I sent debtor confirmations to the customers to confirm the amount due to the Company at the end of the year.</p> <p>I found no material issues arising from my work.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the financial statements

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

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

The audit committee assists the directors in discharging their responsibility for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Pongthavee Ratanakoses

Certified Public Accountant (Thailand) No. 7795

Bangkok

21 February 2020

Star Petroleum Refining Public Company Limited

Statement of Financial Position

As at 31 December 2019

		Unit: US Dollar		Unit: Baht	
	Notes	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Assets					
Current assets					
Cash and cash equivalents	7	665,301	2,265,001	20,179,037	73,872,173
Trade and other receivables	8	237,118,271	384,994,819	7,191,503,094	12,540,564,155
Value added tax receivables		10,595,098	-	321,363,100	-
Inventories	9	588,715,039	393,073,740	17,856,492,476	12,820,021,400
Other current assets		4,440,036	2,682,573	134,501,883	86,972,665
Total current assets		841,533,745	783,016,133	25,524,039,590	25,521,430,393
Non-current assets					
Prepaid income tax		26,211,303	19,062,691	795,022,896	621,725,844
Property, plant and equipment	10	879,814,400	879,910,537	26,685,914,509	28,698,106,196
Intangible assets	11	4,089,588	4,430,323	124,042,510	144,494,097
Deferred tax assets	14	29,990,562	-	909,652,721	-
Other non-current assets		8,420,627	762,887	255,408,564	24,881,413
Total non-current assets		948,526,480	904,166,438	28,770,041,200	29,489,207,550
Total assets		1,790,060,225	1,687,182,571	54,294,080,790	55,010,637,943

Director _____
(Mr. Nicolas Michel Bossut)

Director _____
(Mr. Timothy Alan Potter)

The notes to the financial statements are an integral part of these financial statements.

Star Petroleum Refining Public Company Limited

Statement of Financial Position

As at 31 December 2019

		Unit: US Dollar		Unit: Baht	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Notes					
Liabilities and equity					
Current liabilities					
Short-term borrowings from					
financial institutions	12	224,813,821	-	6,818,895,460	-
Trade and other payables	13	447,280,127	371,781,683	13,566,587,722	12,125,585,227
Excise tax payable		30,290,891	105,439,904	918,762,095	3,438,901,369
Value added tax payable		-	4,031,429	-	131,484,242
Other current liabilities		985,000	253,617	29,876,332	8,271,678
Total current liabilities		703,369,839	481,506,633	21,334,121,609	15,704,242,516
Non-current liabilities					
Deferred tax liabilities	14	-	13,781,497	-	449,480,756
Employee benefit obligations	15	15,954,728	10,068,804	483,927,639	328,392,022
Total non-current liabilities		15,954,728	23,850,301	483,927,639	777,872,778
Total liabilities		719,324,567	505,356,934	21,818,049,248	16,482,115,294
Equity					
Share capital					
Authorised share capital	16				
Ordinary shares					
4,335,902,125 shares at					
par value of Baht 6.92 each		864,713,808	864,713,808	30,004,442,705	30,004,442,705
Issued and paid-up share capital					
Ordinary shares					
4,335,902,125 shares paid-up					
at Baht 6.92 each		864,713,808	864,713,808	30,004,442,705	30,004,442,705
Premium on share capital		31,917,416	31,917,416	977,711,111	977,711,111
Retained earnings					
Appropriated - legal reserve	17	87,865,911	87,865,911	3,000,444,271	3,000,444,271
Unappropriated		86,238,523	197,328,502	6,167,351,929	9,510,511,694
Other components of equity		-	-	(7,673,918,474)	(4,964,587,132)
Total equity		1,070,735,658	1,181,825,637	32,476,031,542	38,528,522,649
Total liabilities and equity		1,790,060,225	1,687,182,571	54,294,080,790	55,010,637,943

The notes to the financial statements are an integral part of these financial statements.

Star Petroleum Refining Public Company Limited

Statement of Comprehensive Income

For the year ended 31 December 2019

		Unit: US Dollar		Unit: Baht	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Notes					
Sales	6	5,384,490,143	6,406,324,650	168,611,492,097	208,106,715,436
Liquefied Petroleum Gas and fuel subsidies		7,257,368	32,240,435	228,226,957	1,052,593,070
Total revenue		5,391,747,511	6,438,565,085	168,839,719,054	209,159,308,506
Cost of sales	19	(5,498,358,742)	(6,342,332,927)	(172,051,149,614)	(206,187,534,545)
Gross (loss) profit		(106,611,231)	96,232,158	(3,211,430,560)	2,971,773,961
Other income		1,143,990	2,608,662	35,826,322	84,284,282
Gain on exchange rate		39,059,842	24,479,407	1,225,400,395	793,315,251
(Loss) profit before expenses		(66,407,399)	123,320,227	(1,950,203,843)	3,849,373,494
Administrative expenses	19	(54,732,416)	(29,202,726)	(1,689,774,296)	(946,711,802)
Other expenses		(231,823)	(1,516,293)	(7,270,520)	(48,851,670)
Finance costs		(1,489,282)	(1,540,354)	(46,068,322)	(49,954,062)
(Loss) profit before income tax		(122,860,920)	91,060,854	(3,693,316,981)	2,803,855,960
Income tax	20	28,983,584	(17,436,213)	884,613,250	(540,601,791)
(Loss) profit for the year		(93,877,336)	73,624,641	(2,808,703,731)	2,263,254,169
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Currency translation differences		-	-	(2,709,331,342)	(314,364,075)
Remeasurement of employee benefit obligations, net of tax		(419,720)	-	(13,280,599)	-
Other comprehensive income for the year		(419,720)	-	(2,722,611,941)	(314,364,075)
Total comprehensive income for the year		(94,297,056)	73,624,641	(5,531,315,672)	1,948,890,094
(Loss) earnings per share	21				
Basic (loss) earnings per share		(0.02)	0.02	(0.65)	0.52

The notes to the financial statements are an integral part of these financial statements.

Star Petroleum Refining Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2019

Unit: US Dollar					
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total equity
			Appropriated legal reserve	Unappropriated	
Beginning balance 1 January 2018	864,713,808	31,917,416	87,865,911	297,642,040	1,282,139,175
Dividends	-	-	-	(173,938,179)	(173,938,179)
Total comprehensive income for the year	-	-	-	73,624,641	73,624,641
Ending balance 31 December 2018	<u>864,713,808</u>	<u>31,917,416</u>	<u>87,865,911</u>	<u>197,328,502</u>	<u>1,181,825,637</u>
Beginning balance 1 January 2019	864,713,808	31,917,416	87,865,911	197,328,502	1,181,825,637
Dividends	-	-	-	(16,792,923)	(16,792,923)
Total comprehensive income for the year	-	-	-	(94,297,056)	(94,297,056)
Ending balance 31 December 2019	<u>864,713,808</u>	<u>31,917,416</u>	<u>87,865,911</u>	<u>86,238,523</u>	<u>1,070,735,658</u>

The notes to the financial statements are an integral part of these financial statements.

Star Petroleum Refining Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2019

Unit: Baht

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	Total equity
				Appropriated legal reserve	Unappropriated	Exchange differences on translation	
Beginning balance 1 January 2018		30,004,442,705	977,711,111	3,000,444,271	12,768,595,291	(4,650,223,057)	42,100,970,321
Dividends		-	-	-	(5,521,337,766)	-	(5,521,337,766)
Total comprehensive income for the year		-	-	-	2,263,254,169	(314,364,075)	1,948,890,094
Ending balance 31 December 2018		<u>30,004,442,705</u>	<u>977,711,111</u>	<u>3,000,444,271</u>	<u>9,510,511,694</u>	<u>(4,964,587,132)</u>	<u>38,528,522,649</u>
Beginning balance 1 January 2019		30,004,442,705	977,711,111	3,000,444,271	9,510,511,694	(4,964,587,132)	38,528,522,649
Dividends	18	-	-	-	(521,175,435)	-	(521,175,435)
Total comprehensive income for the year		-	-	-	(2,821,984,330)	(2,709,331,342)	(5,531,315,672)
Ending balance 31 December 2019		<u>30,004,442,705</u>	<u>977,711,111</u>	<u>3,000,444,271</u>	<u>6,167,351,929</u>	<u>(7,673,918,474)</u>	<u>32,476,031,542</u>

The notes to the financial statements are an integral part of these financial statements.

Star Petroleum Refining Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2019

	Notes	Unit: US Dollar		Unit: Baht	
		31 December	31 December	31 December	31 December
		2019	2018	2019	2018
Cash flows from operating activities					
(Loss) profit before income tax		(122,860,920)	91,060,854	(3,693,316,981)	2,803,855,960
Adjustments for:					
Finance income		(156,050)	(653,569)	(4,933,461)	(20,966,366)
Finance costs		1,489,282	1,540,354	46,068,322	49,954,062
Depreciation	10, 19	80,653,397	82,656,874	2,518,150,568	2,684,742,868
Amortisation		1,515,597	1,603,386	47,304,322	51,985,454
Loss from disposal and write-off					
of fixed assets and intangible assets		231,823	1,404,682	7,260,080	44,700,603
Gain from foreign exchange rate		(11,007,053)	(7,011,692)	(343,593,955)	(227,830,215)
(Reversal) loss on obsolete materials	9				
and supplies		(83,847)	258,066	(3,195,050)	8,243,813
(Reversal) write down of inventory to					
net realisable value	9	(60,457,055)	62,212,228	(1,907,383,266)	2,047,765,830
Retirement benefit expenses		4,402,362	891,010	138,458,137	28,879,649
Change in operating assets and liabilities					
Trade and other receivables		145,943,913	(8,936,842)	4,555,755,998	(290,383,924)
Inventories		(135,100,397)	(21,886,838)	(4,217,266,979)	(711,166,853)
Other current and non-current assets		(20,117,076)	1,450,584	(627,970,633)	47,133,667
Trade and other payables		76,351,558	64,473,398	2,383,374,976	2,094,927,669
Other current and non-current liabilities		(77,359,952)	10,194,952	(2,414,852,799)	331,263,563
Cash (used in) generated from operations		(116,554,418)	279,257,447	(3,516,140,721)	8,943,105,780
Interest received		156,029	658,481	4,932,807	21,127,718
Interest paid		(1,347,814)	(1,689,870)	(41,777,415)	(54,865,234)
Income tax paid		(5,612,355)	(74,490,280)	(173,277,445)	(2,426,829,221)
Net cash (used in) generated					
from operating activities		(123,358,558)	203,735,778	(3,726,262,774)	6,482,539,043

The notes to the financial statements are an integral part of these financial statements.

Star Petroleum Refining Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2019

	Note	Unit: US Dollar		Unit: Baht	
		31 December	31 December	31 December	31 December
		2019	2018	2019	2018
Cash flows from investing activities					
Purchases of fixed assets and intangible assets		(83,258,920)	(24,760,347)	(2,598,993,801)	(804,535,493)
Proceeds from disposal of equipment		-	16,745	-	560,281
Net cash used in investing activities		(83,258,920)	(24,743,602)	(2,598,993,801)	(803,975,212)
Cash flows from financing activities					
Net proceeds from short-term borrowings					
from financial institutions		221,910,859	-	6,728,277,179	-
Repayment of long-term borrowings		-	(71,666,667)	-	(2,289,332,732)
Dividends paid to shareholders		(16,984,131)	(171,797,950)	(521,175,435)	(5,521,337,766)
Net cash generated from (used in) financing activities		204,926,728	(243,464,617)	6,207,101,744	(7,810,670,498)
Net decrease in cash and cash equivalents		(1,690,750)	(64,472,441)	(118,154,831)	(2,132,106,667)
Cash and cash equivalents at the beginning of year		2,265,001	66,105,024	73,872,173	2,171,364,539
Adjustment from foreign exchange translation		91,050	632,418	64,461,695	34,614,301
Cash and cash equivalents at the ending of year	7	665,301	2,265,001	20,179,037	73,872,173
Non-cash item					
Acquisitions of fixed assets and intangible assets which have not been paid		2,448,817	3,848,413	74,275,816	125,515,209

The notes to the financial statements are an integral part of these financial statements.

1 General information

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

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

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

These financial statements were authorised for issue by the Board of Directors on 21 February 2020.

2 Accounting policies

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

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

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

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Company

2.2.1 New and amended financial reporting standards that are effective for accounting periods beginning on or after 1 January 2019

(a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Company recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, and TAS 18, Revenue and related interpretations.

The Company has adopted TFRS 15 from 1 January 2019 under the modified retrospective approach and the comparative figures have not been restated. The Company did not apply practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.

The Company recognises revenue from sale of petroleum products and other products when customers have physical possession of products which usually coincides with the title passing to the customers. The Company principally satisfies a performance obligation at a point in time.

The Company recognises revenue from storage service of petroleum products when the service is performed. The Company satisfies a performance obligation over time.

Revenue accounting under TFRS 15 does not generally represent a change from the Company’s current practice. Therefore, the Company does not have effect on accounting and disclosures.

(b) Thai Financial Reporting Interpretation no. 22 (TFRIC 22), Foreign currency transactions and advance consideration

TFRIC 22 clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020. The Company has not yet adopted those standards.

(a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Company's management is currently assessing the impact from initial application of this standard.

(b) TFRS 16, Leases

TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

The Company's management is currently assessing the impact from initial application of this standard.

(c) Other new and amended standards

The new and amended financial reporting standards that will have significant impact on the Company are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Company should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
- that the Company should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Company's management has determined that US Dollar is the Company's functional currency. However, the Company is required to present its financial statements in Thai Baht ("the presentation currency") to comply with the regulation of the Department of Business Development, the Company financial statements are presented by translating from US Dollar to Thai Baht using the method described in Note 2.3 (c).

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

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

(c) Translation to presentation currency

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

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

2.4 Cash and cash equivalents

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

2.5 Trade receivables

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

The Company recognized trade receivables initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Company presented trade receivables at cost less allowance for doubtful accounts.

2.6 Inventories

Inventories are stated at the lower of cost or 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 costs, direct labour costs, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

2.7 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount, only when it is probable that the capitalised cost has future economic benefit. 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 plant and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Buildings	20 - 50 years
Refinery plant and machinery	5 - 33 years
Furniture, fixtures and equipment	5 - 25 years

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

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

2.8 Intangible asset - Computer software

Acquisition of Computer software

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

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

2.9 Impairment of assets

The Company will assess the impairment of assets whenever there are events or changes of impairment indication. 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.

2.10 Leases - where the Company is a lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

2.11 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take time to get ready for its intended use) 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.

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

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 Company and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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 income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.13 Accounting for employee benefit

2.13.1 Defined contribution plan - provident fund

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

2.13.2 Defined benefit plan - retirement benefit

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

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

Remeasurement gains and losses are 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.

2.14 Provisions

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

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

2.15 Revenue recognition

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

The Company recognises revenue from storage service of petroleum products when the service is performed. The Company satisfies a performance obligation over time.

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

2.16 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 Company will comply with all attached conditions.

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

Government grant amount is separately presented from revenue from sales.

2.17 Segment reporting

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

2.18 Share Capital

Ordinary shares are classified as equity.

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

2.19 Dividend distribution

Dividend distribution 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.

3 Financial risk management

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

3.1 Financial risk factors

3.1.1 Foreign exchange risk

The Company does not enter into any foreign currency forward contracts to cover the exchange risk because a substantial portion of our revenues, costs and expenses are directly linked to, or denominated in US dollars. The Company is exposed to fluctuations in the value of the Baht on account of employee-related and other costs denominated in Baht. An appreciation of the Baht against the US dollar causes, among other things, their Baht denominated costs to increase in US dollars, which has a negative effect on US dollar-denominated results of operations. Also, an increase in volatility in the value of the Baht against the US dollar may also increase the cost that the Company incurs in converting the Baht that the Company receives as proceeds from the sale of their petroleum products into US dollars required to pay for crude oil and imported feedstock.

3.1.2 Interest rate risk

The Company is exposed to interest rate risk in relation to its current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The Company does not enter into any financial instruments. However, the Company has insignificant impact from interest rate risk.

3.1.3 Credit risk

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

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities.

3.2 Accounting for derivative financial instruments and hedging activities

The Company has no derivative financial instruments.

4 Critical accounting estimates and assumptions

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

Asset retirement obligations

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

5 Capital risk management

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

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

6 Segment information

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

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

The Company derived 54% of its revenue (2018: 52%) from sales to its related parties. Refer to Note 25 for the amount of revenue from related parties.

Geographical information

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

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Sales:				
- Local Sales	4,966,975,992	5,696,435,560	155,515,944,486	185,011,720,623
- Export Sales	417,514,151	709,889,090	13,095,547,611	23,094,994,813
Total Sales	5,384,490,143	6,406,324,650	168,611,492,097	208,106,715,436

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

7 Cash and cash equivalents

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Cash on hands	1,648	1,533	50,000	50,000
Deposits held at call with banks	663,653	2,263,468	20,129,037	73,822,173
	665,301	2,265,001	20,179,037	73,872,173

During 2019, the interest rates of cash at bank ranged between 0.25% and 1.15% per annum (2018: 0.25% and 1.20% per annum).

8 Trade and other receivables

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Trade receivables				
- related parties	109,251,767	146,592,251	3,313,442,079	4,779,496,703
- third parties	123,469,292	220,256,713	3,744,762,862	7,169,253,223
	232,721,059	366,848,964	7,058,204,941	11,948,749,926
Other receivables				
- related parties	74,417	6,760	2,230,768	220,392
- Liquefied Petroleum Gas (LPG) subsidy	727,125	13,842,709	22,054,638	451,477,193
- fuel subsidy	2,001,624	2,555,321	60,711,854	83,341,294
- third parties	1,594,046	1,741,065	48,300,893	56,775,350
	4,397,212	18,145,855	133,298,153	591,814,229
Trade and other receivables	237,118,271	384,994,819	7,191,503,094	12,540,564,155

Outstanding trade receivables can be analysed as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Up to 3 months	232,721,059	366,817,195	7,058,204,941	11,947,724,278
3 - 6 months	-	31,769	-	1,025,648
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total trade receivables	232,721,059	366,848,964	7,058,204,941	11,948,749,926
Less provision for impairment of trade receivables	-	-	-	-
	232,721,059	366,848,964	7,058,204,941	11,948,749,926

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

As at 31 December 2019 and 2018, LPG subsidy and fuel subsidy were outstanding subsidies that the Company was compensated for the difference between the Government's controlled price and the market reference price.

9 Inventories

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Crude oil	284,220,822	191,426,389	8,620,787,020	6,243,333,381
Petroleum products (net with allowance)	146,486,669	96,369,996	4,443,131,097	3,143,088,147
Materials and supplies (net with allowance)	21,807,806	21,208,488	661,459,113	691,710,580
	452,515,297	309,004,873	13,725,377,230	10,078,132,108
Crude oil in transit	136,199,742	84,068,867	4,131,115,246	2,741,889,292
Inventories, net	588,715,039	393,073,740	17,856,492,476	12,820,021,400

According to the Ministry of Energy, the Company is required to maintain a minimum oil reserve of 6% of total finished products produced for domestic sales (2018: 6%) and maintain a minimum finished products reserve of 7% of total imported finished products (2018: 7%). The reserve fluctuates upon production plan and volume produced. As at 31 December 2019, the above inventories include USD 157,139,489 or Baht 4,766,244,997 of crude oil and finished products set aside as minimum reserve (2018: USD 164,892,180 or Baht 5,377,925,461).

During 2019, USD 60,457,055 or Baht 1,907,383,266 was credited to the statement of comprehensive income with respect to reverse write-down of inventory to net realizable value. During 2018, was debited to the statement of comprehensive income with respect to write down of inventory to net realizable value USD 62,212,228 or Baht 2,047,765,830.

During 2019, USD 83,847 or Baht 3,195,050 was credited to the statement of comprehensive income with respect to reverse loss on obsolete materials and supplies. During 2018, USD 258,066 or Baht 8,243,813 was debited to the statement of comprehensive income with respect to loss on obsolete materials and supplies.

10 Property, plant and equipment

Unit: US Dollar						
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress	Total
At 1 January 2018						
Cost	73,442,578	55,289,570	1,990,363,096	74,492,373	7,472,758	2,201,060,375
<u>Less</u> Accumulated depreciation	-	(23,855,209)	(1,178,281,628)	(61,513,023)	-	(1,263,649,860)
Net book amount	73,442,578	31,434,361	812,081,468	12,979,350	7,472,758	937,410,515
Year ended 31 December 2018						
Opening net book amount	73,442,578	31,434,361	812,081,468	12,979,350	7,472,758	937,410,515
Assets transferred from construction in progress	-	1,425,382	770,337	462,972	(2,658,691)	-
Additions	-	-	-	-	26,578,323	26,578,323
Disposal and write-off - Cost	-	(40,310)	(5,239,106)	(2,637,953)	-	(7,917,369)
Disposal and write-off - Depreciation	-	16,124	3,963,899	2,515,919	-	6,495,942
Depreciation charge	-	(1,556,933)	(79,214,734)	(1,885,207)	-	(82,656,874)
Closing net book amount	73,442,578	31,278,624	732,361,864	11,435,081	31,392,390	879,910,537
At 31 December 2018						
Cost	73,442,578	56,674,642	1,985,894,327	72,317,392	31,392,390	2,219,721,329
<u>Less</u> Accumulated depreciation	-	(25,396,018)	(1,253,532,463)	(60,882,311)	-	(1,339,810,792)
Net book amount	73,442,578	31,278,624	732,361,864	11,435,081	31,392,390	879,910,537

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Unit: US Dollar						
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress	Total
At 1 January 2019						
Cost	73,442,578	56,674,642	1,985,894,327	72,317,392	31,392,390	2,219,721,329
<u>Less</u> Accumulated depreciation	-	(25,396,018)	(1,253,532,463)	(60,882,311)	-	(1,339,810,792)
Net book amount	73,442,578	31,278,624	732,361,864	11,435,081	31,392,390	879,910,537
Year ended 31 December 2019						
Opening net book amount	73,442,578	31,278,624	732,361,864	11,435,081	31,392,390	879,910,537
Assets transferred from construction in progress	-	1,441,359	88,122,823	2,329,416	(91,893,598)	-
Additions	-	-	-	-	80,782,706	80,782,706
Disposal and write-off - Cost	-	-	(11,965,572)	(762,937)	-	(12,728,509)
Disposal and write-off - Depreciation	-	-	11,740,126	762,937	-	12,503,063
Depreciation charge	-	(1,608,526)	(77,296,759)	(1,748,112)	-	(80,653,397)
Closing net book amount	73,442,578	31,111,457	742,962,482	12,016,385	20,281,498	879,814,400
At 31 December 2019						
Cost	73,442,578	58,116,001	2,062,051,578	73,883,871	20,281,498	2,287,775,526
<u>Less</u> Accumulated depreciation	-	(27,004,544)	(1,319,089,096)	(61,867,486)	-	(1,407,961,126)
Net book amount	73,442,578	31,111,457	742,962,482	12,016,385	20,281,498	879,814,400

As at 31 December 2019, certain fully depreciated items of machinery and equipment are still in use, their original costs are approximately US Dollar 58.14 million (2018: US Dollar 50.39 million).

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						Unit: Baht
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress	Total
At 1 January 2018						
Cost	2,412,383,041	1,816,107,531	65,377,854,713	2,446,865,907	245,459,177	72,298,670,369
<u>Less</u> Accumulated depreciation	-	(783,576,791)	(38,703,252,326)	(2,020,530,605)	-	(41,507,359,722)
Net book amount	2,412,383,041	1,032,530,740	26,674,602,387	426,335,302	245,459,177	30,791,310,647
Year ended 31 December 2018						
Opening net book amount	2,412,383,041	1,032,530,740	26,674,602,387	426,335,302	245,459,177	30,791,310,647
Assets transferred from construction in progress	-	45,878,479	25,133,643	15,125,429	(86,137,551)	-
Additions	-	-	-	-	863,606,847	863,606,847
Disposal and write-off - Cost	-	(1,329,812)	(166,133,107)	(86,715,067)	-	(254,177,986)
Disposal and write-off - Depreciation	-	531,926	125,696,016	82,689,160	-	208,917,102
Depreciation charge	-	(50,587,854)	(2,572,957,856)	(61,197,158)	-	(2,684,742,868)
Exchange differences on translation	(17,068,055)	(6,877,422)	(200,505,370)	(3,284,793)	928,094	(226,807,546)
Closing net book amount	2,395,314,986	1,020,146,057	23,885,835,713	372,952,873	1,023,856,567	28,698,106,196
At 31 December 2018						
Cost	2,395,314,986	1,848,432,114	64,769,546,257	2,358,617,277	1,023,856,567	72,395,767,201
<u>Less</u> Accumulated depreciation	-	(828,286,057)	(40,883,710,544)	(1,985,664,404)	-	(43,697,661,005)
Net book amount	2,395,314,986	1,020,146,057	23,885,835,713	372,952,873	1,023,856,567	28,698,106,196

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						Unit: Baht
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress	Total
At 1 January 2019						
Cost	2,395,314,986	1,848,432,114	64,769,546,257	2,358,617,277	1,023,856,567	72,395,767,201
<u>Less</u> Accumulated depreciation	-	(828,286,057)	(40,883,710,544)	(1,985,664,404)	-	(43,697,661,005)
Net book amount	2,395,314,986	1,020,146,057	23,885,835,713	372,952,873	1,023,856,567	28,698,106,196
Year ended 31 December 2019						
Opening net book amount	2,395,314,986	1,020,146,057	23,885,835,713	372,952,873	1,023,856,567	28,698,106,196
Assets transferred from construction in progress	-	44,256,124	2,765,887,609	72,708,336	(2,882,852,069)	-
Additions	-	-	-	-	2,492,808,944	2,492,808,944
Disposal and write-off - Cost	-	-	(388,649,102)	(23,458,792)	-	(412,107,894)
Disposal and write-off - Depreciation	-	-	381,591,760	23,458,792	-	405,050,552
Depreciation charge	-	(50,166,961)	(2,413,430,492)	(54,553,115)	-	(2,518,150,568)
Exchange differences on translation	(167,706,126)	(70,584,289)	(1,696,217,581)	(26,635,516)	(18,649,209)	(1,979,792,721)
Closing net book amount	2,227,608,860	943,650,931	22,535,017,907	364,472,578	615,164,233	26,685,914,509
At 31 December 2019						
Cost	2,227,608,860	1,762,733,860	62,544,705,049	2,240,993,840	615,164,233	69,391,205,842
<u>Less</u> Accumulated depreciation	-	(819,082,929)	(40,009,687,142)	(1,876,158,262)	-	(42,704,928,333)
Net book amount	2,227,608,860	943,650,931	22,535,017,907	364,472,578	615,164,233	26,685,914,509

As at 31 December 2019, certain fully depreciated items of machinery and equipment are still in use, their original costs are approximately Baht 1,763.58 million (2018: Baht 1,643.36 million).

11 Intangible assets

	Unit: US Dollar		
	Intangible assets	Work in process	Total
At 1 January 2018			
Cost	12,626,629	-	12,626,629
<u>Less</u> Accumulated amortisation	(7,365,054)	-	(7,365,054)
Net book amount	5,261,575	-	5,261,575
Year ended 31 December 2018			
Opening net book amount	5,261,575	-	5,261,575
Additions	656,775	-	656,775
<u>Less</u> Amortisation charge	(1,488,027)	-	(1,488,027)
Closing net book amount	4,430,323	-	4,430,323
At 31 December 2018			
Cost	13,283,404	-	13,283,404
<u>Less</u> Accumulated amortisation	(8,853,081)	-	(8,853,081)
Net book amount	4,430,323	-	4,430,323
Year ended 31 December 2019			
Opening net book amount	4,430,323	-	4,430,323
Assets transferred from work in progress	966,047	(966,047)	-
Additions	-	1,076,620	1,076,620
Write-off - Cost	(292,427)	-	(292,427)
Write-off - Amortisation	286,050	-	286,050
<u>Less</u> Amortisation charge	(1,410,978)	-	(1,410,978)
Closing net book amount	3,979,015	110,573	4,089,588
At 31 December 2019			
Cost	13,957,024	110,573	14,067,597
<u>Less</u> Accumulated amortisation	(9,978,009)	-	(9,978,009)
Net book amount	3,979,015	110,573	4,089,588

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	Unit: Baht		
	Intangible assets	Work in process	Total
At 1 January 2018			
Cost	414,749,423	-	414,749,423
<u>Less</u> Accumulated amortisation	(241,921,407)	-	(241,921,407)
Net book amount	172,828,016	-	172,828,016
Year ended 31 December 2018			
Opening net book amount	172,828,016	-	172,828,016
Additions	21,049,990	-	21,049,990
<u>Less</u> Amortisation charge	(48,244,668)	-	(48,244,668)
Exchange differences on translation	(1,139,241)	-	(1,139,241)
Closing net book amount	144,494,097	-	144,494,097
At 31 December 2018			
Cost	433,235,565	-	433,235,565
<u>Less</u> Accumulated amortisation	(288,741,468)	-	(288,741,468)
Net book amount	144,494,097	-	144,494,097
Year ended 31 December 2019			
Opening net book amount	144,494,097	-	144,494,097
Assets transferred from work in progress	30,359,547	(30,359,547)	-
Additions	-	33,648,668	33,648,668
Write-off - Cost	(9,296,660)	-	(9,296,660)
Write-off - Amortisation	9,093,922	-	9,093,922
<u>Less</u> Amortisation charge	(44,038,286)	-	(44,038,286)
Exchange differences on translation	(9,923,916)	64,683	(9,859,233)
Closing net book amount	120,688,704	3,353,806	124,042,510
At 31 December 2019			
Cost	423,334,706	3,353,806	426,688,512
<u>Less</u> Accumulated amortisation	(302,646,002)	-	(302,646,002)
Net book amount	120,688,704	3,353,806	124,042,510

12 Short-term borrowings from financial institutions

As at 31 December 2019, short-term borrowings from financial institutions were denominated in US Dollar and Thai Baht which are unsecured, due within 3 months and the interest rates of short-term borrowings ranged between 1.51% and 2.82% per annum. The fair value of short-term borrowing is equivalent to the carrying amount because such liabilities are matured in short period and the effect from discounted rate is insignificant.

13 Trade and other payables

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Trade payables				
- related parties	258,247,669	219,204,738	7,832,987,517	7,149,318,689
- third parties	111,536,270	117,628,894	3,383,040,068	3,836,442,867
	369,783,939	336,833,632	11,216,027,585	10,985,761,556
Other payables				
- related parties	338,330	1,052,815	10,261,997	34,337,349
- third parties	77,157,858	33,895,236	2,340,298,140	1,105,486,322
	77,496,188	34,948,051	2,350,560,137	1,139,823,671
Trade and other payables	447,280,127	371,781,683	13,566,587,722	12,125,585,227

14 Deferred income taxes

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

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	-	-	-	-
Deferred tax assets to be recovered after more than 12 months	32,550,125	3,251,965	987,287,609	106,062,204
Total deferred tax assets	32,550,125	3,251,965	987,287,609	106,062,204
Deferred tax liabilities:				
Deferred tax liabilities to be recovered within 12 months	(374,865)	(348,619)	(11,370,149)	(11,370,149)
Deferred tax liabilities to be recovered after more than 12 months	(2,184,698)	(16,684,843)	(66,264,739)	(544,172,811)
Total deferred tax liabilities	(2,559,563)	(17,033,462)	(77,634,888)	(555,542,960)
Deferred tax assets (liabilities), net	29,990,562	(13,781,497)	909,652,721	(449,480,756)

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

	Unit: US Dollar		Unit: Baht	
	2019	2018	2019	2018
At 1 January	(13,781,497)	(16,701,981)	(449,480,756)	(548,613,312)
Charged to profit or loss (Note 20)	28,982,950	645,174	884,593,402	21,072,456
Exchange differences on translation	14,789,109	2,275,310	474,540,075	78,060,100
At 31 December	29,990,562	(13,781,497)	909,652,721	(449,480,756)

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

	Unit: US Dollar		
	Operating loss	Retirement benefit obligation	Loss on obsolete materials and supplies
			Total
Deferred tax assets			
At 1 January 2018	-	1,823,444	1,186,592
Charged to profit or loss	-	190,316	51,613
At 31 December 2018	-	2,013,760	1,238,205
At 1 January 2019	-	2,013,760	1,238,205
Charged to profit or loss	28,137,744	1,177,186	(16,770)
At 31 December 2019	28,137,744	3,190,946	1,221,435
			32,550,125
	Unit: Baht		
	Operating loss	Retirement benefit obligation	Loss on obsolete materials and supplies
			Total
Deferred tax assets			
At 1 January 2018	-	59,895,046	38,976,211
Charged to profit or loss	-	6,167,348	1,648,763
Exchange differences on translation	-	(383,990)	(241,174)
At 31 December 2018	-	65,678,404	40,383,800
At 1 January 2019	-	65,678,404	40,383,800
Charged to profit or loss	857,825,507	36,989,154	(639,010)
Exchange differences on translation	(4,371,145)	(5,882,030)	(2,697,071)
At 31 December 2019	853,454,362	96,785,528	37,047,719
			987,287,609
	Unit: US Dollar		
	Tax effect of currency translation on tax base	Depreciation	Total
Deferred tax liabilities			
At 1 January 2018	(19,376,400)	(335,617)	(19,712,017)
Charged to profit or loss	2,275,310	403,245	2,678,555
At 31 December 2018	(17,101,090)	67,628	(17,033,462)
At 1 January 2019	(17,101,090)	67,628	(17,033,462)
Charged to profit or loss	14,789,109	(315,210)	14,473,899
At 31 December 2019	(2,311,981)	(247,582)	(2,559,563)
	Unit: Baht		
	Tax effect of currency translation on tax base	Depreciation	Total
Deferred tax liabilities			
At 1 January 2018	(636,460,478)	(11,024,091)	(647,484,569)
Charged to profit or loss	78,711,869	13,256,345	91,968,214
Exchange differences on translation	-	(26,605)	(26,605)
At 31 December 2018	(557,748,609)	2,205,649	(555,542,960)
At 1 January 2019	(557,748,609)	2,205,649	(555,542,960)
Charged to profit or loss	487,623,219	(9,582,249)	478,040,970
Exchange differences on translation	-	(132,898)	(132,898)
At 31 December 2019	(70,125,390)	(7,509,498)	(77,634,888)

15 Employee benefit obligations

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

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Present value of unfunded obligation	15,954,728	10,068,804	483,927,639	328,392,022

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

	Unit: US Dollar		Unit: Baht	
	2019	2018	2019	2018
At 1 January	10,068,804	9,117,222	328,392,022	299,475,230
Current service cost	773,706	660,651	24,417,505	21,440,722
Interest cost	372,787	230,359	11,764,855	7,476,070
Past service cost	3,255,869	-	102,752,508	-
Loss from change in financial assumptions	524,649	-	16,600,749	-
	4,927,011	891,010	155,535,617	28,916,792
Effect from change of foreign exchange rate	958,913	60,572	-	-
At 31 December	15,954,728	10,068,804	483,927,639	328,392,022

The amendment bill to the Thai Labour Protection Law (Revision 7) become effective on 5 May 2019, giving the compensation for employees who retired and have more than or equal to 20 years of service to not less than 400 day's pay. The Company recognised impact on such changes to statement of comprehensive income of the current year.

Major Actuarial Assumptions

The Company's financial assumptions

For the year ended 31 December:

	% per annum	
	2019	2018
Discount rate	2.65	2.50
Salary growth rate	5.00	5.00

The Company's demographic assumptions

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

- Turnover rate assumption

For the year ended 31 December:

Age	% per annum	
	2019	2018
Below 21	3.00	1.00
21 - 24	3.00	1.00
25 - 30	3.00	1.00
31 - 34	5.00	3.00
35 - 40	5.00	3.00
41 - 44	1.00	2.00
45 - 50	1.00	2.00
Above 50	0.00	0.00

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

Sensitivity analysis for each significant assumption disclosed:

	Change in assumption		Impact on defined benefit obligation			
	2019	2018	Increase in assumption		Decrease in assumption	
			2019	2018	2019	2018
Discount rate	1.00%	1.00%	Decrease by 9.37%	Decrease by 9.95%	Increase by 10.87%	Increase by 11.57%
Salary growth rate	1.00%	1.00%	Increase by 10.69%	Increase by 10.22%	Decrease by 9.33%	Decrease by 8.96%
Turnover rate	1.00%	1.00%	Decrease by 9.75%	Decrease by 10.41%	Increase by 3.34%	Increase by 3.70%

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

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

The weighted average duration of the defined benefit obligation is 15 years. (2018: 16 years)

Expected maturity analysis of undiscounted retirement benefits:

	Unit: US Dollar			
	Within 1 year	Over 1 year to 5 years	Over 5 years	Total
At 31 December 2019 Retirement benefits	495,701	3,695,142	45,071,949	49,262,792

	Unit: Baht			
	Within 1 year	Over 1 year to 5 years	Over 5 years	Total
At 31 December 2019 Retirement benefits	15,035,243	112,078,469	1,367,090,815	1,494,204,527

16 Share capital

	Number of shares	Ordinary shares US Dollar	Ordinary shares Baht
At 1 January 2018	4,335,902,125	864,713,808	30,004,442,705
Issue of shares	-	-	-
At 31 December 2018	4,335,902,125	864,713,808	30,004,442,705
Issue of shares	-	-	-
At 31 December 2019	4,335,902,125	864,713,808	30,004,442,705

The total number of authorised ordinary shares with a par value of Baht 6.92 per share (2018: Baht 6.92 per share) is 4,335,902,125 shares (2018: 4,335,902,125 shares). The number of issued and paid-up ordinary shares is 4,335,902,125 shares (2018: 4,335,902,125 shares).

17 Legal reserve

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

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Balance at the beginning of year	87,865,911	87,865,911	3,000,444,271	3,000,444,271
Appropriation during the year	-	-	-	-
Balance at the end of year	87,865,911	87,865,911	3,000,444,271	3,000,444,271

18 Dividend paid

At the Board of Director Meeting No. 3 held on 7 August 2019, the Board approved a resolution to declare interim dividend payment from the net profit of the period from 1 January 2019 to 30 June 2019 in the amount of USD 16.79 million or an equivalent of Baht 0.1202 per share, totalling Baht 521 million. The dividend was paid to shareholders on 6 September 2019.

19 Expenses by nature

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

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Changes in inventories of finished goods	(49,942,141)	20,860,302	(1,558,983,890)	677,811,729
Raw materials and consumables used	5,273,160,939	6,176,161,300	165,020,470,369	200,787,098,919
Staff costs	48,956,213	38,812,179	1,528,207,348	1,261,120,256
Repair and maintenance expenditure on property, plant and equipment	176,355,338	51,441,612	5,505,072,960	1,671,487,121
Depreciation on property, plant and equipment (Note 10)	80,653,397	82,656,874	2,518,150,568	2,684,742,868
Amortisation on intangible asset (Note 11)	1,410,978	1,488,027	44,038,286	48,244,668
Operating lease rental	104,619	115,359	3,266,036	3,740,786
Others	22,391,815	-	680,702,233	-
Total cost of sales and administrative expenses	5,553,091,158	6,371,535,653	173,740,923,910	207,134,246,347

Depreciation, amortisation, and operating lease rental related to production assets:

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Recognised as cost of sales	73,359,350	75,283,860	2,290,454,805	2,445,059,046
Recognised as administration expenses	8,809,644	8,976,400	275,000,085	291,669,276
	82,168,994	84,260,260	2,565,454,890	2,736,728,322

20 Income tax expenses

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Current tax	-	18,084,654	-	561,780,878
Deferred tax (Note 14)	(28,982,950)	(645,174)	(884,593,402)	(21,072,456)
Prior year tax adjustment	(634)	(3,267)	(19,848)	(106,631)
	(28,983,584)	17,436,213	(884,613,250)	540,601,791

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
(Loss) Profit before tax	(122,860,920)	91,060,854	(3,693,316,981)	2,803,855,960
Tax calculated at a tax rate of 20% (2018: 20%)	(24,572,185)	18,212,171	(767,425,264)	591,657,361
Expenses more deductible for tax purposes	(307,233)	(459,054)	(9,590,547)	(14,915,990)
Expenses not deductible for tax purposes	168,353	38,771	5,255,268	1,259,789
Tax effect from translation of tax base	(4,271,885)	(352,408)	(133,350,436)	(11,450,748)
Prior year tax adjustment	(634)	(3,267)	(19,848)	(106,631)
Exchange differences on translation	-	-	20,517,577	(25,841,990)
Tax charge	(28,983,584)	17,436,213	(884,613,250)	540,601,791

21 Basic earnings per share

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

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
(Loss) profit attributable to shareholders	(93,877,336)	73,624,641	(2,808,703,731)	2,263,254,169
Weighted average number of ordinary shares in issue (Shares)	4,335,902,125	4,335,902,125	4,335,902,125	4,335,902,125
Basic (loss) earnings per share	(0.02)	0.02	(0.65)	0.52

22 Significant contractual agreements

The significant contractual agreements can be summarised as follows:

Land Lease Agreement

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

Joint Operation Agreement

On 1 December 1993, the Company entered into a joint operation agreement with the IEAT whereby the Company is committed to pay an annual fee of approximately Baht 2.5 million in return for joint operation and maintenance of roads and utilities for the refinery.

Natural Gas Sales Agreement - Cogeneration

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

Natural Gas Sales Agreement - Petroleum Product Manufacturing Process

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

Feedstock Supply Agreement

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

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

Purchase and Sale Agreement

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

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

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

On 29 December 2017, the agreement was amended on its duration, minimum offtake volumes, price and type and qualities of products which become effective on 1 January 2018.

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

23 Bank guarantees

As at 31 December 2019 and 2018, the Company has bank guarantees issued on the Company's behalf relating to land use in Map Ta Phut Industrial Estate, electricity, value-added tax and others amounting to USD 3.33 million or Baht 101.09 million and USD 3.13 million or Baht 102.09 million, respectively.

24 Commitments

As at 31 December 2019 and 2018, the Company had commitment as follows:

- a) Purchase of machinery, equipment and installations in progress of approximately USD 41.16 million or Baht 1,248.40 million (2018: USD 63.78 million or Baht 2,080.02 million)
- b) Purchase of raw materials and utilities which include crude oil, hydrogen, natural gas and back-up electricity of approximately USD 708.69 million or Baht 21,495.58 million (2018: USD 557.63 million or Baht 18,186.99 million)
- c) Operating land lease commitment of approximately USD 0.99 million or Baht 29.90 million (2018: USD 1.14 million or Baht 37.19 million)

25 Related party transactions

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

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

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

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

The following transactions were carried out with related parties:

i) Sales of goods and services

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Sales of goods with affiliates:				
- Chevron (Thailand) Limited	2,906,601,445	3,284,735,010	90,972,061,928	106,723,779,037
- Other affiliates	13,404,998	87,191,187	420,597,916	2,864,392,663
	2,920,006,443	3,371,926,197	91,392,659,844	109,588,171,700
Sales of services with affiliates:	-	106,439	-	3,404,208

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

ii) Purchases of goods and services

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Purchases of goods with affiliates:	2,603,912,858	3,116,887,352	81,457,087,156	101,233,677,894
Purchases of services with affiliates:	5,685,070	5,122,726	177,402,482	166,695,590

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

iii) Outstanding balances arising from sales/purchases of goods and services

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

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Account receivables	109,326,184	146,599,011	3,315,672,847	4,779,717,095
Account payables	258,585,999	220,257,553	7,843,249,514	7,183,656,038

iv) Management remuneration

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

	Unit: US Dollar		Unit: Baht	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
- Salaries and other short-term employee benefits	6,718,419	5,649,003	210,159,472	182,844,707
- Retirement benefits	864,902	94,092	27,409,573	3,056,197
	7,583,321	5,743,095	237,569,045	185,900,904

26 Event after the reporting date

At the Board of Director Meeting No. 1 held on 21 February 2020, the Board approved a resolution of submission to shareholders for approval of annual dividend payment from the retained earnings in the amount of USD 25.31 million or Baht 792 million which is equivalent of Baht 0.1827 per share. After deduction of the interim dividend payment for the first half of 2019 performance at Baht 0.1202 per share paid on 6 September 2019, the remaining dividend is at Baht 0.0625 per share, totalling approximately Baht 271 million. The dividend is subjected to the approval of the Company's shareholders at the annual general meeting to be held on 9 April 2020 and will be paid to shareholders on 7 May 2020.