

**STAR PETROLEUM REFINING PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL INFORMATION  
(UNAUDITED)**

**30 JUNE 2020**

## **AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION**

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

I have reviewed the interim financial information of Star Petroleum Refining Public Company Limited, which comprises the statement of financial position as at 30 June 2020, the related statements of comprehensive income for the three-month and six-month periods then ended, the related statements of changes in equity, and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

#### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

#### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

**Pongthavee Ratanakoses**

Certified Public Accountant (Thailand) No. 7795

Bangkok

14 August 2020

Star Petroleum Refining Public Company Limited

Statement of Financial Position

As at 30 June 2020

	Note	Unit: US Dollar		Unit: Baht	
		Unaudited	Audited	Unaudited	Audited
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		2,609,310	665,301	81,059,884	20,179,037
Trade and other receivables		263,826,350	237,118,271	8,192,049,735	7,191,503,094
Value added tax receivables		-	10,595,098	-	321,363,100
Inventories		224,049,769	588,715,039	6,960,285,301	17,856,492,476
Current portion of prepaid income tax		20,001,432	-	621,360,485	-
Other current assets		5,111,700	4,440,036	157,841,495	134,501,883
<b>Total current assets</b>		<b>515,598,561</b>	<b>841,533,745</b>	<b>16,012,596,900</b>	<b>25,524,039,590</b>
<b>Non-current assets</b>					
Prepaid income tax		5,622,387	26,211,303	174,663,952	795,022,896
Property, plant and equipment	8	839,613,606	879,814,400	26,083,268,372	26,685,914,509
Intangible assets		3,702,627	4,089,588	115,025,063	124,042,510
Deferred tax assets		89,875,857	29,990,562	2,849,594,389	909,652,721
Other non-current assets		8,387,722	8,420,627	260,571,314	255,408,564
<b>Total non-current assets</b>		<b>947,202,199</b>	<b>948,526,480</b>	<b>29,483,123,090</b>	<b>28,770,041,200</b>
<b>Total assets</b>		<b>1,462,800,760</b>	<b>1,790,060,225</b>	<b>45,495,719,990</b>	<b>54,294,080,790</b>

Director \_\_\_\_\_  
(Mr. Nicolas Michel Bossut)

Director \_\_\_\_\_  
(Mr. Timothy Alan Potter)

The accompanying condensed notes to the interim financial information are an integral part of this interim financial information.

Star Petroleum Refining Public Company Limited

Statement of Financial Position

As at 30 June 2020

	Notes	Unit: US Dollar		Unit: Baht	
		Unaudited	Audited	Unaudited	Audited
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions		14,016,050	224,813,821	435,419,820	6,818,895,460
Trade and other payables		200,759,905	447,280,127	6,236,766,938	13,566,587,722
Current portion of long-term borrowings from financial institutions	9.2	15,038,747	-	467,192,797	-
Value added tax payables		7,096,209	-	220,449,410	-
Excise tax payable		115,064,035	30,290,891	3,574,556,300	918,762,095
Other current liabilities		214,316	985,000	6,657,877	29,876,332
<b>Total current liabilities</b>		<b>352,189,262</b>	<b>703,369,839</b>	<b>10,941,043,142</b>	<b>21,334,121,609</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	9.2	255,348,726	-	7,932,631,172	-
Derivative liabilities	6	1,313,155	-	40,794,217	-
Employee benefit obligations		16,044,176	15,954,728	498,425,144	483,927,639
<b>Total non-current liabilities</b>		<b>272,706,057</b>	<b>15,954,728</b>	<b>8,471,850,533</b>	<b>483,927,639</b>
<b>Total liabilities</b>		<b>624,895,319</b>	<b>719,324,567</b>	<b>19,412,893,675</b>	<b>21,818,049,248</b>
<b>Equity</b>					
Share capital					
Authorised share capital					
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		87,865,911	87,865,911	3,000,444,271	3,000,444,271
Unappropriated		(146,591,694)	86,238,523	(1,238,214,814)	6,167,351,929
Other components of equity		-	-	(6,661,556,958)	(7,673,918,474)
<b>Total equity</b>		<b>837,905,441</b>	<b>1,070,735,658</b>	<b>26,082,826,315</b>	<b>32,476,031,542</b>
<b>Total liabilities and equity</b>		<b>1,462,800,760</b>	<b>1,790,060,225</b>	<b>45,495,719,990</b>	<b>54,294,080,790</b>

The accompanying condensed notes to the interim financial information are an integral part of this interim financial information.

Star Petroleum Refining Public Company Limited

Statement of Comprehensive Income

For the three-month period ended 30 June 2020

	Unit: US Dollar		Unit: Baht	
	Unaudited 2020	Unaudited 2019	Unaudited 2020	Unaudited 2019
Sales	805,029,165	1,549,470,383	25,758,233,039	49,218,105,894
Liquefied Petroleum Gas and fuel subsidies	2,270,477	3,569,258	72,853,935	114,014,245
<b>Total revenue</b>	<b>807,299,642</b>	<b>1,553,039,641</b>	<b>25,831,086,974</b>	<b>49,332,120,139</b>
Cost of sales	(748,005,191)	(1,588,032,812)	(23,980,550,739)	(50,435,347,404)
<b>Gross profit (loss)</b>	<b>59,294,451</b>	<b>(34,993,171)</b>	<b>1,850,536,235</b>	<b>(1,103,227,265)</b>
Other income	239,129	254,614	7,730,992	8,115,877
(Loss) gain on exchange rate	(1,262,037)	16,270,417	(40,734,828)	511,593,177
<b>Profit (loss) before expenses</b>	<b>58,271,543</b>	<b>(18,468,140)</b>	<b>1,817,532,399</b>	<b>(583,518,211)</b>
Administrative expenses	(10,414,162)	(7,502,189)	(332,542,563)	(238,137,562)
Finance costs	(952,974)	(300,695)	(30,725,823)	(9,483,683)
Fair value loss on derivatives	(1,313,155)	-	(41,142,466)	-
<b>Profit (loss) before income tax expenses</b>	<b>45,591,252</b>	<b>(26,271,024)</b>	<b>1,413,121,547</b>	<b>(831,139,456)</b>
Income tax	(8,875,606)	7,343,436	(274,758,589)	231,753,840
<b>Profit (loss) for the period</b>	<b>36,715,646</b>	<b>(18,927,588)</b>	<b>1,138,362,958</b>	<b>(599,385,616)</b>
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Currency translation differences	-	-	(1,352,342,542)	(1,303,057,766)
Other comprehensive income for the period, net of tax	-	-	(1,352,342,542)	(1,303,057,766)
<b>Total comprehensive income for the period</b>	<b>36,715,646</b>	<b>(18,927,588)</b>	<b>(213,979,584)</b>	<b>(1,902,443,382)</b>
<b>Earnings (loss) per share</b>				
Basic earnings (loss) per share	0.01	(0.00)	0.26	(0.14)

The accompanying condensed notes to the interim financial information are an integral part of this interim financial information.

Star Petroleum Refining Public Company Limited

Statement of Comprehensive Income

For the six-month period ended 30 June 2020

	Unit: US Dollar		Unit: Baht	
	Unaudited 2020	Unaudited 2019	Unaudited 2020	Unaudited 2019
Sales	2,056,124,668	3,039,989,974	64,968,166,401	96,578,015,159
Liquefied Petroleum Gas and fuel subsidies	7,609,778	4,744,408	239,029,683	151,434,188
<b>Total revenue</b>	<b>2,063,734,446</b>	<b>3,044,734,382</b>	<b>65,207,196,084</b>	<b>96,729,449,347</b>
Cost of sales	(2,329,707,479)	(3,016,766,613)	(73,682,025,960)	(95,825,430,582)
<b>Gross (loss) profit</b>	<b>(265,973,033)</b>	<b>27,967,769</b>	<b>(8,474,829,876)</b>	<b>904,018,765</b>
Other income	648,790	662,534	20,595,738	21,059,217
Gain on exchange rate	5,974,547	26,491,698	201,477,356	839,450,817
<b>(Loss) profit before expenses</b>	<b>(259,349,696)</b>	<b>55,122,001</b>	<b>(8,252,756,782)</b>	<b>1,764,528,799</b>
Administrative expenses	(18,577,076)	(16,178,177)	(590,183,911)	(513,699,396)
Other expenses	(20,522)	(139,177)	(628,066)	(4,435,735)
Finance costs	(2,604,435)	(445,669)	(82,756,798)	(14,103,677)
Fair value loss on derivatives	(1,313,155)	-	(41,142,466)	-
<b>(Loss) profit before income tax expenses</b>	<b>(281,864,884)</b>	<b>38,358,978</b>	<b>(8,967,468,023)</b>	<b>1,232,289,991</b>
Income tax	57,553,579	(4,353,413)	1,832,895,163	(141,465,321)
<b>(Loss) profit for the period</b>	<b>(224,311,305)</b>	<b>34,005,565</b>	<b>(7,134,572,860)</b>	<b>1,090,824,670</b>
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Currency translation differences	-	-	1,012,361,516	(2,041,137,608)
Remeasurement of employee benefit obligations, net of tax	-	(419,720)	-	(13,280,599)
Other comprehensive income for the period, net of tax	-	(419,720)	1,012,361,516	(2,054,418,207)
<b>Total comprehensive income for the period</b>	<b>(224,311,305)</b>	<b>33,585,845</b>	<b>(6,122,211,344)</b>	<b>(963,593,537)</b>
<b>(Loss) earnings per share</b>				
Basic (loss) earnings per share	(0.05)	0.01	(1.65)	0.25

The accompanying condensed notes to the interim financial information are an integral part of this interim financial information.

Star Petroleum Refining Public Company Limited  
Statement of Changes in Equity (Unaudited)  
For the six-month period ended 30 June 2020

Unit: US Dollar					
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total equity
			Appropriated legal reserve	Unappropriated	
<b>Beginning balance 1 January 2019</b>	864,713,808	31,917,416	87,865,911	197,328,502	1,181,825,637
Total comprehensive income for the period	-	-	-	33,585,845	33,585,845
<b>Ending balance 30 June 2019</b>	<u>864,713,808</u>	<u>31,917,416</u>	<u>87,865,911</u>	<u>230,914,347</u>	<u>1,215,411,482</u>
<b>Beginning balance 1 January 2020</b>	864,713,808	31,917,416	87,865,911	86,238,523	1,070,735,658
Dividend paid	-	-	-	(8,518,912)	(8,518,912)
Total comprehensive income for the period	-	-	-	(224,311,305)	(224,311,305)
<b>Ending balance 30 June 2020</b>	<u>864,713,808</u>	<u>31,917,416</u>	<u>87,865,911</u>	<u>(146,591,694)</u>	<u>837,905,441</u>

The accompanying condensed notes to the interim financial information are an integral part of this interim financial information.

Star Petroleum Refining Public Company Limited  
Statement of Changes in Equity (Unaudited)  
For the six-month period ended 30 June 2020

Unit: Baht						
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other component of equity	Total equity
			Appropriated legal reserve	Unappropriated	Exchange differences on translation	
<b>Beginning balance 1 January 2019</b>	30,004,442,705	977,711,111	3,000,444,271	9,510,511,694	(4,964,587,132)	38,528,522,649
Total comprehensive income for the period	-	-	-	1,077,544,071	(2,041,137,608)	(963,593,537)
<b>Ending balance 30 June 2019</b>	<u>30,004,442,705</u>	<u>977,711,111</u>	<u>3,000,444,271</u>	<u>10,588,055,765</u>	<u>(7,005,724,740)</u>	<u>37,564,929,112</u>
<b>Beginning balance 1 January 2020</b>	30,004,442,705	977,711,111	3,000,444,271	6,167,351,929	(7,673,918,474)	32,476,031,542
Dividend paid	-	-	-	(270,993,883)	-	(270,993,883)
Total comprehensive income for the period	-	-	-	(7,134,572,860)	1,012,361,516	(6,122,211,344)
<b>Ending balance 30 June 2020</b>	<u>30,004,442,705</u>	<u>977,711,111</u>	<u>3,000,444,271</u>	<u>(1,238,214,814)</u>	<u>(6,661,556,958)</u>	<u>26,082,826,315</u>

The accompanying condensed notes to the interim financial information are an integral part of this interim financial information.



Star Petroleum Refining Public Company Limited

Statement of Cash Flows

For the six-month period ended 30 June 2020

Note	Unit: US Dollar		Unit: Baht	
	Unaudited	Unaudited	Unaudited	Unaudited
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
(Loss) profit before income tax	(281,864,884)	38,358,978	(8,967,468,023)	1,232,289,991
<b>Adjustments for:</b>				
Finance income	(13,196)	(121,019)	(420,345)	(3,857,082)
Finance costs	2,604,435	445,669	82,756,798	14,103,677
Depreciation	8 44,066,795	40,608,848	1,401,341,968	1,290,068,283
Amortisation	797,020	750,104	25,338,488	23,829,587
Loss from write-off of fixed assets	20,522	139,177	645,424	4,424,624
Gain from foreign exchange rate	(7,439,671)	(10,511,648)	(236,381,401)	(334,027,583)
Fair value loss on derivatives	1,313,155	-	41,142,466	-
Loss (reversal) on obsolete materials and supplies	942,605	(418,505)	29,340,390	(13,469,476)
Reversal from write down of inventory to net realisable value	(1,755,173)	(53,944,125)	(55,767,275)	(1,707,261,621)
Retirement benefit expenses	454,021	3,951,756	14,472,022	124,555,130
<b>Change in operating assets and liabilities</b>				
Trade and other receivables	(26,232,399)	2,170,980	(833,484,636)	68,987,006
Inventories	365,477,838	(56,973,315)	11,612,363,906	(1,810,435,327)
Other current and non-current assets	9,891,138	(11,724,561)	314,272,126	(372,570,215)
Trade and other payables	(243,831,948)	(23,451,235)	(7,747,296,892)	(745,207,536)
Other current and non-current liabilities	90,045,477	(11,389,441)	2,861,023,919	(361,921,130)
<b>Cash used in operations</b>	(45,524,265)	(82,108,337)	(1,458,121,065)	(2,590,491,672)
Interest received	13,218	120,970	420,999	3,855,563
Interest paid	(2,695,819)	(403,525)	(85,491,824)	(12,800,799)
Income tax paid	(51,480)	(301,548)	(1,643,480)	(9,625,169)
<b>Net cash used in operating activities</b>	(48,258,346)	(82,692,440)	(1,544,835,370)	(2,609,062,077)

The accompanying condensed notes to the interim financial information are an integral part of this interim financial information.

Star Petroleum Refining Public Company Limited

Statement of Cash Flows

For the six-month period ended 30 June 2020

	Unit: US Dollar		Unit: Baht	
	Unaudited	Unaudited	Unaudited	Unaudited
	2020	2019	2020	2019
<b>Cash flows from investing activities</b>				
Purchases of equipment and intangible asset	(6,672,649)	(21,315,870)	(212,010,743)	(677,352,261)
<b>Net cash used in investing activities</b>	(6,672,649)	(21,315,870)	(212,010,743)	(677,352,261)
<b>Cash flow from financing activities</b>				
Net (repayment) proceeds from short-term borrowings from financial institutions	(203,442,947)	102,631,990	(6,482,260,110)	3,247,224,730
Proceeds from long-term borrowings from financial institutions	270,000,000	-	8,578,737,000	-
Dividend paid to shareholders	(8,327,311)	-	(270,993,883)	-
<b>Net cash generated from financing activities</b>	58,229,742	102,631,990	1,825,483,007	3,247,224,730
<b>Net increase (decrease) in cash and cash equivalents</b>	3,298,747	(1,376,320)	68,636,894	(39,189,608)
Cash and cash equivalents at beginning of period	665,301	2,265,001	20,179,037	73,872,173
Adjustment from foreign exchange translation	(1,354,738)	267,671	(7,756,047)	1,065,896
<b>Cash and cash equivalents at ending of period</b>	<b>2,609,310</b>	<b>1,156,352</b>	<b>81,059,884</b>	<b>35,748,461</b>
<b>Non-cash item</b>				
Acquisitions of equipment and intangible assets which have not been paid	20,440	1,842,447	635,000	56,959,620

The accompanying condensed notes to the interim financial information are an integral part of this interim financial information.

## **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.

The interim financial information was authorised for issue by the Board of Directors on 14 August 2020.

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

The early 2020 Coronavirus outbreak (“COVID-19 Disease”), has resulted in lower global and local energy demand negatively impacting the Company’s operating results for the six months period ended 30 June 2020.

Global and local restrictions on domestic and international transportation to control the spread of COVID-19 Disease has significantly decreased demand for petroleum products coupled with excessive crude oil supplies from producers has resulted in the decline in oil price. These factors resulted in lower revenue from sale in the first half of 2020 which dropped by USD 984 million or Baht 31,610 million, equivalent to 32% compared with the same period of prior year.

The decreased demands in petroleum products caused by the COVID-19 Disease in the first half of 2020 may carry over into the coming period. The Company adjusted anticipating this and is making adjustments to minimise the impact of lower customer demands.

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

## **3 Accounting policies**

### **3.1 Basis of preparation**

The interim financial information has been prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019 except for the following:

### 3.2 Adoption of new financial reporting standards and changes in accounting policies

#### 3.2.1 Changes in accounting policies from adoption of the financial reporting standards relating to financial instruments and leases

##### Financial instruments

###### Classification and measurements

From 1 January 2020, the Company classifies its financial assets as follows:

- those to be measured subsequently at fair value either through profit or loss (FVPL) or through other comprehensive income (FVOCI)
- those to be measured at amortised cost

The Company initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except financial assets that are measured at FVPL whose transaction costs are expensed in profit or loss.

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

###### Impairment

From 1 January 2020, the Company assesses expected credit loss on a forward-looking basis for its financial assets - debt instruments carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except trade receivables, contract assets, and lease receivables which the Company applies the simplified approach in determining its impairment loss.

###### Financial derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The changes in the fair value is recognised as other gains (losses).

##### Leases

The Company leases land and vehicles which most of the rental contract periods are typically made for fixed periods of 1 to 2 years. Before 2020 financial year, land lease and vehicle lease were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, 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 Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis including 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.

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

Right-of-use assets are measured at the initial measurement of lease liability, lease payments made at or before the commencement date less any lease incentives received, 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 office equipment.

### **3.2.2 Impact on financial information from adoption of new financial reporting standards relating to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16)**

#### **Financial instruments**

##### **Classification and measurements**

The Company recognised cash and cash equivalents, trade and other receivables, prepaid income tax, other current assets and borrowings from financial institutions measured at amortised cost and the measurement does not significantly impact the financial information.

##### **Impairment**

The Company has few receivables and assessed no significant expected credit loss on trade and other receivables; therefore, no loss is recognised to the financial information.

##### **Financial derivatives**

The Company does not have financial derivative as at 1 January 2020.

#### **Leases**

In applying TFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- elect not to reassess whether a contract is or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

The adoption of lease's standard does not represent a significant change from the Company's current practice. Therefore, the Company does not have significant effect of initial applying this standard to the financial information.

#### 4 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

#### 5 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 53% of its revenue (2019: 53%) from its related parties. Refer to note 10 for the amount of revenue from related parties.

#### 6 Fair value

The following table presents financial liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Level 2			
	Unit: US Dollar		Unit: US Dollar	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<b>Liabilities</b>				
Derivative liabilities measured at fair value through profit or loss				
- Cross currency interest rate swap contract	1,176,765	-	36,557,140	-
- Interest rate swap contract	136,390	-	4,237,077	-
	1,313,155	-	40,794,217	-

#### Valuation techniques used to measure fair value level 2 for derivative liabilities

- Fair value of cross currency interest rate swap contract is determined using forward exchange rates that are quoted in an active market and forward interests extracted from observable yield curves.
- Fair value of interest rate swap contract is determined using forward interests extracted from observable yield curves.

For the fair value measurement of cash and cash equivalents, trade and other receivables, prepaid income tax, other current assets which are financial assets and borrowings from financial institutions, such fair value is not significantly different from the carrying amount.

## 7 Trade receivables

Outstanding trade receivables can be analysed as follows:

	Unit: US Dollar		Unit: Baht	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Up to 3 months	252,213,458	232,721,059	7,831,463,369	7,058,204,941
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total trade receivables	252,213,458	232,721,059	7,831,463,369	7,058,204,941
<u>Less</u> Provision for impairment of trade receivables	-	-	-	-
	252,213,458	232,721,059	7,831,463,369	7,058,204,941

## 8 Property, plant and equipment

Movements of property, plant and equipment for six-month period ended 30 June 2020 are as follows:

	Unit: US Dollar	Unit: Baht
Opening net book amount	879,814,400	26,685,914,509
Additions	3,886,523	146,470,989
Write-off	(20,522)	(645,424)
Depreciation	(44,066,795)	(1,401,341,968)
Exchange differences on translating financial information	-	652,870,266
Closing net book amount	839,613,606	26,083,268,372

## 9 Borrowings

### 9.1 Short-term borrowings from financial institutions

As at 30 June 2020, short-term borrowings from financial institutions were denominated in US Dollar and Thai Baht which are due within 3 months.

### 9.2 Long-term borrowings from financial institutions

Movements of borrowings for six-month period ended 30 June 2020 are as follows:

	Unit: US Dollar	Unit: Baht
Opening net book amount	-	-
Addition	270,000,000	8,578,737,000
Exchange differences on foreign currency	387,473	12,037,159
Exchange differences on translating financial information	-	(190,950,190)
Closing net book amount	270,387,473	8,399,823,969

During the period, the Company entered long-term borrowing agreements with financial institutions dominated in US Dollar at interest rate of 3-month LIBOR plus 1.70% and 1.75% and dominated in Japanese Yen at interest rate of 3-month LIBOR plus 0.73%. Long-term borrowings are repaid every 3 months and are due in 2023. As at 30 June 2020, the long-term facility has not yet been drawdown for US Dollar 70 million.

## 10 Related parties 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

For the three-month periods ended	Unit: US Dollar		Unit: Baht	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Sales of goods with affiliates:				
- Chevron (Thailand) Limited	402,676,298	818,906,074	12,930,459,401	26,009,521,477
- Other affiliates	39,672,111	5,511,717	1,273,923,062	175,059,285
	442,348,409	824,417,791	14,204,382,463	26,184,580,762
For the six-month periods ended	Unit: US Dollar		Unit: Baht	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Sales of goods with affiliates:				
- Chevron (Thailand) Limited	1,011,586,738	1,591,184,160	32,081,301,638	50,561,323,026
- Other affiliates	88,298,895	8,623,543	2,803,284,046	273,988,592
	1,099,885,633	1,599,807,703	34,884,585,684	50,835,311,618

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



**ii) Purchases of goods and services**

For the three-month periods ended	Unit: US Dollar		Unit: Baht	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Purchases of goods with affiliates:	216,098,115	707,232,360	6,939,191,407	22,462,619,164
Purchases of services with affiliates:	1,373,977	1,608,467	44,120,183	51,087,002
For the six-month periods ended	Unit: US Dollar		Unit: Baht	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Purchases of goods with affiliates:	739,890,427	1,440,659,348	23,412,983,427	45,779,289,906
Purchases of services with affiliates:	2,709,596	2,784,855	86,126,739	88,486,012

The above transactions were carried out on commercial terms and conditions which are 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	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Account receivables	123,364,636	109,326,184	3,830,925,718	3,315,672,847
Account payables	103,209,689	258,585,999	3,206,291,567	7,843,249,514

**iv) Management remuneration**

The compensations paid or payable to management for employment services are as follows:

For the three-month periods ended	Unit: US Dollar		Unit: Baht	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
- Salaries and other short-term employee benefits	1,333,788	1,731,581	42,829,678	54,997,263
- Retirement benefits	45,769	36,850	1,469,691	1,170,409
	1,379,557	1,768,431	44,299,369	56,167,672
For the six-month periods ended	Unit: US Dollar		Unit: Baht	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
- Salaries and other short-term employee benefits	3,395,937	3,731,229	107,686,341	118,568,867
- Retirement benefits	94,053	387,411	2,988,268	12,315,240
	3,489,990	4,118,640	110,674,609	130,884,107

**11 Dividend paid**

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, totaling approximately Baht 271 million.

At the Board of Director Meeting No. 1/A held on 26 March 2020, the Board approved an interim dividend payment from the retained earnings at Baht 0.0625 per share, totaling USD 8.52 million or Baht 271 million instead of the annual dividend payment, which was previously proposed for approval in 2020 annual general meeting. The dividend was paid to shareholders on 24 April 2020.

**12 Bank guarantees**

As at 30 June 2020, the Company has bank guarantees issued on the Company's behalf relating to land use in Map Ta Phut Industrial Estate, electricity, value-added tax and others amounting to USD 3.25 million or Baht 101.09 million.

**13 Commitments**

As at 30 June 2020, the Company had commitments as follows:

- Purchase of machinery, equipment, repair and maintenance and installations in progress of approximately USD 7.50 million or Baht 233.01 million.
- Purchase of raw materials and utilities which include crude oil, hydrogen, natural gas and back-up electricity of approximately USD 418.02 million or Baht 12,986.13 million.