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| **1 Significant events during the current period** |

**Coronavirus outbreak 2019**

The Coronavirus outbreak (“COVID-19 Disease”), has resulted in lower global and local energy demand impacting the Company’s operating results for the nine-month period ended 30 September 2021.

The spread of the COVID-19 Disease which still carries over to 2021, has resulted in the demand for petroleum products in the first nine months of 2021 to be at low level which is similar to that of 2020. However, the oil price has recovered since beginning of 2021 and resulted to the increase in revenue from sales in the first nine months of 2021 by USD 660 million or Baht 21,323 million, equivalent to 21% compared with that of 2020.

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

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| **2 Accounting policies** |

**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 2020.

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 2020 and the Company has not early adopted the amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2022.

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| **3 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 amortization which are the same information as these financial information.

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 45% of its revenue (2020: 53%) from its related parties. Refer to Note 9 for the amount of revenue from related parties.

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| **4 Financial assets and liabilities** |

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

As at 30 September 2021, the Company has derivative liabilities measured at fair value through profit or loss which comprise cross-currency and interest rate swap contracts in amount of USD 6,249,150 or Baht 213,038,531 (31 December 2020: derivative assets of USD 4,595,786 or Baht 138,838,484). The valuation technique used to measure fair value is at level 2 which is determined using forward exchange rates that are quoted in an active market and forward interests extracted from observable yield curves.

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

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| **5 Trade receivables** |

Outstanding trade receivables can be analyzed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Up to 3 months | 279,893,998 | 268,733,332 | 9,540,243,949 | 8,108,292,169 |
| 3 - 6 months | - | - | - | - |
| 6 - 12 months | - | - | - | - |
| Over 12 months | - | - | - | - |
|  |  |  |  |  |
| Total trade receivables | 279,893,998 | 268,733,332 | 9,540,243,949 | 8,108,292,169 |
| Less Allowance for |  |  |  |  |
| doubtful accounts | - | - | - | - |
|  |  |  |  |  |
|  | 279,893,998 | 268,733,332 | 9,540,243,949 | 8,108,292,169 |

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| **6 Inventories** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Crude oil | 224,446,219 | 119,506,945 | 7,651,551,154 | 3,609,922,381 |
| Petroleum products | 138,333,724 | 71,918,935 | 4,715,907,324 | 2,172,440,875 |
| Materials and supplies |  |  |  |  |
| (net with allowance) | 22,609,364 | 22,874,170 | 770,771,307 | 690,955,494 |
|  |  |  |  |  |
|  | 385,389,307 | 214,300,050 | 13,138,229,785 | 6,473,318,750 |
| Crude oil in transit | 114,071,464 | 85,357,509 | 3,888,787,456 | 2,578,377,190 |
|  |  |  |  |  |
| Inventories, net | 499,460,771 | 299,657,559 | 17,027,017,241 | 9,051,695,940 |

According to the Ministry of Energy, the Company is required to maintain a minimum oil reserve of 4% of total finished products produced for domestic sales (2020: 4%) and maintain a minimum finished products reserve of 5% of total imported finished products (2020: 5%). The reserve fluctuates upon production plan and volume produced. As at 30 September 2021, the above inventories include USD 125,448,422 or Baht 4,276,637,078 of crude oil set aside as minimum reserve (31 December 2020: USD 83,664,552 or Baht 2,527,238,377).

During the nine-month period ended 30 September 2021, USD 879,485 or Baht 27,710,162 was debited to the statement of comprehensive income with respect to loss on obsolete materials and supplies.

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| **7 Property, plant and equipment** |

Movements of property, plant and equipment for nine-month period ended 30 September 2021 are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Unit: US Dollar** | **Unit: Baht** |
|  |  |  |
| Opening net book amount | 799,694,980 | 24,156,226,332 |
| Additions | 1,204,154 | 38,314,604 |
| Depreciation | (62,838,938) | (1,985,490,270) |
| Exchange differences on translating financial information | - | 2,952,011,877 |
|  |  |  |
| Closing net book amount | 738,060,196 | 25,161,062,543 |

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| **8 Borrowings** |

Movements of borrowings for nine-month period ended 30 September 2021 are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Unit: US Dollar** | **Unit: Baht** |
|  |  |  |
| Opening net book amount | 338,896,413 | 10,236,990,305 |
| Repayment | (22,500,000) | (741,922,500) |
| Exchange differences on foreign currency | (11,046,830) | (350,268,470) |
| Exchange differences on translating financial information | - | 1,264,829,735 |
|  |  |  |
| Closing net book amount | 305,349,583 | 10,409,629,070 |

The Company has 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 Yen at interest rate of 3-month LIBOR plus 0.73%.

The fair values of current portion of long-term borrowings is equal to their carrying amount, as the impact of discounting is not significant and the fair values of non-current portion of long-term borrowings from financial institutions are not significantly different from the carrying amount, which the fair value method was disclosed in Note 4.

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| **9 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:

1. **Sales of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
| **For the three-month** | **30 September** | **30 September** | **30 September** | **30 September** |
| **period ended** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Sales of goods with affiliates: |  |  |  |  |
| - Chevron (Thailand)  Limited | 491,182,755 | 502,803,458 | 16,256,233,574 | 15,835,694,364 |
| - Other affiliates | 21,842,503 | 22,817,401 | 722,901,670 | 718,629,474 |
|  |  |  |  |  |
|  | 513,025,258 | 525,620,859 | 16,979,135,244 | 16,554,323,838 |
|  |  |  |  |  |
| Sales of services with affiliates: | 212,893 | - | 7,045,943 | - |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
| **For the nine-month** | **30 September** | **30 September** | **30 September** | **30 September** |
| **period ended** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Sales of goods with affiliates: |  |  |  |  |
| - Chevron (Thailand)  Limited | 1,594,423,519 | 1,514,390,196 | 50,484,370,600 | 47,916,996,002 |
| - Other affiliates | 87,248,163 | 111,116,296 | 2,753,095,514 | 3,521,913,520 |
|  |  |  |  |  |
|  | 1,681,671,682 | 1,625,506,492 | 53,237,466,114 | 51,438,909,522 |
|  |  |  |  |  |
| Sales of services with affiliates: | 668,523 | - | 21,148,787 | - |

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

1. **Purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
| **For the three-month** | **30 September** | **30 September** | **30 September** | **30 September** |
| **period ended** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Purchases of goods  with affiliates: | 567,834,048 | 423,268,708 | 18,793,092,429 | 13,330,763,295 |
|  |  |  |  |  |
| Purchases of services  with affiliates: | 1,110,249 | 1,211,528 | 36,744,908 | 38,156,822 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
| **For the nine-month** | **30 September** | **30 September** | **30 September** | **30 September** |
| **period ended** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Purchases of goods  with affiliates: | 1,691,466,474 | 1,163,159,135 | 53,679,060,478 | 36,743,746,722 |
|  |  |  |  |  |
| Purchases of services  with affiliates: | 4,183,746 | 3,921,124 | 132,371,777 | 124,283,561 |

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

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

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Account receivables | 117,766,334 | 120,879,859 | 4,014,374,508 | 3,649,596,308 |
|  |  |  |  |  |
| Account payables | 204,017,440 | 134,068,285 | 6,955,117,731 | 4,049,773,862 |

1. **Management remuneration**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
| **For the three-month** | **30 September** | **30 September** | **30 September** | **30 September** |
| **period ended** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| - Salaries and other short-term |  |  |  |  |
| employee benefits | 994,259 | 1,100,195 | 32,906,101 | 34,650,408 |
| - Retirement benefits | 38,924 | 44,650 | 1,288,245 | 1,406,253 |
|  |  |  |  |  |
|  | 1,033,183 | 1,144,845 | 34,194,346 | 36,056,661 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: US Dollar** | | **Unit: Baht** | |
| **For the nine-month** | **30 September** | **30 September** | **30 September** | **30 September** |
| **period ended** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| - Salaries and other short-term |  |  |  |  |
| employee benefits | 3,802,298 | 4,496,132 | 119,697,794 | 142,336,749 |
| - Retirement benefits | 540,260 | 138,703 | 17,056,327 | 4,394,521 |
|  |  |  |  |  |
|  | 4,342,558 | 4,634,835 | 136,754,121 | 146,731,270 |

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| **10 Bank guarantees** |

As at 30 September 2021, 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 2.98 million or Baht 101.59 million.

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| **11 Commitments** |

As at 30 September 2021, the Company had commitments as follows:

1. Purchase of machinery, equipment, repair and maintenance and installations in progress of approximately USD 4.63 million or Baht 157.70 million.
2. Purchase of raw materials and utilities which include crude oil, hydrogen, natural gas and back-up electricity of approximately USD 536.55 million or Baht 18,291.35 million.

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| **12 Authorization of financial information** |

The interim financial information was authorized for issue by the Board of Directors on 12 November 2021.