

STAR PETROLEUM REFINING PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Star Petroleum Refining Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

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 consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate 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 2023, the Company recognized US Dollar 6,775.56 million in revenue under a purchase and sale agreement as described in Note 22 and short-term product sale agreements. The majority of which was generated under a purchase and sale agreement with two customers.</p> <p>Revenue is determined based on the contractual price and volume of petroleum products delivered. The sale price is calculated based on the prevailing market price with a premium or discount as adjusted by a number of factors following the individual agreement for each product. The volume sold is measured using the metering equipment 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. There are 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 recognized, and the source data for the price factors and price adjustments used in the invoice and volumes measured were complete and accurate.</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 testing of these controls provided me with audit evidence that the process to ensure 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 recognized against the amounts invoiced to customers and the subsequent cash receipts from those customers. I obtained and read the purchase and sale agreement including amendments to the agreement and checked it against customer invoices to ensure that the price factors and adjustment thereon were applied in the invoices accurately and completely. This included the assessment for the appropriateness of the revenue recognition in accordance with the 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 recognized 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>

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of inventories</p> <p>As of December 31, 2023, the Group's inventories with amount of US Dollar 690.24 million, as disclosed in the consolidated financial statements which mainly consists of crude oil and petroleum products, with a cost amounting to US Dollar 720 million, representing 38 percent of the Group's total assets. At the end of the year, the Group recognized a provision for write down of inventory to net realizable value in the consolidated financial statements amounting to US Dollar 51 million, as stated in Note 9.</p> <p>The valuation of crude oil and petroleum product is based on lower of cost or net realizable value. Determination of net realizable value involves estimating the expected selling price based on normal business operations, less estimated costs to complete processing and to sell the inventories. The estimated selling price of petroleum products is determined using market prices as of the end of the year adjusted for various factors, as per contractual terms for each product.</p> <p>I focused on the inventory valuation due to its significance to the Group's total assets, and the volatility of market prices of crude oil and petroleum products, which may result in a lower net realizable value of inventory compared to cost.</p>	<p>I comprehensively understood and evaluated the methods used by management to estimate the provision for write down of inventory to net realizable value, finding consistency in accounting policies over the past years.</p> <p>I assessed the reasonableness of the management's assumptions used in estimating the provision for write down of inventory to net realizable value, considering the expected selling prices based on normal business operations, less estimated refining costs for petroleum products.</p> <p>Furthermore, I tested the calculation of the provision for write down of inventory to net realizable value estimated from management's assumptions and found no material misstatement from the stated methodology.</p> <p>Based on the aforementioned audit procedures, I conclude that the assumptions used by management to estimate the provision for write down of inventory to net realizable value are reasonable, supported by available evidence.</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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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 consolidated and separate 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.

Kan Tanthawirat

Certified Public Accountant (Thailand) No. 10456

Bangkok

20 February 2024

Star Petroleum Refining Public Company Limited

Statement of Financial Position

As at 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023	2023	2022
		US Dollar	US Dollar	US Dollar
Assets				
Current assets				
Cash and cash equivalents	7	13,687,599	13,105,994	2,174,415
Trade and other receivables	8	503,341,869	503,341,869	412,667,091
Inventories	9	690,243,409	690,243,409	684,129,483
Other current assets		6,011,519	6,011,519	2,647,082
Total current assets		1,213,284,396	1,212,702,791	1,101,618,071
Non-current assets				
Investment in subsidiaries	10	-	407,823	-
Prepaid income tax		39,890,351	39,890,351	38,728,797
Property, plant and equipment	11	617,689,090	617,689,090	654,565,279
Intangible assets		4,001,470	4,001,470	3,252,073
Deferred tax assets	14	24,645,143	24,645,143	16,281,785
Other non-current assets		5,280,823	5,280,823	2,992,167
Total non-current assets		691,506,877	691,914,700	715,820,101
Total assets		1,904,791,273	1,904,617,491	1,817,438,172

Director _____

(Mr. Brant Thomas Fish)

Director _____

(Mr. Robert Joseph Dobrik)

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

Star Petroleum Refining Public Company Limited

Statement of Financial Position

As at 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023	2023	2022
		US Dollar	US Dollar	US Dollar
Liabilities and equity				
Current liabilities				
Short-term borrowings from financial institutions	12	363,013,262	363,013,262	188,937,899
Current portion of long-term borrowings from financial institutions	12	-	-	91,210,766
Trade and other payables	13	411,646,127	411,636,940	367,952,153
Current portion of lease liabilities	12	965,621	965,621	-
Derivative liabilities	4	-	-	14,194,063
Excise tax payable		33,496,528	33,496,528	18,846,971
Short-term provision		3,648,265	3,648,265	6,965,741
Other current liabilities		634,288	634,288	101,648
Total current liabilities		813,404,091	813,394,904	688,209,241
Non-current liabilities				
Lease liabilities	12	15,390,675	15,390,675	-
Employee benefit obligations	15	20,289,828	20,289,828	19,495,711
Total non-current liabilities		35,680,503	35,680,503	19,495,711
Total liabilities		849,084,594	849,075,407	707,704,952

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

Star Petroleum Refining Public Company Limited

Statement of Financial Position

As at 31 December 2023

		Consolidated financial statements	Separate financial statements	
		2023	2023	2022
	Notes	US Dollar	US Dollar	US Dollar
Liabilities and equity (continued)				
Equity				
Share capital				
Authorized share capital	16			
Ordinary shares 4,335,902,125 shares at par value of Baht 6.92 each		864,713,808	864,713,808	864,713,808
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	864,713,808
Premium on share capital		31,917,416	31,917,416	31,917,416
Retained earnings				
Appropriated - legal reserve	17	87,865,911	87,865,911	87,865,911
Unappropriated		71,036,142	71,044,949	125,236,085
Other components of equity		30,555	-	-
Equity attributable to owners of the parent		1,055,563,832	1,055,542,084	1,109,733,220
Non-controlling interests		142,847	-	-
Total equity		1,055,706,679	1,055,542,084	1,109,733,220
Total liabilities and equity		1,904,791,273	1,904,617,491	1,817,438,172

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

Star Petroleum Refining Public Company Limited

Statement of Financial Position

As at 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023	2023	2022
		Baht	Baht	Baht
Assets				
Current assets				
Cash and cash equivalents	7	470,683,675	450,683,675	75,525,026
Trade and other receivables	8	17,285,754,034	17,285,754,034	14,328,109,177
Inventories	9	23,735,814,239	23,735,814,239	23,762,211,405
Other current assets		206,705,383	206,705,383	91,871,328
Total current assets		41,698,957,331	41,678,957,331	38,257,716,936
Non-current assets				
Investment in subsidiaries	10	-	14,024,060	-
Prepaid income tax		1,553,281,595	1,553,281,595	1,512,647,663
Property, plant and equipment	11	21,240,845,366	21,240,845,366	22,735,343,131
Intangible assets		137,600,933	137,600,933	112,955,867
Deferred tax assets	14	847,487,334	847,487,334	565,523,374
Other non-current assets		181,594,829	181,594,829	103,928,390
Total non-current assets		23,960,810,057	23,974,834,117	25,030,398,425
Total assets		65,659,767,388	65,653,791,448	63,288,115,361

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

Star Petroleum Refining Public Company Limited

Statement of Financial Position

As at 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023	2023	2022
		Baht	Baht	Baht
Liabilities and equity				
Current liabilities				
Short-term borrowings from financial institutions	12	12,483,154,841	12,483,154,841	6,562,474,500
Current portion of long-term borrowings from financial institutions	12	-	-	3,168,075,711
Trade and other payables	13	14,155,522,364	14,155,206,439	12,780,266,104
Current portion of lease liabilities	12	33,205,396	33,205,396	-
Derivative liabilities	4	-	-	493,002,892
Excise tax payable		1,151,865,218	1,151,865,218	654,621,252
Short-term provision		125,455,081	125,455,081	241,944,550
Other current liabilities		21,811,656	21,811,656	3,530,588
Total current liabilities		27,971,014,556	27,970,698,631	23,903,915,597
Non-current liabilities				
Lease liabilities	12	529,248,365	529,248,365	-
Employee benefit obligations	15	697,718,475	697,718,475	677,154,290
Total non-current liabilities		1,226,966,840	1,226,966,840	677,154,290
Total liabilities		29,197,981,396	29,197,665,471	24,581,069,887

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

Star Petroleum Refining Public Company Limited

Statement of Financial Position

As at 31 December 2023

		Consolidated financial statements	Separate financial statements	
		2023	2023	2022
	Notes	Baht	Baht	Baht
Liabilities and equity (continued)				
Equity				
Share capital				
Authorized share capital	16			
Ordinary shares 4,335,902,125 shares at par value of Baht 6.92 each		30,004,442,705	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		30,004,442,705	30,004,442,705	30,004,442,705
Premium on share capital		977,711,111	977,711,111	977,711,111
Retained earnings				
Appropriated - legal reserve	17	3,000,444,271	3,000,444,271	3,000,444,271
Unappropriated		5,452,586,764	5,452,902,689	7,332,902,822
Other components of equity		(2,978,600,859)	(2,979,374,799)	(2,608,455,435)
Equity attributable to owners of the parent				
		36,456,583,992	36,456,125,977	38,707,045,474
Non-controlling interests				
		5,202,000	-	-
Total equity				
		36,461,785,992	36,456,125,977	38,707,045,474
Total liabilities and equity				
		65,659,767,388	65,653,791,448	63,288,115,361

The notes to the consolidated and separate 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 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023	2023	2022
		US Dollar	US Dollar	US Dollar
Sales	6	6,775,557,928	6,775,557,928	7,982,476,111
Liquefied Petroleum Gas and fuel subsidies		40,544,682	40,544,682	114,103,862
Total revenue		6,816,102,610	6,816,102,610	8,096,579,973
Cost of sales	19	(6,807,972,493)	(6,807,972,493)	(7,735,877,577)
Gross profit		8,130,117	8,130,117	360,702,396
Other income		3,970,394	3,970,394	1,814,442
(Loss) gain on exchange rate		(20,791,192)	(20,791,192)	11,210,936
Fair value gain (loss) on derivatives		14,194,063	14,194,063	(5,068,722)
Profit before expenses		5,503,382	5,503,382	368,659,052
Administrative expenses	19	(37,330,914)	(37,322,107)	(81,648,455)
Other expenses		(277,488)	(277,488)	-
Finance costs		(10,520,887)	(10,520,887)	(8,835,869)
(Loss) profit before income tax		(42,625,907)	(42,617,100)	278,174,728
Income tax	20	8,368,275	8,368,275	(55,682,718)
(Loss) profit for the year		(34,257,632)	(34,248,825)	222,492,010
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Currency translation differences		30,555	-	-

The notes to the consolidated and separate 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 2023

	Note	Consolidated financial statements	Separate financial statements	
		2023 US Dollar	2023 US Dollar	2022 US Dollar
Other comprehensive income:				
Other comprehensive (expense) income for the year		30,555	-	-
Total comprehensive (expense) income for the year		(34,227,077)	(34,248,825)	222,492,010
Profit (loss) attributable to:				
Owners of the parent		(34,257,632)	(34,248,825)	222,492,010
Non-controlling interests		-	-	-
		(34,257,632)	(34,248,825)	222,492,010
Total comprehensive income (expense) attributable to:				
Owners of the parent		(34,227,077)	(34,248,825)	222,492,010
Non-controlling interests		-	-	-
		(34,227,077)	(34,248,825)	222,492,010
(Loss) Earnings per share	21			
Basic (loss) earnings per share		(0.01)	(0.01)	0.05

The notes to the consolidated and separate 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 2023

		Consolidated	Separate	
		financial statements	financial statements	
		2023	2023	2022
	Notes	Baht	Baht	Baht
Sales	6	236,850,936,753	236,850,936,753	281,298,614,499
Liquefied Petroleum Gas and fuel subsidies		1,432,682,939	1,432,682,939	3,965,749,850
Total revenue		238,283,619,692	238,283,619,692	285,264,364,349
Cost of sales	19	(238,048,677,690)	(238,048,677,690)	(272,832,700,635)
Gross profit		234,942,002	234,942,002	12,431,663,714
Other income		138,713,667	138,713,667	62,943,303
(Loss) gain on exchange rate		(719,067,182)	(719,067,182)	376,436,670
Fair value gain (loss) on derivatives		500,624,738	500,624,738	(168,972,241)
Profit before expenses		155,213,225	155,213,225	12,702,071,446
Administrative expenses	19	(1,302,161,488)	(1,301,845,563)	(2,791,273,297)
Other expenses		(9,626,636)	(9,626,636)	-
Finance costs		(367,147,741)	(367,147,741)	(316,382,339)
(Loss) profit before income tax		(1,523,722,640)	(1,523,406,715)	9,594,415,810
Income tax	20	293,791,901	293,791,901	(1,920,618,566)
(Loss) profit for the year		(1,229,930,739)	(1,229,614,814)	7,673,797,244
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Currency translation differences		(370,145,424)	(370,919,364)	1,598,946,187

The notes to the consolidated and separate 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 2023

	Note	Consolidated financial statements	Separate financial statements	
		2023 Baht	2023 Baht	2022 Baht
Other comprehensive income:				
Other comprehensive (expense) income for the year		(370,145,424)	(370,919,364)	1,598,946,187
Total comprehensive (expense) income for the year		(1,600,076,163)	(1,600,534,178)	9,272,743,431
Profit (loss) attributable to:				
Owners of the parent		(1,229,930,739)	(1,229,614,814)	7,673,797,244
Non-controlling interests		-	-	-
		(1,229,930,739)	(1,229,614,814)	7,673,797,244
Total comprehensive income (expense) attributable to:				
Owners of the parent		(1,600,076,163)	(1,600,534,178)	9,272,743,431
Non-controlling interests		-	-	-
		(1,600,076,163)	(1,600,534,178)	9,272,743,431
(Loss) Earnings per share	21			
Basic (loss) earnings per share		(0.28)	(0.28)	1.77

The notes to the consolidated and separate 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 2023

Consolidated financial statements								
Attributable to owners of the parent					Other component			
Note	Issued and paid-up share capital US Dollar	Premium on share capital US Dollar	Retained earnings		Currency translation differences US Dollar	Equity attributable to owners of the parent US Dollar	Non- controlling interests US Dollar	Total equity US Dollar
			Appropriated legal reserve US Dollar	Unappropriated US Dollar				
Beginning balance 1 January 2023	864,713,808	31,917,416	87,865,911	125,236,085	-	1,109,733,220	-	1,109,733,220
Increase of a subsidiary's preference shares	-	-	-	-	-	-	142,847	142,847
Dividends 18	-	-	-	(19,942,311)	-	(19,942,311)	-	(19,942,311)
Total comprehensive income for the year	-	-	-	(34,257,632)	30,555	(34,227,077)	-	(34,227,077)
Ending balance 31 December 2023	<u>864,713,808</u>	<u>31,917,416</u>	<u>87,865,911</u>	<u>71,036,142</u>	<u>30,555</u>	<u>1,055,563,832</u>	<u>142,847</u>	<u>1,055,706,679</u>

The notes to the consolidated and separate 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 2023

Consolidated financial statements								
Attributable to owners of the parent								
Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Other component of equity	Equity attributable to owners of the parent Baht	Non- controlling interests Baht	Total equity Baht
			Appropriated legal reserve Baht	Unappropriated Baht	Currency translation differences Baht			
Beginning balance 1 January 2023	30,004,442,705	977,711,111	3,000,444,271	7,332,902,822	(2,608,455,435)	38,707,045,474	-	38,707,045,474
Increase of a subsidiary's preference shares	-	-	-	-	-	-	5,202,000	5,202,000
Dividends 18	-	-	-	(650,385,319)	-	(650,385,319)	-	(650,385,319)
Total comprehensive income for the year	-	-	-	(1,229,930,739)	(370,145,424)	(1,600,076,163)	-	(1,600,076,163)
Ending balance 31 December 2023	<u>30,004,442,705</u>	<u>977,711,111</u>	<u>3,000,444,271</u>	<u>5,452,586,764</u>	<u>(2,978,600,859)</u>	<u>36,456,583,992</u>	<u>5,202,000</u>	<u>36,461,785,992</u>

The notes to the consolidated and separate 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 2023

Separate financial statements					
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total equity
Note	US Dollar	US Dollar	Appropriated legal reserve US Dollar	Unappropriated US Dollar	US Dollar
Beginning balance 1 January 2022	864,713,808	31,917,416	87,865,911	38,985,958	1,023,483,093
Dividends	18	-	-	(136,241,883)	(136,241,883)
Total comprehensive income for the year	-	-	-	222,492,010	222,492,010
Ending balance 31 December 2022	864,713,808	31,917,416	87,865,911	125,236,085	1,109,733,220
Beginning balance 1 January 2023	864,713,808	31,917,416	87,865,911	125,236,085	1,109,733,220
Dividends	18	-	-	(19,942,311)	(19,942,311)
Total comprehensive income for the year	-	-	-	(34,248,825)	(34,248,825)
Ending balance 31 December 2023	864,713,808	31,917,416	87,865,911	71,044,949	1,055,542,084

The notes to the consolidated and separate 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 2023

		Separate financial statements					
				Retained earnings		Other component of equity	
		Issued and paid-up share capital	Premium on share capital	Appropriated legal reserve	Unappropriated	Exchange differences on translation	Total equity
Note		Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance 1 January 2022		30,004,442,705	977,711,111	3,000,444,271	4,595,530,147	(4,207,401,622)	34,370,726,612
Dividends	18	-	-	-	(4,936,424,569)	-	(4,936,424,569)
Total comprehensive income for the year		-	-	-	7,673,797,244	1,598,946,187	9,272,743,431
Ending balance 31 December 2022		30,004,442,705	977,711,111	3,000,444,271	7,332,902,822	(2,608,455,435)	38,707,045,474
Beginning balance 1 January 2023		30,004,442,705	977,711,111	3,000,444,271	7,332,902,822	(2,608,455,435)	38,707,045,474
Dividends	18	-	-	-	(650,385,319)	-	(650,385,319)
Total comprehensive income for the year		-	-	-	(1,229,614,814)	(370,919,364)	(1,600,534,178)
Ending balance 31 December 2023		30,004,442,705	977,711,111	3,000,444,271	5,452,902,689	(2,979,374,799)	36,456,125,977

The notes to the consolidated and separate 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 2023

		Consolidated financial statements	Separate financial statements	
		2023	2023	2022
	Notes	US Dollar	US Dollar	US Dollar
Cash flows from operating activities				
(Loss) profit before income tax		(42,625,907)	(42,617,100)	278,174,728
Adjustments for:				
Finance income		(23,328)	(23,328)	(86,258)
Finance costs		10,520,887	10,520,887	8,835,869
Depreciation	11	73,174,909	73,174,909	72,596,882
Amortization		1,137,140	1,137,140	1,295,360
Loss from disposal of fixed assets		44,412	44,412	-
Loss (gain) from foreign exchange rate		31,252,143	31,252,143	(9,941,460)
Fair value (gain) loss on derivatives		(14,194,063)	(14,194,063)	5,068,722
Loss on obsolete materials and supplies	9	649,381	649,381	467,029
Loss on write down of inventory to net realizable value	9	9,881,970	9,881,970	41,123,449
Short-term provision		3,899,686	3,899,686	6,965,741
Retirement benefit expenses		1,115,377	1,115,377	1,641,138
Change in operating assets and liabilities				
Trade and other receivables		(88,419,497)	(88,419,497)	(15,584,838)
Inventories		(16,645,276)	(16,645,276)	(234,960,504)
Other current and non-current assets		(5,630,270)	(5,630,270)	1,857,782
Trade and other payables		42,897,892	42,888,705	(47,494,377)
Short-term provision paid		(7,217,162)	(7,217,162)	-
Retirement benefit paid	15	(537,461)	(537,461)	(690,027)
Current and non-current liabilities		15,077,335	15,077,335	(22,482,309)
Cash generated from operations		14,358,168	14,357,788	86,786,927
Interest received		22,381	22,381	87,498
Interest paid		(9,988,247)	(9,988,247)	(8,916,491)
Income tax paid		(1,156,638)	(1,156,638)	(64,981,187)
Net cash generated from operating activities		3,235,664	3,235,284	12,976,747

The notes to the consolidated and separate 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 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023	2023	2022
		US Dollar	US Dollar	US Dollar
Cash flows from investing activities				
Payments for acquisition of subsidiaries	10	-	(407,823)	-
Purchases of fixed assets and intangible assets		(22,406,064)	(22,406,064)	(7,898,179)
Proceeds from disposal of property, plant and equipment		233,068	233,068	-
Net cash used in investing activities		(22,172,996)	(22,580,819)	(7,898,179)
Cash flows from financing activities				
Proceeds from preference shares issued of a subsidiary		142,847	-	-
Net proceeds from short-term borrowings from financial institutions	12	154,801,920	154,801,920	187,516,748
Repayments of long-term borrowings from financial institutions	12	(105,000,000)	(105,000,000)	(142,500,000)
Payment for principal element of lease payment	12	(749,378)	(749,378)	-
Dividends paid to shareholders		(18,973,534)	(18,973,534)	(136,083,014)
Net cash generated from (used in) financing activities		30,221,855	30,079,008	(91,066,266)
Net increase (decrease) in cash and cash equivalents		11,284,523	10,733,473	(85,987,698)
Cash and cash equivalents at the beginning of year		2,174,415	2,174,415	87,660,208
Adjustment from foreign exchange translation		228,661	198,106	501,905
Cash and cash equivalents at the ending of year	7	13,687,599	13,105,994	2,174,415
Material non-cash item				
Acquisitions of fixed assets and intangible assets which have not been paid		362,844	362,844	266,366
Increase in right-of-use assets under property, plant and equipment		15,960,196	15,960,196	-

The notes to the consolidated and separate 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 2023

		Consolidated financial statements	Separate financial statements	
		2023	2023	2022
	Notes	Baht	Baht	Baht
Cash flows from operating activities				
(Loss) profit before income tax		(1,523,722,640)	(1,523,406,715)	9,594,415,810
Adjustments for:				
Finance income		(818,992)	(818,992)	(3,015,548)
Finance costs		367,147,741	367,147,741	316,382,339
Depreciation	11	2,558,784,591	2,558,784,591	2,556,966,708
Amortization		39,755,381	39,755,381	45,678,095
Loss from disposal of fixed assets		1,585,006	1,585,006	-
Loss (gain) from foreign exchange rate		1,092,953,081	1,092,953,081	(350,249,643)
Fair value (gain) loss on derivatives		(500,624,738)	(500,624,738)	168,972,241
Loss on obsolete materials and supplies	9	22,911,109	22,911,109	15,777,193
Loss on write down of inventory to net realizable value	9	403,232,388	403,232,388	1,455,063,020
Short-term provision		135,909,855	135,909,855	241,944,550
Retirement benefit expenses		38,653,738	38,653,738	57,640,842
Change in operating assets and liabilities				
Trade and other receivables		(3,092,215,484)	(3,092,215,484)	(549,072,573)
Inventories		(582,120,280)	(582,120,280)	(8,277,940,509)
Other current and non-current assets		(196,902,360)	(196,902,360)	65,451,903
Trade and other payables		1,500,229,378	1,499,908,087	(1,673,283,883)
Short-term provision paid		(252,399,324)	(252,399,324)	-
Retirement benefit paid	15	(18,689,301)	(18,689,301)	(24,460,100)
Current and non-current liabilities		527,286,050	527,286,050	(792,078,729)
Cash generated from operations		520,955,199	520,949,833	2,848,191,716
Interest received		786,455	786,455	3,057,145
Interest paid		(348,866,674)	(348,866,674)	(318,974,743)
Income tax paid		(40,412,021)	(40,412,021)	(2,376,703,742)
Net cash generated from operating activities				
		132,462,959	132,457,593	155,570,376

The notes to the consolidated and separate 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 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023	2023	2022
		Baht	Baht	Baht
Cash flows from investing activities				
Payments for acquisition of subsidiaries	10	-	(14,798,000)	-
Purchases of fixed assets and intangible assets		(783,587,096)	(783,587,096)	(278,262,312)
Proceeds from disposal of property, plant and equipment		8,041,372	8,041,372	-
Net cash used in investing activities		(775,545,724)	(790,343,724)	(278,262,312)
Cash flows from financing activities				
Proceeds from preference shares issued of a subsidiary		5,202,000	-	-
Net proceeds from short-term borrowings from financial institutions	12	5,425,807,296	5,425,807,296	6,671,794,300
Repayments of long-term borrowings from financial institutions	12	(3,723,045,000)	(3,723,045,000)	(5,033,182,500)
Payment for principal element of lease payment	12	(27,134,958)	(27,134,958)	-
Dividends paid to shareholders	18	(650,385,319)	(650,385,319)	(4,936,424,569)
Net cash generated from (used in) financing activities		1,030,444,019	1,025,242,019	(3,297,812,769)
Net increase (decrease) in cash and cash equivalents		387,361,254	367,355,888	(3,420,504,705)
Cash and cash equivalents at the beginning of year		75,525,026	75,525,026	2,944,760,616
Adjustment from foreign exchange translation		7,797,395	7,802,761	551,269,115
Cash and cash equivalents at the ending of year	7	470,683,675	450,683,675	75,525,026
Material non-cash item				
Acquisitions of fixed assets and intangible assets which have not been paid		12,477,331	12,477,331	9,251,826
Increase in right-of-use assets under property, plant and equipment		585,401,719	585,401,719	-

The notes to the consolidated and separate 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. During the year, The Company established new subsidiaries as described in Note 10. Therefore, the Company prepared the consolidated financial statements including the financial statements of the Company and those subsidiaries from 4 September 2023, which was the first day that the Group has obtained control. The Company and its subsidiaries hereinafter referred to as "the Group".

These consolidated and separate financial statements were authorized for issue by the Board of Directors on 20 February 2024.

2 Basis of preparation and Accounting policies

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

2.1 Basis of preparation

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

The consolidated and separate financial statements have been prepared under the historical cost convention except 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 Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 5.

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

2.2 Amended financial reporting standards

2.2.1 Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023 which are relevant to the Group and the management has assessed that the impacts to the Group were not significant.

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) **Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- d) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

2.2.2 Amended financial reporting standards issued by the Federation of Accounting Professions that are effective for accounting period beginning on or after 1 January 2024.

The following amended TFRSs were not mandatory for the current reporting period and the Group has not early adopted them. The Group is in process of assessing the impact of adoptions these amended financial reporting standards.

- a) **Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- b) **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised to the definition of 'accounting estimates' to clarify how the Group should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
- c) **Amendments to TAS 12 - Income taxes** require the Group to recognise deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or another component of equity, as appropriate.

2.3 Principles of consolidation accounting

2.3.1 Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

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

2.3.2 Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The Group's management has determined that US Dollar is the Group's functional currency. However, the Group is required to present its financial statements in Baht (the presentation currency) to comply with the regulation of the Department of Business Development, the Group's financial statements are presented by translating from US Dollar to Baht using the method described in Note 2.4.3.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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

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

2.4.3 Group companies

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

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognized in other comprehensive income.

2.5 Cash and cash equivalents

In the statements 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.

2.6 Trade receivables

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

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

The impairment consideration of trade receivables is disclosed in Note 2.8.4.

2.7 Inventories

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

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

2.8 Financial assets

2.8.1 Classification

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

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

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

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

2.8.2 Recognition and derecognition

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

2.8.3 Measurement

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

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

2.8.4 Impairment

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

For trade receivables, the Group applies the simplified approach to recognize impairment loss regarding expected credit loss from probability-weighted present value of estimated cash shortfall, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

To measure the expected credit losses, the Group grouped trade receivables based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles of sales, the corresponding historical credit losses experienced as well as forward-looking information that may affect the ability of the customers to settle the receivables.

Impairment and reversal of impairment losses are recognised in profit or loss by including in administrative expenses.

2.9 Property, plant and equipment

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

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

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

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost 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
Right-of-use assets	30 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate regularly.

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

The Group has presented a list of right-of-use assets as part of the property, plant and equipment in the statement of financial position. The accounting policies related to the right-of-use assets are provided in Note 2.12.

2.10 Intangible asset - Computer software

Acquisition of Computer software

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

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

2.11 Impairment of assets

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

2.12 Leases - where the Group is a lessee

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

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

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

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

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

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

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

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

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

2.13 Financial liabilities

2.13.1 Classification

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

2.13.2 Measurement

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

2.13.3 Derecognition and modification

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

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

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

2.14 Borrowing costs

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

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

2.15 Current and deferred income taxes

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

2.15.1 Current tax

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

2.15.2 Deferred income tax

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

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

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

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

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

2.16 Accounting for employee benefit

2.16.1 Defined contribution plan - provident fund

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

2.16.2 Defined benefit plan - retirement benefit

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

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

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

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

2.17 Provisions

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

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

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

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

2.19 Government Grants

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

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

Government grant amount is separately presented from revenue from sales.

2.20 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.

2.21 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.

2.22 Dividend distribution

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

2.23 Derivatives

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

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

3 Financial risk management

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

3.1 Financial risk factors

3.1.1 Market risk

a) Foreign exchange risk

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

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

As at 31 December 2023, the Group had borrowings from financial institutions in US Dollars and foreign currencies which comprised short-term borrowings from financial institutions in Baht, contributed to 47% of total borrowings (2022: short-term borrowings from financial institutions in Baht contributed to 51% of total borrowings and long-term borrowings from financial institutions comprises Japanese Yen contributed to 22% of total borrowings).

The Group manages foreign exchange risk on financial assets and liabilities denominated in currencies other than its functional currency by structuring and balancing the nature of assets, liabilities and shareholders' equity. The Group has not adopted hedging instrument.

Exposure

The Group's exposure to foreign currencies other than the functional currency at 31 December are as follows:

	Consolidated financial statements	Separate financial statements	
	2023 US Dollar	2023 US Dollar	2022 US Dollar
Financial assets			
Cash and cash equivalents	13,687,599	13,105,994	2,174,415
Trade and other receivables	432,889,160	432,889,160	396,734,849
Financial liabilities			
Trade and other payables	68,022,849	68,013,662	49,964,676
Short-term borrowings from financial institutions	170,410,264	170,410,264	141,937,899
Lease liabilities	16,356,296	16,356,296	-
	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Financial assets			
Cash and cash equivalents	470,683,675	450,683,675	75,525,026
Trade and other receivables	14,886,019,287	14,886,019,287	13,779,989,861
Financial liabilities			
Trade and other payables	2,339,142,521	2,338,826,596	1,735,448,071
Short-term borrowings from financial institutions	5,860,000,000	5,860,000,000	4,930,000,000
Lease liabilities	562,453,761	562,453,761	-

Sensitivity

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

	Impact to net profit before tax		
	Consolidated	Separate	
	financial statements	financial statements	
	2023	2023	2022
	US Dollar	US Dollar	US Dollar
US Dollar 5% appreciation against Baht	(9,132,731)	(9,105,473)	(9,857,462)
US Dollar 5% depreciation against Baht	10,094,071	10,063,944	10,895,088

	Impact to net profit before tax		
	Consolidated	Separate	
	financial statements	financial statements	
	2023	2023	2022
	Baht	Baht	Baht
US Dollar 5% appreciation against Baht	(329,755,331)	(328,771,120)	(342,384,150)
US Dollar 5% depreciation against Baht	329,755,337	328,771,139	378,424,553

b) Interest rate risk

Exposure

The Group is exposed to variable interest rate risks on its borrowings. As at 31 December 2023, the Group did not enter into any hedging instrument contract.

As at 31 December 2023, the Group had the whole borrowings bore variable interest rates and measured at amortized cost. The Group had no outstanding cross-currency and interest rate swap contract (2022: all the Company's borrowings bore variable interest rates and are presented at amortized cost together with the cross-currency and interest rate swap contract for 22% of total borrowings).

Profit or loss that sensitive to higher or lower interest expenses from borrowings as a result of interest rates changes is not significant since the Group's borrowings are short-term borrowings and are due within 12 months. The maturity analysis of these borrowings is disclosed in Note 3.1.3.

c) Price risk

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

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

3.1.2 Credit risk

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

a) Risk management

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

b) Impairment of financial assets

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

3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period, the Group held deposits at call (refer to Note 7) and trade and other receivables within 12 months (refer to Note 8) which are expected to readily generate cash inflows to manage liquidity risk. The Group maintains funding flexibility by maintaining availability under committed credit lines.

Maturity of financial liabilities

The tables below analyze the maturity of financial liability groupings based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances because the impact of discounting is insignificant.

As at 31 December 2022, the cross-currency and interest rate swap contract, cash flows have been estimated using the forward interest rates applicable at the end of the reporting period which contractual amount to be settled has due within 12 months, with cash inflows of US Dollar 61,489,348, equivalent to Baht 2,135,743,547 and cash outflows of US Dollar 75,683,411, equivalent to Baht 2,628,746,439.

Contractual maturities of financial liabilities As at 31 December 2023	Consolidated financial statements			
	Within 1 year US Dollar	1 - 3 years US Dollar	Over 3 years US Dollar	Total US Dollar
Trade and other payables	411,631,356	14,771	-	411,646,127
Borrowings from financial institutions floating rate				
- Principal	363,013,262	-	-	363,013,262
- Interest expense	941,074	-	-	941,074
Lease liabilities	849,201	1,722,332	28,696,639	31,268,172
Contractual maturities of financial liabilities As at 31 December 2023	Separate financial statements			
	Within 1 year US Dollar	1 - 3 years US Dollar	Over 3 years US Dollar	Total US Dollar
Trade and other payables	411,622,169	14,771	-	411,636,940
Borrowings from financial institutions floating rate				
- Principal	363,013,262	-	-	363,013,262
- Interest expense	941,074	-	-	941,074
Lease liabilities	849,201	1,722,332	28,696,639	31,268,172

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Contractual maturities of financial liabilities As at 31 December 2022	Separate financial statements			
	Within 1 year US Dollar	1 - 3 years US Dollar	Over 3 years US Dollar	Total US Dollar
Trade and other payables	366,830,967	-	-	366,830,967
Borrowings from financial institutions floating rate				
- Principal	280,148,665	-	-	280,148,665
- Interest expense	3,159,127	-	-	3,159,127
Contractual maturities of financial liabilities As at 31 December 2023	Consolidated financial statements			
	Within 1 year Baht	1 - 3 years Baht	Over 3 years Baht	Total Baht
Trade and other payables	14,155,014,414	507,950	-	14,155,522,364
Borrowings from financial institutions floating rate				
- Principal	12,483,154,841	-	-	12,483,154,841
- Interest expense	32,361,269	-	-	32,361,269
Lease liabilities	29,201,995	59,226,870	986,808,514	1,075,237,379
Contractual maturities of financial liabilities As at 31 December 2023	Separate financial statements			
	Within 1 year Baht	1 - 3 years Baht	Over 3 years Baht	Total Baht
Trade and other payables	14,154,698,489	507,950	-	14,155,206,439
Borrowings from financial institutions floating rate				
- Principal	12,483,154,841	-	-	12,483,154,841
- Interest expense	32,361,269	-	-	32,361,269
Lease liabilities	29,201,995	59,226,870	986,808,514	1,075,237,379
Contractual maturities of financial liabilities As at 31 December 2022	Separate financial statements			
	Within 1 year Baht	1 - 3 years Baht	Over 3 years Baht	Total Baht
Trade and other payables	12,741,323,400	-	-	12,741,323,400
Borrowings from financial institutions floating rate				
- Principal	9,730,550,211	-	-	9,730,550,211
- Interest expense	109,727,540	-	-	109,727,540

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

Financing arrangements

The Group had the committed undrawn credit facilities as at 31 December as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	US Dollar	US Dollar
Floating rate		
- Bank loan	206,255,627	136,062,101
	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	Baht	Baht
Floating rate		
- Bank loan	7,092,636,000	4,725,913,000

3.2 Capital Management

The Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Loan covenants

Under the terms of certain borrowing facilities, the Group must maintain an interest bearing debt to equity ratio of not more than 100%. As at 31 December 2023, the ratio of an interest bearing debt to equity was 36% (2022: 27%).

4 Financial assets and liabilities

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

As at 31 December 2022, the Company had derivative liabilities which valuation technique used to measure fair value of the cross-currency and interest rate swap contract 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.

5 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 to 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

The Group 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 Group 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.

6 Segment information

The Group produces petroleum products in Thailand for both domestic and export markets, utilizing the same assets. The Group has one reportable segment which is the refinery. The chief operating decision maker reviews the internal management report which reported the performance of the Group 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 consolidated financial statements.

The majority of the Group's revenue came from sale of petroleum products by lifting the petroleum products, LPG, gasoline, jet fuel, diesel, fuel oil, asphalt, and other products to customers via vessel, truck, or pipeline and the Group satisfied its performance obligation at a point in time. The majority of the Group's revenue came from 2 main customers which 42% of its revenue derived from sales to its related parties (2022: 41%) and 45% of its revenue derived from other parties (2022: 46%).

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 for the year as shown in table below.

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	US Dollar	US Dollar
Sales:		
- Local Sales	6,070,951,682	7,278,922,575
- Export Sales	704,606,246	703,553,536
Total Sales	6,775,557,928	7,982,476,111
	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	Baht	Baht
Sales:		
- Local Sales	211,810,878,303	256,159,509,839
- Export Sales	25,040,058,450	25,139,104,660
Total Sales	236,850,936,753	281,298,614,499

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

7 Cash and cash equivalents

As at 31 December, the Group had cash and cash equivalents as follows:

	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
	US Dollar	US Dollar	US Dollar
Cash on hands	1,454	1,454	1,440
Deposits held at call with banks	13,686,145	13,104,540	2,172,975
	13,687,599	13,105,994	2,174,415
	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
	Baht	Baht	Baht
Cash on hands	50,000	50,000	50,000
Deposits held at call with banks	470,633,675	450,633,675	75,475,026
	470,683,675	450,683,675	75,525,026

During 2023, the interest rates of cash at bank ranged between 0.13% and 0.70% per annum (2022: 0.11% and 0.40% per annum).

8 Trade and other receivables

As at 31 December, the Group had trade and other receivables as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	US Dollar	US Dollar
Trade receivables		
- related parties	201,202,291	140,885,001
- third parties	287,455,376	195,271,935
	488,657,667	336,156,936
Other receivables		
- related parties	688,506	245,038
- Liquefied Petroleum Gas (LPG) subsidy	2,765,182	30,307,676
- fuel subsidy	1,162,643	32,622,837
- third parties	10,067,871	13,334,604
	14,684,202	76,510,155
Trade and other receivables	503,341,869	412,667,091

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	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
Trade receivables		
- related parties	6,910,358,599	4,889,327,145
- third parties	9,870,504,846	6,781,400,430
	16,780,863,445	11,670,727,575
Other receivables		
- related parties	23,612,190	8,427,170
- Liquefied Petroleum Gas (LPG) subsidy	95,087,960	1,052,691,676
- fuel subsidy	39,980,501	1,133,105,322
- third parties	346,209,938	463,157,434
	504,890,589	2,657,381,602
Trade and other receivables	17,285,754,034	14,328,109,177

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

As at 31 December 2023 and 2022, LPG subsidy and fuel subsidy were outstanding subsidies that the Group was compensated for the difference between the Government's controlled price and the market reference price.

Outstanding trade receivables as at 31 December can be analyzed as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023 US Dollar	2022 US Dollar
Up to 3 months	488,657,667	336,156,936
3 - 6 months	-	-
6 - 12 months	-	-
Over 12 months	-	-
Total trade receivables	488,657,667	336,156,936
<u>Less</u> Loss allowance TFRS 9	-	-
	488,657,667	336,156,936

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
Up to 3 months	16,780,863,445	11,670,727,575
3 - 6 months	-	-
6 - 12 months	-	-
Over 12 months	-	-
Total trade receivables	16,780,863,445	11,670,727,575
<u>Less</u> Loss allowance TFRS 9	-	-
	16,780,863,445	11,670,727,575

9 Inventories

As at 31 December, the Group had inventories as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	US Dollar	US Dollar
Crude oil (net with allowance)	202,472,736	270,258,153
Petroleum products (net with allowance)	152,194,939	141,760,136
Materials and supplies (net with allowance)	21,251,603	22,049,856
	375,919,278	434,068,145
Crude oil in transit (net with allowance)	314,324,131	250,061,338
Inventories, net	690,243,409	684,129,483
	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	Baht	Baht
Crude oil (net with allowance)	6,962,551,462	9,387,011,562
Petroleum products (net with allowance)	5,233,618,684	4,923,825,697
Materials and supplies (net with allowance)	730,791,609	765,868,671
	12,926,961,755	15,076,705,930
Crude oil in transit (net with allowance)	10,808,852,484	8,685,505,475
Inventories, net	23,735,814,239	23,762,211,405

According to the Ministry of Energy, the Group is required to maintain a minimum oil reserve of 5% of total finished products produced for domestic sales (2022: 4%) and maintain a minimum finished products reserve of 6% of total imported finished products (2022: 5%). The oil reserve fluctuates upon the company's production plan and volume produced. As at 31 December 2023, the above inventories include US Dollar 203,543,410 or Baht 6,999,369,369 of crude oil and finished products set aside as minimum reserve (2022: US Dollar 210,944,633 or Baht 7,326,845,401).

During 2023, the Group recognised a loss on write-down of inventory to net realizable value of US Dollar 51,005,419 or Baht 1,858,295,408 (2022: recognised a loss on write-down of inventory to net realizable value of US Dollar 41,123,449 or Baht 1,455,063,020) and reversal of loss on write-down of inventory to net realizable value of US Dollar 41,123,449 or Baht 1,455,063,020 and presented as part of cost of sales in the statement of comprehensive income (2022: no reversal).

During 2023, US Dollar 649,381 or Baht 22,911,109 was debited to the statement of comprehensive income with respect to loss on obsolete materials and supplies (2022: debited US Dollar 467,029 or Baht 15,777,193).

10 Investments in subsidiaries

As at 31 December, the investments in subsidiaries included in separate financial statements are listed below.

Entity name	Country of incorporation	Nature of business	% of ownership interest		Investment at cost method			
			2023	2022	2023	2022	2023	2022
			%		US Dollar		Baht	
Subsidiaries								
Star Fuels Holding Co., Ltd.	Thailand	Holding the subsidiary's shares	49.00	-	138,716	-	4,770,110	-
Star Fuels Land Co., Ltd.	Thailand	Property management	49.00 ⁽¹⁾	-	269,107	-	9,253,950	-
Total					407,823	-	14,024,060	

⁽¹⁾ The Group had 73.99% of ownership interest.

Significant transactions of investments during the period

Star Fuels Holding Company Limited ("SFHC")

Star Fuels Holding Company Limited ("SFHC") was established on 4 September 2023 with the initial registered share capital of Baht 10.2 million, comprising 49,980 common shares and 52,020 preference shares with a par value of Baht 100 each. The preference shareholders are entitled to a non-cumulative dividend at a fixed percentage of the paid-up amount of the preference share capital.

The Company has a 49% shareholding interest, which is the whole common shareholding, following the legal structure of the land holding operation. Meanwhile, the other group of shareholders owns the whole portion of preference shares. In addition, the Company and preference shareholders have a Call Option agreement granting the Company the unconditional right to notify the preference shareholders to transfer the preference shares to the new shareholder. The Company assessed that the Call Option is the substantive right to exercise the power to control SFHC and classified the investment in SFHC as an investment in a subsidiary.

Star Fuels Land Company Limited ("SFLC")

Star Fuels Land Company Limited ("SFLC") was established on 6 September 2023 with the initial registered share capital of Baht 20 million, comprising 200,000 common shares with a par value of Baht 100 each. The Company has a 49% direct shareholding interest while SFHC holds the remaining 51% common shareholding.

The Company classified the investment in SFLC as an investment in a subsidiary because it has control over SFHC and has the right to appoint or remove the committee members responsible for directing SFLC's relevant activities.

11 Property, plant and equipment

	Consolidated and separate financial statements						Total US Dollar
	Land US Dollar	Buildings US Dollar	Refinery plant & machinery US Dollar	Furniture, fixtures and equipment US Dollar	Right of use assets US Dollar	Construction in progress US Dollar	
At 1 January 2023							
Cost	73,442,578	59,016,663	2,090,865,043	74,393,897	-	5,730,466	2,303,448,647
<u>Less</u> Accumulated depreciation	-	(32,121,484)	(1,550,977,517)	(65,784,367)	-	-	(1,648,883,368)
Net book amount	73,442,578	26,895,179	539,887,526	8,609,530	-	5,730,466	654,565,279
Year ended 31 December 2023							
Opening net book amount	73,442,578	26,895,179	539,887,526	8,609,530	-	5,730,466	654,565,279
Additions	-	-	-	-	25,590,400	10,985,802	36,576,202
Assets transferred from construction in progress	-	89,614	1,284,935	594,709	-	(1,969,258)	-
Disposal and write-off - Cost	(204,846)	(123,082)	(461,539)	(1,361,465)	-	-	(2,150,932)
Disposal and write-off - Depreciation	-	67,490	445,297	1,360,663	-	-	1,873,450
Depreciation charge	-	(1,725,958)	(69,019,166)	(1,414,955)	(1,014,830)	-	(73,174,909)
Closing net book amount	73,237,732	25,203,243	472,137,053	7,788,482	24,575,570	14,747,010	617,689,090
At 31 December 2023							
Cost	73,237,732	58,983,195	2,091,688,439	73,627,141	25,590,400	14,747,010	2,337,873,917
<u>Less</u> Accumulated depreciation	-	(33,779,952)	(1,619,551,386)	(65,838,659)	(1,014,830)	-	(1,720,184,827)
Net book amount	73,237,732	25,203,243	472,137,053	7,788,482	24,575,570	14,747,010	617,689,090

As at 31 December 2023, right-of-use assets consist of leased land. Expenses related to short-term rental contracts, low-value leases and variable leases are immaterial.

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	Separate financial statements					
	Land US Dollar	Buildings US Dollar	Refinery plant & machinery US Dollar	Furniture, fixtures and equipment US Dollar	Construction in progress US Dollar	Total US Dollar
At 1 January 2022						
Cost	73,442,578	58,718,722	2,089,909,450	74,512,798	1,833,466	2,298,417,014
<u>Less</u> Accumulated depreciation	-	(30,408,347)	(1,481,632,618)	(65,425,035)	-	(1,577,466,000)
Net book amount	73,442,578	28,310,375	608,276,832	9,087,763	1,833,466	720,951,014
Year ended 31 December 2022						
Opening net book amount	73,442,578	28,310,375	608,276,832	9,087,763	1,833,466	720,951,014
Additions	-	-	-	-	6,211,147	6,211,147
Assets transferred from construction in progress	-	297,941	955,593	1,060,613	(2,314,147)	-
Disposal and write-off - Cost	-	-	-	(1,179,514)	-	(1,179,514)
Disposal and write-off - Depreciation	-	-	-	1,179,514	-	1,179,514
Depreciation charge	-	(1,713,137)	(69,344,899)	(1,538,846)	-	(72,596,882)
Closing net book amount	73,442,578	26,895,179	539,887,526	8,609,530	5,730,466	654,565,279
At 31 December 2022						
Cost	73,442,578	59,016,663	2,090,865,043	74,393,897	5,730,466	2,303,448,647
<u>Less</u> Accumulated depreciation	-	(32,121,484)	(1,550,977,517)	(65,784,367)	-	(1,648,883,368)
Net book amount	73,442,578	26,895,179	539,887,526	8,609,530	5,730,466	654,565,279

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Consolidated and separate financial statements							
	Land Baht	Buildings Baht	Refinery plant & machinery Baht	Furniture, fixtures and equipment Baht	Right of use assets Baht	Construction in progress Baht	Total Baht
At 1 January 2023							
Cost	2,550,917,783	2,049,855,264	72,623,060,971	2,583,960,421	-	199,039,155	80,006,833,594
<u>Less</u> Accumulated depreciation	-	(1,115,691,565)	(53,870,877,587)	(2,284,921,311)	-	-	(57,271,490,463)
Net book amount	2,550,917,783	934,163,699	18,752,183,384	299,039,110	-	199,039,155	22,735,343,131
Year ended 31 December 2023							
Opening net book amount	2,550,917,783	934,163,699	18,752,183,384	299,039,110	-	199,039,155	22,735,343,131
Additions	-	-	-	-	904,519,720	383,643,976	1,288,163,696
Assets transferred from construction in progress	-	3,021,247	45,466,676	20,637,179	-	(69,125,102)	-
Disposal and write-off - Cost	(7,100,624)	(4,266,424)	(16,216,130)	(47,215,357)	-	-	(74,798,535)
Disposal and write-off - Depreciation	-	2,339,436	15,645,474	47,187,247	-	-	65,172,157
Depreciation charge	-	(60,287,111)	(2,413,280,402)	(49,428,445)	(35,788,633)	-	(2,558,784,591)
Exchange differences on translation	(25,347,319)	(8,291,768)	(148,138,897)	(2,392,474)	(23,636,188)	(6,443,846)	(214,250,492)
Closing net book amount	2,518,469,840	866,679,079	16,235,660,105	267,827,260	845,094,899	507,114,183	21,240,845,366
At 31 December 2023							
Cost	2,518,469,840	2,028,290,516	71,928,145,365	2,531,860,674	879,992,439	507,114,183	80,393,873,017
<u>Less</u> Accumulated depreciation	-	(1,161,611,437)	(55,692,485,260)	(2,264,033,414)	(34,897,540)	-	(59,153,027,651)
Net book amount	2,518,469,840	866,679,079	16,235,660,105	267,827,260	845,094,899	507,114,183	21,240,845,366

As at 31 December 2023, right-of-use assets consist of leased land. Expenses related to short-term rental contracts, low-value leases and variable leases are immaterial.

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	Separate financial statements					Total Baht
	Land Baht	Buildings Baht	Refinery plant & machinery Baht	Furniture, fixtures and equipment Baht	Construction in progress Baht	
At 1 January 2022						
Cost	2,467,149,172	1,972,532,149	70,206,119,198	2,503,100,955	61,591,460	77,210,492,934
<u>Less</u> Accumulated depreciation	-	(1,021,504,534)	(49,772,336,437)	(2,197,816,638)	-	(52,991,657,609)
Net book amount	2,467,149,172	951,027,615	20,433,782,761	305,284,317	61,591,460	24,218,835,325
Year ended 31 December 2022						
Opening net book amount	2,467,149,172	951,027,615	20,433,782,761	305,284,317	61,591,460	24,218,835,325
Additions	-	-	-	-	217,539,399	217,539,399
Assets transferred from construction in progress	-	10,422,708	34,509,649	38,715,667	(83,648,024)	-
Disposal and write-off - Cost	-	-	-	(43,134,019)	-	(43,134,019)
Disposal and write-off - Depreciation	-	-	-	43,134,019	-	43,134,019
Depreciation charge	-	(60,352,567)	(2,442,431,554)	(54,182,587)	-	(2,556,966,708)
Exchange differences on translation	83,768,611	33,065,943	726,322,528	9,221,713	3,556,320	855,935,115
Closing net book amount	2,550,917,783	934,163,699	18,752,183,384	299,039,110	199,039,155	22,735,343,131
At 31 December 2022						
Cost	2,550,917,783	2,049,855,264	72,623,060,971	2,583,960,421	199,039,155	80,006,833,594
<u>Less</u> Accumulated depreciation	-	(1,115,691,565)	(53,870,877,587)	(2,284,921,311)	-	(57,271,490,463)
Net book amount	2,550,917,783	934,163,699	18,752,183,384	299,039,110	199,039,155	22,735,343,131

12 Interest Bearing Debt

The movement of interest bearing debt can be analyzed as follows:

	Consolidated and separate financial statements			
	Long-term borrowings	Short-term borrowings	Letters of credit	Lease liabilities
	US Dollar	US Dollar	US Dollar	US Dollar
At 1 January 2023	91,210,766	188,937,899	-	-
Cash item:				
Addition	-	5,880,961,035	171,123,834	15,960,196
Repayments	(105,000,000)	(5,804,462,113)	(92,820,836)	(749,378)
Non-cash items:				
Accrued interest	-	-	-	121,759
Exchange differences on foreign currency	13,789,234	19,273,443	-	1,023,719
At 31 December 2023	-	284,710,264	78,302,998	16,356,296

	Separate financial statements	
	Long-term borrowings	Short-term borrowings
	US Dollar	US Dollar
At 1 January 2022	239,746,239	-
Cash item:		
Addition	-	4,373,484,447
Repayments	(142,500,000)	(4,185,967,699)
Non-cash items:		
Exchange differences on foreign currency	(6,035,473)	1,421,151
At 31 December 2022	91,210,766	188,937,899

	Consolidated and separate financial statements			
	Long-term borrowings	Short-term borrowings	Letters of credit	Lease liabilities
	Baht	Baht	Baht	Baht
At 1 January 2023	3,168,075,711	6,562,474,500	-	-
Cash item:				
Addition	-	206,113,190,230	6,012,384,436	585,401,719
Repayments	(3,723,045,000)	(203,456,030,869)	(3,243,736,501)	(27,134,958)
Non-cash items:				
Accrued interest	-	-	-	4,187,000
Exchange differences on foreign currency	474,178,663	675,534,177	-	-
Exchange differences on translation	80,790,626	(104,665,369)	(75,995,763)	-
At 31 December 2023	-	9,790,502,669	2,692,652,172	562,453,761

	Separate financial statements	
	Long-term borrowings	Short-term borrowings
	Baht	Baht
At 1 January 2022	8,053,791,855	-
Cash item:		
Addition	-	155,607,373,293
Repayments	(5,033,182,500)	(148,935,578,993)
Non-cash items:		
Exchange differences on foreign currency	(209,633,101)	49,361,548
Exchange differences on translation	357,099,457	(158,681,348)
At 31 December 2022	3,168,075,711	6,562,474,500

Borrowings from financial institutions

As at 31 December 2023, the Group had unsecured short-term borrowings from financial institutions which were denominated in both US Dollar and Thai Baht. These borrowings are due within 3 months. During 2023, the interest rates of short-term borrowings from financial institutions ranged between 1.50% and 7.46% per annum (2022: interest rates of short-term borrowings from financial institutions ranged between 1.53% and 4.87% per annum and long-term borrowings from financial institutions denominated in US Dollar at an interest rate of 3-month LIBOR plus margin 1.30% and Japanese Yen at an interest rate of 3-month TONA plus margin 0.73%).

Letters of credit

As at 31 December 2023, the Group had letters of credit denominated in US Dollar which are related to the purchase of raw material from related parties. These letters of credit mature within 60 days from bill of lading date, and the Group classified letters of credit as part of short-term borrowings from financial institutions in statement of financial position.

13 Trade and other payables

As at 31 December, the Group had trade and other payables as follows:

	Consolidated financial statements	Separate financial statements	
	2023 US Dollar	2023 US Dollar	2022 US Dollar
Trade payables			
- related parties	211,589,069	211,589,069	232,816,098
- third parties	178,150,638	178,150,638	111,074,112
	389,739,707	389,739,707	343,890,210
Other payables			
- related parties	762,664	762,201	651,696
- third parties	21,143,756	21,135,032	23,410,247
	21,906,420	21,897,233	24,061,943
Trade and other payables	411,646,127	411,636,940	367,952,153
	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Trade payables			
- related parties	7,276,040,278	7,276,040,278	8,086,517,947
- third parties	6,126,172,867	6,126,172,867	3,857,992,662
	13,402,213,145	13,402,213,145	11,944,510,609
Other payables			
- related parties	26,226,174	26,210,249	22,635,697
- third parties	727,083,045	726,783,045	813,119,798
	753,309,219	752,993,294	835,755,495
Trade and other payables	14,155,522,364	14,155,206,439	12,780,266,104

14 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities as at 31 December is as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	US Dollar	US Dollar
Deferred tax assets	28,030,301	16,281,785
Deferred tax liabilities	(3,385,158)	-
Deferred tax assets, net	24,645,143	16,281,785

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	Baht	Baht
Deferred tax assets	963,894,802	565,523,374
Deferred tax liabilities	(116,407,468)	-
Deferred tax assets, net	847,487,334	565,523,374

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

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	US Dollar	US Dollar
At 1 January	16,281,785	44,284,150
Increased (Decreased) to profit or loss (Note 20)	8,363,358	(28,002,365)
At 31 December	24,645,143	16,281,785

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	Baht	Baht
At 1 January	565,523,374	1,487,633,007
Increased (Decreased) to profit or loss (Note 20)	293,622,751	(930,770,560)
Exchange differences on translation	(11,658,791)	8,660,927
At 31 December	847,487,334	565,523,374

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

Consolidated and separate financial statements			
	1 January 2023 US Dollar	Charge to profit or loss US Dollar	31 December 2023 US Dollar
Deferred tax assets			
Operating loss	-	11,786,227	11,786,227
Retirement benefit obligation	4,143,821	115,583	4,259,404
Loss on obsolete materials and supplies	1,671,867	129,877	1,801,744
Depreciation	859,637	(171,327)	688,310
Derivative	2,838,813	(2,838,813)	-
Short-term provision	6,767,647	(519,938)	6,247,709
Lease liabilities	-	3,246,907	3,246,907
Total	16,281,785	11,748,516	28,030,301
Deferred tax liabilities			
Right of use assets	-	(3,385,158)	(3,385,158)
Total	-	(3,385,158)	(3,385,158)
Separate financial statements			
	1 January 2022 US Dollar	Charge to profit or loss US Dollar	31 December 2022 US Dollar
Deferred tax assets			
Operating loss	35,896,057	(35,896,057)	-
Retirement benefit obligation	3,953,599	190,222	4,143,821
Loss on obsolete materials and supplies	1,578,462	93,405	1,671,867
Depreciation	1,030,964	(171,327)	859,637
Derivative	1,825,068	1,013,745	2,838,813
Short-term provision	-	6,767,647	6,767,647
Total	44,284,150	(28,002,365)	16,281,785

Consolidated and separate financial statements				
	1 January 2023 Baht	Charge to profit or loss Baht	Exchange differences on translation Baht	31 December 2023 Baht
Deferred tax assets				
Operating loss	-	414,107,914	(8,807,848)	405,300,066
Retirement benefit obligation	143,929,414	3,992,885	(1,451,606)	146,470,693
Loss on obsolete materials and supplies	58,069,805	4,582,221	(694,391)	61,957,635
Depreciation	29,858,195	(6,019,551)	(169,315)	23,669,329
Derivative	98,601,900	(100,124,948)	1,523,048	-
Short-term provision	235,064,060	(18,058,339)	(2,161,994)	214,843,727
Lease liabilities	-	114,079,766	(2,426,414)	111,653,352
Total	565,523,374	412,559,948	(14,188,520)	963,894,802
Deferred tax liabilities				
Right of use assets	-	(118,937,197)	2,529,729	(116,407,468)
Total	-	(118,937,197)	2,529,729	(116,407,468)

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	Separate financial statements		
	1 January 2022 Baht	Charge to profit or loss Baht	Exchange differences on translation Baht
31 December 2022 Baht			
Deferred tax assets			
Operating loss	1,205,852,659	(1,192,655,575)	(13,197,084)
Retirement benefit obligation	132,812,854	6,636,151	4,480,409
Loss on obsolete materials and supplies	53,025,104	3,155,438	1,889,263
Depreciation	34,633,059	(5,989,278)	1,214,414
Derivative	61,309,331	33,794,448	3,498,121
Short-term provision	-	224,288,256	10,775,804
Total	1,487,633,007	(930,770,560)	8,660,927
			565,523,374

15 Employee benefit obligations

Net liabilities recognized in the statement of financial position as at 31 December consist of the present value of unfunded benefit obligation which movement over the year are determined as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023 US Dollar	2022 US Dollar
At 1 January	19,495,711	19,163,003
Current service cost	780,270	1,322,701
Interest cost	335,107	318,437
	1,115,377	1,641,138
Exchange differences on foreign currency	216,201	(618,403)
Retirement benefit paid	(537,461)	(690,027)
At 31 December	20,289,828	19,495,711
	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
At 1 January	677,154,290	643,740,829
Current service cost	27,460,031	46,686,546
Interest cost	11,793,455	11,187,015
	39,253,486	57,873,561
Retirement benefit paid	(18,689,301)	(24,460,100)
At 31 December	697,718,475	677,154,290

Major Actuarial Assumptions

The following information comprise of significant assumptions and retirement benefits payment of the Group and the Company for the year ended 31 December 2023, and the information of the Company for the year ended 31 December 2022.

Significant financial assumptions

For the year ended 31 December:

	% per annum	
	2023	2022
Discount rate	1.77	1.77
Salary growth rate	5.00	5.00

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 used for assessing such assumption 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 actual mortality rate of the population in Thailand.

- Turnover rate assumption

For the year ended 31 December:

Age	% per annum	
	2023	2022
Below 21	3.00	3.00
21 - 24	3.00	3.00
25 - 30	3.00	3.00
31 - 34	5.00	5.00
35 - 40	5.00	5.00
41 - 44	1.00	1.00
45 - 50	1.00	1.00
Above 50	0.00	0.00

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

Sensitivity analysis for each significant assumption disclosed:

	Change in assumption	Impact on defined benefit obligation			
		Increase in assumption		Decrease in assumption	
		2023	2022	2023	2022
Discount rate	1.00%	Decrease by 8.37%	Decrease by 8.59%	Increase by 9.68%	Increase by 9.96%
Salary growth rate	1.00%	Increase by 10.39%	Increase by 9.67%	Decrease by 9.05%	Decrease by 8.46%
Turnover rate	1.00%	Decrease by 8.64%	Decrease by 8.87%	Increase by 2.82%	Increase by 2.97%

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

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

The weighted average duration of the defined benefit obligation is 16 years (2022: 16 years).

Expected maturity analysis of undiscounted retirement benefits:

	Unit: US Dollar			
	Within 1 year	1 - 5 years	Over 5 years	Total
At 31 December 2023	1,505,568	6,077,835	41,465,021	49,048,424
At 31 December 2022	1,112,669	5,505,032	43,054,934	49,672,635
	Unit: Baht			
	Within 1 year	1 - 5 years	Over 5 years	Total
At 31 December 2023	51,772,869	209,002,162	1,425,882,540	1,686,657,571
At 31 December 2022	38,646,877	191,209,020	1,495,448,551	1,725,304,448

16 Share capital

The total number of authorized ordinary shares with a par value of Baht 6.92 per share (2022: Baht 6.92 per share) is 4,335,902,125 shares (2022: 4,335,902,125 shares). The number of issued and paid-up ordinary shares is 4,335,902,125 shares (2022: 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 reserve at 10% of registered capital.

18 Dividend paid

At the Annual General Meeting of Shareholders for the year 2023 held on 5 April 2023, the shareholders approved a resolution to declare the annual dividend payment from 2022 net profit in the amount of US Dollar 132.79 million. After deduction of the interim dividend payment for the first half of 2022 performance of US Dollar 112.85 million, the remaining dividend to be paid is US Dollar 19.94 million which is equivalent to Baht 0.15 per share, or approximately Baht 650.39 million. After including the interim dividend payment at Baht 0.96 per share, the annual dividend payment is Baht 1.11 per share. The dividend was paid to shareholders on 3 May 2023.

At the Annual General Meeting of Shareholders for the year 2022 held on 8 April 2022, the shareholders approved a resolution to declare the annual dividend payment from 2021 net profit in the amount of US Dollar 23.29 million which was equivalent to Baht 0.1785 per share, or approximately Baht 773.96 million. The dividend was paid to shareholders on 6 May 2022. At the Meeting of Board of Directors No.3 held on 11 August 2022, the Board of Directors approved a resolution to declare the interim dividend payment from the net profit of 1 January 2022 to 30 June 2022 in the amount of US Dollar 112.85 million which was equivalent to Baht 0.96 per share, or approximately Baht 4,162.47 million. The dividend was paid to shareholders on 8 September 2022.

19 Expenses by nature

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

	Consolidated financial statements	Separate financial statements	
	2023 US Dollar	2023 US Dollar	2022 US Dollar
Changes in inventories of finished goods	(11,008,037)	(11,008,037)	(18,236,087)
Raw materials and consumables used	6,677,419,471	6,677,410,664	7,628,179,500
Staff costs	44,025,251	44,025,251	42,440,053
Repair and maintenance expenditure on property, plant and equipment	56,220,131	56,220,131	42,626,413
Depreciation on property, plant and equipment (Note 11)	73,174,909	73,174,909	72,596,882
Amortization	1,137,140	1,137,140	1,295,360
Oil spill expenses (Note 24)	4,334,542	4,334,542	48,838,120
Recovery from payment to an incorrect account	-	-	(214,209)
Total cost of sales and administrative expenses	6,845,303,407	6,845,294,600	7,817,526,032

	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Changes in inventories of finished goods	(384,974,171)	(384,974,171)	(642,479,218)
Raw materials and consumables used	233,482,403,751	233,482,087,826	269,037,144,986
Staff costs	1,539,655,480	1,539,655,480	1,495,213,997
Repair and maintenance expenditure on property, plant and equipment	1,966,136,043	1,966,136,043	1,501,779,680
Depreciation on property, plant and equipment (Note 11)	2,558,784,591	2,558,784,591	2,556,966,708
Amortization	39,755,381	39,755,381	45,678,095
Oil spill expenses (Note 24)	149,078,103	149,078,103	1,636,727,330
Recovery from payment to an incorrect account	-	-	(7,057,646)
Total cost of sales and administrative expenses	239,350,839,178	239,350,523,253	275,623,973,932

20 Income tax expenses

The Group had income tax expenses for the year as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023 US Dollar	2022 US Dollar
Current tax	-	27,852,439
Deferred income tax (Note 14)	(8,363,358)	28,002,365
Prior year tax adjustment	(4,917)	(172,086)
	(8,368,275)	55,682,718

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
Current tax	-	995,910,779
Deferred income tax (Note 14)	(293,622,751)	930,770,560
Prior year tax adjustment	(169,150)	(6,062,773)
	(293,791,901)	1,920,618,566

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For the year ended 31 December 2023

	Consolidated financial statements	Separate financial statements	
	2023 US Dollar	2023 US Dollar	2022 US Dollar
(Loss) Profit before tax	(42,625,907)	(42,617,100)	278,174,728
Tax calculated at a tax rate of 20% (2022: 20%)	(8,525,181)	(8,523,420)	55,634,945
Expenses more deductible for tax purposes	(48,579)	(48,579)	(61,667)
Expenses not deductible for tax purposes	208,641	208,641	281,526
Prior year tax adjustment	(4,917)	(4,917)	(172,086)
Tax losses for which no deferred income tax asset was recognised	1,761	-	-
Tax charge	(8,368,275)	(8,368,275)	55,682,718
	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
(Loss) Profit before tax	(1,523,722,640)	(1,523,406,715)	9,594,415,810
Tax calculated at a tax rate of 20% (2022: 20%)	(304,744,528)	(304,681,343)	1,918,883,162
Expenses more deductible for tax purposes	(1,698,917)	(1,698,917)	(2,172,597)
Expenses not deductible for tax purposes	7,296,594	7,296,594	9,918,461
Prior year tax adjustment	(169,150)	(169,150)	(6,062,773)
Tax losses for which no deferred income tax asset was recognised	63,185	-	-
Exchange differences on translation	5,460,915	5,460,915	52,313
Tax charge	(293,791,901)	(293,791,901)	1,920,618,566

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 issued and paid-up during the year.

	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
	US Dollar	US Dollar	US Dollar
(Loss) Profit attributable to the Parent	(34,257,632)	(34,248,825)	222,492,010
Weighted average number of ordinary shares issued and paid-up during the year (Shares)	4,335,902,125	4,335,902,125	4,335,902,125
Basic (loss) earnings per share	(0.01)	(0.01)	0.05

	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
	Baht	Baht	Baht
(Loss) Profit attributable to the Parent	(1,229,930,739)	(1,229,614,814)	7,673,797,244
Weighted average number of ordinary shares issued and paid-up during the year (Shares)	4,335,902,125	4,335,902,125	4,335,902,125
Basic (loss) earnings per share	(0.28)	(0.28)	1.77

22 Significant contractual agreements

The significant contractual agreements can be summarized as follows:

Land Lease agreement

The Company entered into a land lease agreement throughout the contractual period with the IEAT for 30 years and will be ended in 2052 with annual payment term. The total lease payment amount is Baht 1,075.24 million.

Natural Gas Sales Agreement - Cogeneration

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

Natural Gas Sales Agreement - Petroleum Product Manufacturing Process

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

Purchase and Sale Agreement

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

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

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

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

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

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

On 3 July 2023, the Company gave consent to the novation of all rights and obligations of CTL under the agreement to Star Fuels Marketing Limited.

Agreements related to the Fuel Business Acquisitions

The Company entered into an agreement to purchase 100% share capital of Star Fuels Marketing Limited and 9.91% of the share capital in Thai Petroleum Pipeline Co., Ltd. The transaction also included Star Fuels Land Company Limited, subsidiary of the Company, entering into Land Sale and Purchase Agreement (collectively the Fuel Business Investment Transaction). The total value of the Fuel Business Investment Transaction is equivalent to US Dollar 90 million and the adjustments according to the conditions as specified in the share purchase agreement. The Company and counterparties fully complied with the conditions specified in the Share Purchase Agreement, the Framework Agreement, Business Sale and Transfer Agreement and other related agreements. The details regarding the business acquisition on 3 January 2024 are mentioned in Note 27.

23 Bank guarantees

As at 31 December 2023, the Group has bank guarantees issued on the Group's behalf relating to land use in Map Ta Phut Industrial Estate, electricity and others amounting to US Dollar 5.90 million or Baht 202.89 million (2022: US Dollar 2.91 million or Baht 101.09 million).

24 Commitments and contingencies

Commitments

As at 31 December 2023 and 2022, the Group and the Company had commitments as follows:

- a) Purchase of machinery, equipment and installations in progress of approximately US Dollar 17.25 million or Baht 593.21 million (2022: US Dollar 7.40 million or Baht 257.03 million).
- b) Purchase of raw materials and utilities which include crude oil, hydrogen, natural gas and back-up electricity of approximately US Dollar 1,182.80 million or Baht 40,673.60 million (2022: US Dollar 1,279.14 million or Baht 44,428.87 million).

Impact of oil spill incident

On 25 January 2022, incident resulting in an oil spill occurred at the Single Point Mooring (SPM) operated by the Company. The Company recognized the related expenses in the consolidated statement of comprehensive income for the year ended 31 December 2023 for US Dollar 4.33 million or Baht 149.08 million (2022: US Dollar 48.84 million or Baht 1,636.73 million). As at 31 December 2023, the Company already received partial compensation from the insurance company and the Company is in process of settlement with the insurer for the potential claim amount.

In Q1 2023, the Company received the complaint from a group of diverse professional entrepreneurs in Rayong, the total damages and compensation in amount of Baht 7,727 million. The Court of First Instance is currently considering the case. The Company is in process of gathering the available information to assess the possibility of settling the dispute through negotiation or continuing litigation. As the Company has paid for the compensation to the impacted parties during 2022 together with the negotiations have taken place regarding certain lawsuits, the Company assesses the provision captures the merit and financial exposure to this claim.

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 Group, including holding companies, subsidiaries and affiliates are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group 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 Group
Chevron South Asia Holding Pte. Ltd. Affiliates	Major shareholder Related parties of the ultimate parent company	Holding the Company's shares Supplying of crude oil and raw materials to the Company and purchasing of products from the Company
Star Fuels Holding Co., Ltd. Star Fuels Land Co., Ltd.	Subsidiary Subsidiary	Holding the subsidiaries' shares Property management

The following transactions were carried out with related parties for the year:

i) Sales of goods and services

	Consolidated and separate financial statements	Separate financial statements
	2023 US Dollar	2022 US Dollar
Sales of goods with affiliates:		
- Chevron (Thailand) Limited	2,124,933,323	2,914,538,408
- Other affiliates	735,654,680	387,746,807
	2,860,588,003	3,302,285,215
Sales of services with affiliates:	1,674,919	1,388,211
	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
Sales of goods with affiliates:		
- Chevron (Thailand) Limited	73,897,306,883	102,651,485,005
- Other affiliates	26,231,040,334	13,884,291,910
	100,128,347,217	116,535,776,915
Sales of services with affiliates:	58,323,986	49,469,439

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

ii) Purchases of goods and services

	Consolidated financial statements	Separate financial statements	
	2023 US Dollar	2023 US Dollar	2022 US Dollar
Purchases of goods with affiliates:	3,493,769,778	3,493,769,778	4,454,272,429
Purchases of services with affiliates:	10,919,090	10,918,627	7,475,724
	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Purchases of goods with affiliates:	122,111,027,705	122,111,027,705	157,128,778,930
Purchases of services with affiliates:	382,673,610	382,657,685	265,062,647

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 31 December in relation to transactions with affiliates are as follows:

	Consolidated financial statements	Separate financial statements	
	2023 US Dollar	2023 US Dollar	2022 US Dollar
Account receivables	201,890,797	201,890,797	141,130,039
Account payables	212,351,733	212,351,270	233,467,794
	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Account receivables	6,933,970,789	6,933,970,789	4,897,754,315
Account payables	7,302,266,452	7,302,250,527	8,109,153,644

iv) **Management remuneration**

The compensations paid or payable to management for the year are as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	US Dollar	US Dollar
- Salaries and other short-term employee benefits	5,004,469	5,049,412
- Retirement benefits	103,461	143,136
	5,107,930	5,192,548

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	Baht	Baht
- Salaries and other short-term employee benefits	173,801,381	176,000,910
- Retirement benefits	3,597,161	5,035,639
	177,398,542	181,036,549

26 The resolution of the customs formalities for the shipment of products into the petroleum concession area over a distance of maritime boundary in the Gulf of Thailand

From 2012 to 2016, the Company sold refined petroleum products to a reseller, which subsequently resold the products to their customer for use at the customer's offshore exploration and production facilities. The Company and the reseller followed the customs formalities from consultation with the Customs Department and Excise Department where the shipments were treated as export cargoes, and exempt from value-added tax, excise tax, local government tax, oil fuel fund and energy conservation fund ("taxes and funds").

Subsequently, the Office of the Council of State provided a different interpretation to the effect that the shipment of petroleum products to the offshore facilities should be treated as domestic cargo under the Petroleum Act. Based on this new interpretation, the Company and reseller paid all related taxes and funds to the sales of domestic cargoes and the penalties and surcharges on value-added tax and the Company already reimbursed those paid amount from the reseller.

The Company received a letter dated 16 November 2022 from the Excise Department. The Excise Department has assessed penalties and surcharges on excise tax amounting to Baht 1,786 million or equivalent to US Dollar 51 million. The Company had submitted an appeal on 15 December 2022 against the assessment. However, the Company has the right to reimburse from the reseller if there is an additional payment.

Later, on 13 June 2023, the Company received a letter granting an extension for the assessment of penalties and surcharges on excise tax. As at 31 December 2023, an appeal is still being reviewed by the assessment committee. The Group did not record a contingent liability in respect of the penalties and surcharges on excise tax in the consolidated financial statements.

27 Event after reporting date

Following a shareholder resolution at the Extraordinary General Meeting of Shareholders No. 1/2023, which approved the acquisition of investment in a fuel business, the Company entered into an agreement to purchase the share capital of Star Fuels Marketing Company Limited ("SFL") and the share capital of Thai Petroleum Pipeline Company Limited from Chevron Asia Pacific Holdings Limited.

On 3 January 2024, the Company acquired 99.99% of common shares in SFL, with purchased value of US Dollar 16.8 million or equivalent to Baht 575.37 million and the adjustments according to the conditions as specified in the Share Purchase Agreement. Additionally, a subsidiary of the Company also purchased the land being operated in the petroleum product distribution for US Dollar 28.2 million or equivalent to Baht 967 million. Such acquisition were carried out between the companies under the common control of the ultimate parent of the Company. Therefore, the Company assessed that the business transaction met in scope of business combination under common control. The Company is currently in the process of assessing the acquired net asset value as at the acquisition date.

On the same day, the Company purchased 9.91% of the ordinary shares in Thai Petroleum Pipeline Company Limited, with a purchased value of USD 45 million or equivalent to Baht 1,541.18 million.