

RPCG Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2022

1. General information

RPCG Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the investment and holding company business. The registered office of the Company, which is the head office, is located at 86/2 Sammakorn Place, Ramkhamhaeng Road, Saphan Sung, Bangkok. The Company’s branch, which is the plant, is located at 7/3 Pakorn Songkrohrad Road, Map-ta-phut, Muang Rayong, Rayong.

The Company’s major shareholder is Petro-Instruments Co., Ltd., which as at 31 December 2022 and 2021 held 19.72% of the issued and paid-up capital of the Company.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of RPCG Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”).

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			%	%
Pure Biodiesel Co., Ltd.*	Manufacture and distribution of biodiesel (B100) and crude glycerin	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			%	%
Pure Thai Energy Co., Ltd.	Trading of fuel oil	Thailand	100	100
RPC Management Co., Ltd.*	Systems management	Thailand	100	100
RPCG-JV 1 Co., Ltd.	Real estate development	Thailand	-	100
Onward Venture Co., Ltd.**	Pico plus business	Thailand	100	100
<u>Subsidiary directly held by Pure Thai Energy Co., Ltd.</u>				
SCT Sahapan Co., Ltd.	Distribution and maintenance of gasoline station equipment	Thailand	100	100
<u>Subsidiary directly held by Onward Venture Co., Ltd.</u>				
Onward Move Co., Ltd. **	General service	Thailand	100	-

* Business suspended.

** Business has not yet commenced its operation.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Adjustment of prior year's consolidated financial statements

During the year 2022, the Group found that the depreciation of right-of-use assets of its subsidiaries was overstated since 2020, which was the year when the Group adopted TFRS 16 Lease. The Group therefore made retrospective adjustments to the consolidated financial statements for the year ended 31 December 2021, presented for comparative information, to reflect the effect of adjustments of prior year's consolidated financial statements. The Group also presented the consolidated statement of financial position as at 1 January 2021, presented for comparative information, to reflect the adjustments mentioned. The cumulative effect of such changes has been separately presented in the consolidated statements of changes in shareholders' equity.

The amount of the adjustments affects in the consolidated statements of financial position, income statement, comprehensive income and cash flows as follows.

	(Unit: Thousand Baht)	
	As at	At as
	<u>31 December 2021</u>	<u>1 January 2021</u>
Consolidated statement of financial position		
Increase in investment properties	3,113	-
Increase in right-of-use assets	63,291	30,982
Decrease in deferred tax assets	(13,281)	(6,196)
Increase in unappropriated retained earnings	53,123	24,786

	(Unit: Thousand Baht)	
	For the year ended	
	<u>31 December 2021</u>	
Consolidated income statement		
Decrease in administrative expenses		(35,421)
Increase in income tax expense		7,084
Increase in profit for the year from continuing operation		28,337
Basic earnings per share		
Profit attributable to equity holders of the Company from continuing operation (Baht per share)		0.0217
Consolidated statement of comprehensive income		
Increase in profit for the year		28,337
Increase in total comprehensive income for the year		28,337
Consolidated statement of cash flows		
Increase in profit before tax from continuing operation		35,421
Decrease in depreciation and amortisation		(35,421)

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts.

Revenues from construction services

Revenues from construction services are recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the year and the total anticipated construction costs to be incurred to completion. Provision for the total anticipated loss on construction projects will be made in the accounts as soon as the possibility of loss is ascertained.

Rendering of services

Service revenue is recognised on a straight-line basis over the service agreement terms.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Inventories

Inventories are valued at the lower of average cost and net realisable value.

5.4 Investments in subsidiaries, joint venture and associate

- a) Investments in joint venture and associate are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

5.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 15 - 20.5 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.6 Property, plant and equipment and depreciation

Land is stated at revalued amount. Plant and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land, factory buildings, machinery and factory equipment are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows.

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on assets" in other components of shareholders' equity. However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in the income statement. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in respect of the same asset in "Revaluation surplus on assets" in other components of shareholders' equity.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives.

Buildings and building improvement on plots of leased land	- Reference to land lease terms
Buildings	- 20 - 40 years
Building improvements	- 5 - 37 years
Machinery and factory equipment	- 5 - 27 years
Gas station equipment	- 5 - 25 years
Power generation equipment	- 15 years
Office furniture, fixture and equipment	- 3 - 15 years
Motor vehicles	- 5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

5.7 Intangible assets and amortisation

Intangible assets acquired are recognised at cost on the date of acquisition. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement. No amortization is provided on computer software under installation.

The useful lives of computer software are 5 and 10 years.

5.8 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and land improvement	-	1 - 30	years
Buildings and building improvement	-	4	years
Motor vehicles	-	5	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

5.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

5.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However in cases where property, plant and equipment were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, such as long-service award.

The obligation under the defined benefit plan and other employee benefits plans are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits plan are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits plan are recognised immediately in profit and loss.

5.13 Advances received for renovation of gasoline stations

The subsidiary records financial support for renovation of gasoline stations as advances received and recognised by net of depreciation expenses of gasoline stations in the income statement on a straight-line basis over the period of the related agreements.

5.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.15 Free products

Subsidiaries have distributed free products to customers who making purchases of goods under specified conditions. The subsidiaries record cost of free products as cost of sales when goods are delivered.

5.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.17 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are presented separately in profit or loss.

Classification and measurement of financial liabilities

At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLS are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land, factory buildings, machinery and factory equipment at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the orderly liquidation value approach for factory buildings, machinery and factory equipment. The valuation involves certain assumptions and estimates as described in Note 21 to the consolidated financial statements.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plan and other long-term employee benefits

The obligations under the defined benefit plan and other long-term employee benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Cash	28,532	17,847	60	60
Bank deposits	240,295	171,315	10,203	-
Cash at banks attributable to discontinued operations	-	9,702	-	9,702
Total	268,827	198,864	10,263	9,762

As at 31 December 2022, bank deposits carried interests between 0.13% and 0.50% per annum (2021: between 0.05% and 0.65%).

8. Other current financial assets

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2022	2021
Financial assets at FVTPL		
Investment units in mutual funds	300,245	252,227
Total other current financial assets	<u>300,245</u>	<u>252,227</u>

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade receivables - related parties				
Aged on the basis of due dates				
Past due				
Not over 3 months	15	17	-	-
Total trade receivables - related parties	<u>15</u>	<u>17</u>	<u>-</u>	<u>-</u>
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Past due				
Not over 3 months	29,002	25,484	-	-
3 - 6 months	1,467	108	-	-
6 - 12 months	36	4	-	-
Over 12 months	3,293	3,353	-	-
Total	<u>33,798</u>	<u>28,949</u>	<u>-</u>	<u>-</u>
Less: Allowance for expected credit losses	<u>(3,056)</u>	<u>(2,544)</u>	<u>-</u>	<u>-</u>
Total trade receivables - unrelated parties, net	<u>30,742</u>	<u>26,405</u>	<u>-</u>	<u>-</u>
Total trade receivables - net	<u>30,757</u>	<u>26,422</u>	<u>-</u>	<u>-</u>
Other receivables				
Accrued income - related parties	86	1,737	6,285	6,503
Accrued income - unrelated parties	475	514	33	21
Others	3,965	5,326	1,465	2,663
Total	<u>4,526</u>	<u>7,577</u>	<u>7,783</u>	<u>9,187</u>
Less: Allowance for expected credit losses	<u>(2,124)</u>	<u>(3,509)</u>	<u>(1,310)</u>	<u>(2,450)</u>
Total other receivables - net	<u>2,402</u>	<u>4,068</u>	<u>6,473</u>	<u>6,737</u>
Total trade and other receivables - net	<u>33,159</u>	<u>30,490</u>	<u>6,473</u>	<u>6,737</u>

The normal credit term is 7 to 60 days.

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	6,053	11,034	2,450	-
Provision for expected credit losses	714	2,929	-	2,450
Amount written off	(1,316)	(7,285)	(1,140)	-
Amount recovered	(271)	(625)	-	-
Ending balance	<u>5,180</u>	<u>6,053</u>	<u>1,310</u>	<u>2,450</u>

10. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Transactions with subsidiaries				
(Eliminated from the consolidated financial statements)				
Management fee income	-	-	2	-
Dividend income	-	-	15	-
Interest income	-	-	-	6
Other income - other services	-	-	1	5
Interest expense	-	-	-	1
Transactions with associates				
Service income	-	1	-	-
Dividend income	12	9	12	9
Interest income	1	7	1	7
Land rental expense	1	1	-	-
Office rental expense	2	1	-	-
Other expenses	2	1	-	-
Transactions with related party				
Interest income	1	-	1	-
Acquisition of assets	7	12	7	12

Transfer pricing policy for significant business transactions with related parties are summarised below.

Transactions	Transfer pricing policy
Service income	Contract price
Dividend income	As declared
Interest income	0.75% - 3.50% per annum
Other income	The price is set out based on the market price.
Management fee income	Contract price
Acquisition of assets	The price is set out based on the market price.
Interest expense	2.50% per annum
Land and office rental expenses	Rental expenses are set out based on the market price.
Other expenses	The price is set out based on the market price.

Guarantee obligation with related party

In 2016, Pure Thai Energy Co., Ltd. entered into an agreement with SCT Sahapan Co., Ltd. (subsidiary held by Pure Thai Energy Co., Ltd.) to guarantee bank credit facility of the subsidiary as described in Note 42.2 b) to the consolidated financial statements.

As at 31 December 2022 and 2021, the balances of the accounts between the Group and those related parties are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Trade and other receivables - related parties (Note 9)				
<i>Trade receivables - related party</i>				
Associate	15	17	-	-
Total trade receivables - related party	<u>15</u>	<u>17</u>	<u>-</u>	<u>-</u>
<i>Other receivables - related parties</i>				
Subsidiaries	-	-	6,199	5,706
Associate	-	1,566	-	626
Related company	86	171	86	171
Total other receivables - related parties	<u>86</u>	<u>1,737</u>	<u>6,285</u>	<u>6,503</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Other payables - related parties (Note 24)				
Joint venture	-	1,000	-	-
Associate	333	387	-	-
Related company	2,755	2,498	2,755	2,498
Total other payables - related parties	3,088	3,885	2,755	2,498
Lease liabilities - related party (Note 28.1 b)				
Associate	16,004	18,519	-	-
Total lease liabilities - related party	16,004	18,519	-	-
Less: Portion due within one year	(2,783)	(2,594)	-	-
Lease liabilities - related party, net of current portion	13,221	15,925	-	-

Loans to related parties and loan from related party

As at 31 December 2022 and 2021, the balances of loans between the Group and those companies and the movements in loans to and loan from are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
		Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
Short-term loans to related parties					
Sammakorn Plc.	Associate	100,000	415,000	(515,000)	-
Petro-Instruments Corp., Ltd.	Related company	40,000	9,000	(10,000)	39,000
Total		140,000	424,000	(525,000)	39,000
Long-term loan to related party					
KP Energy Group Co., Ltd.	Related company	4,500	-	-	4,500
Less: Allowance for expected credit losses		(4,500)	-	-	(4,500)
Net		-	-	-	-

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at			Balance as at
			Increase	Decrease	
Related by		31 December 2021	during the year	during the year	31 December 2022
Short-term loans to related parties					
Pure Biodiesel Co., Ltd.	Subsidiary	319,188	-	-	319,188
Sammakorn Plc.	Associate	100,000	415,000	(515,000)	-
Petro-Instruments Corp., Ltd.	Related company	40,000	9,000	(10,000)	39,000
Total		459,188	424,000	(525,000)	358,188
Less: Allowance for expected credit losses					
		(319,188)	-	-	(319,188)
Net		140,000	424,000	(525,000)	39,000
Long-term loans to related parties					
Pure Thai Energy Co., Ltd.	Subsidiary	80,000	-	(80,000)	-
KP Energy Group Co., Ltd.	Related company	4,500	-	-	4,500
Total		84,500	-	(80,000)	4,500
Less: Allowance for expected credit losses					
		(4,500)	-	-	(4,500)
Net		80,000	-	(80,000)	-
Short-term loan from related party					
RPCG-JV 1 Co., Ltd.	Subsidiary	299,500	-	(299,500)	-
Total		299,500	-	(299,500)	-

As at 31 December 2022, loans to subsidiary and related company totaling Baht 358 million (2021: loans to subsidiaries, associate and related company totaling Baht 539 million) are in the form of short-term promissory notes carrying interest at a rate of 3.50 per annum (2021: 2.50% - 3.50% per annum). Short-term loans to Pure Biodiesel Co., Ltd. were guaranteed by the mortgage of land, building, machinery and oil depots and short-term loans to Sammakorn Plc. were guaranteed by the mortgage of land amounting to Baht 500 million. However, as at 31 December 2021, the Company reclassified loans of Baht 80 million to Pure Thai Energy Co., Ltd. as long-term loans since the Company will not call the loans within one year.

The Company set aside allowance for expected credit losses for the loans to Pure Biodiesel Co., Ltd. for the whole amount, as the Company expects that the assets of the subsidiary will not be sufficient to repay the loans.

Management benefit expenses

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	14,123	18,706	9,811	15,466
Post-employment benefits	1,320	1,215	774	746
Total	15,443	19,921	10,585	16,212

11. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	112,065	80,981	(8,180)	(8,111)	103,885	72,870
Supplies	2,776	2,776	(2,776)	(2,776)	-	-
Total	114,841	83,757	(10,956)	(10,887)	103,885	72,870

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	7,055	7,055	(7,055)	(7,055)	-	-
Supplies	2,776	2,776	(2,776)	(2,776)	-	-
Total	9,831	9,831	(9,831)	(9,831)	-	-

During the year 2022, the Group reduced cost of inventory by Baht 0.1 million, to reflect the net realisable value. This was included in cost of sales. (2021: reversed the write-down of cost of inventories by Baht 6.4 million, and reduced the amount of inventories recognised as expenses during the year) (separate financial statements: nil)

12. Short-term loans to unrelated party

As at 31 December 2022 and 2021, loans to unrelated party were guaranteed by entering into land sale with right of redemption contracts for a period of 1 year, carrying interest at a rate of 15% per annum.

13. Long-term loans to unrelated parties

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Long-term loans to unrelated parties	5,146	5,533	5,146	5,146
Less: Allowance for expected credit losses	(5,146)	(5,146)	(5,146)	(5,146)
Long-term loans to unrelated parties, net	-	387	-	-
Less: Current portion	-	(387)	-	-
Non-current portion	-	-	-	-

14. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Value added tax refundable	6,519	2,853	5,764	1,793
Others	8,952	8,336	795	784
Total	15,471	11,189	6,559	2,577

15. Pledged deposits at banks

These represented fixed deposits pledged with the banks to secure credit facilities and to guarantee electricity use.

16. Other non-current financial assets

The Company has an investment in 6,702 ordinary shares (representing 17.46% shareholding) of KP Energy Group, which is principally engaged in the production and distribution of electricity. As at 31 December 2022 and 2021, fair value of such investment was zero because of continuous operating losses and capital deficit.

During the years 2022 and 2021, the Company had no dividend received from such investment.

17. Investment in joint venture

17.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by SCT Sahapan Co., Ltd. (a subsidiary held by Pure Thai Energy Co., Ltd.) and other company. Details of this investment are as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Country of incorporation	Shareholding		Consolidated financial statements			
			percentage		Cost		Carrying amount based on equity method	
			<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			(%)	(%)				
SCTP Joint Venture	Construction service	Thailand	40	40	3,000	1,000	4,313	1,010
Total					3,000	1,000	4,313	1,010

On 2 August 2021, the Board of Directors Meeting of the SCT Sahapan Company Limited (SAP) approved that SAP is to invest in SCTP Joint Venture (SCTP), a joint venture registered as a new tax unit with the Revenue Department on 18 November 2021 to operate a construction business with a working capital of Baht 5 million. SAP will invest in the joint venture for 40% of the working capital or amounting to Baht 2 million.

Later, on 15 December 2021, SAP received a letter from SCTP calling for payment of the first investment at 50% or equivalent to the total amount that SAP had to pay of Baht 1 million. As at 31 December 2021, the Group recorded such investment as accrued investment in joint venture under the heading "Trade and other payables" in the statement of financial position. SAP paid for such investment on 11 January 2022.

During the current year, SCTP Joint Venture called for the remaining payment in proportion to the investment in the Joint Venture. SCT Sahapan Co., Ltd., paid for such investment in the proportion of 40% of the working capital, or amounting to Baht 1 million.

On 1 July 2022, a meeting of this subsidiary's Board of Directors passed a resolution to approve an additional investment in the Joint Venture in the same proportion, or amounting to Baht 1 million. The subsidiary paid for such investment on 11 July 2022.

17.2 Share of profit and dividend received

During the year, the Group recognised its share of profit from investment in joint venture in the consolidated financial statements as follows:

Joint venture	(Unit: Thousand Baht)	
	2022	2021
SCTP Joint Venture	1,303	10
Total	1,303	10

During the year 2022 and 2021, the Group had no dividend received from its joint venture.

17.3 Summarised financial information about material joint venture

Summarised information about financial position of SCTP Joint Venture as at 31 December 2022 and 2021.

	(Unit: Million Baht)	
	2022	2021
Current assets	19	3
Current liabilities	(8)	-
Net assets	11	3
Shareholding percentage	40%	40%
Share of net assets	4	1
Eliminations	-	-
Carrying amounts of joint venture based on equity method	4	1

Summarised information about comprehensive income of SCTP Joint Venture.

	(Unit: Million Baht)	
	For the year ended 31 December 2022	For the period from 18 November 2021 to 31 December 2021
Revenue	55	1
Profit for the year	3	-
Other comprehensive income	-	-
Total comprehensive income	3	-

18. Investment in associate

18.1 Details of associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated		Separate	
					financial statements		financial statements	
					Carrying amounts		Carrying amounts	
					based on equity method		based on cost method	
				2022	2021	2022	2021	
			(%)	(%)				
Sammakorn Plc.	Real estate development	Thailand	48.25	48.25	1,247,939	1,208,181	785,802	785,802
Total					1,247,939	1,208,181	785,802	785,802

18.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of comprehensive income from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows.

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Share of other				Dividend received	
	Share of profit from investment in associate		comprehensive income from investment in associate		during the years	
	during the years		associate during the years		during the years	
	2022	2021	2022	2021	2022	2021
Sammakorn Plc.	54,330	20,335	(2,184)	7,051	12,388	9,291
Total	54,330	20,335	(2,184)	7,051	12,388	9,291

18.3 Fair value of investment in listed associate

As at 31 December 2022, fair value of investment in Sammakorn Plc., an associate that is listed company on the Stock Exchange of Thailand, was Baht 440 million (2021: Baht 585 million).

18.4 Summarised financial information about material associate

Summarised information about financial position of Sammakorn Plc. as at 31 December 2022 and 2021.

	(Unit: Million Baht)	
	2022	2021
Current assets	2,751	1,906
Non-current assets	2,997	3,826
Current liabilities	(1,667)	(647)
Non-current liabilities	(1,422)	(2,544)
Net assets	2,659	2,541
Shareholding percentage	48.25%	48.25%
Share of net assets	1,283	1,226
Eliminations	(35)	(18)
Carrying amounts of associate based on equity method	1,248	1,208

Summarised information about comprehensive income of Sammakorn Plc. for the year ended 31 December 2022 and 2021.

	(Unit: Million Baht)	
	2022	2021
Revenue	2,404	1,442
Profit for the year	113	35
Other comprehensive income	(5)	15
Total comprehensive income	108	50

19. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows.

Company	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the years	
	2022	2021	2022	2021	2022	2021	2022	2021
			%	%				
Pure Biodiesel Co., Ltd. *	280,000	280,000	100	100	279,999	279,999	-	-
Pure Thai Energy Co., Ltd.	140,000	140,000	100	100	140,000	140,000	14,000	-
RPC Management Co., Ltd. *	125	500	100	100	581	956	-	-
RPCG-JV 1 Co., Ltd.	-	300,000	-	100	-	300,000	1,320	-
Onward Venture Co., Ltd. **	10,000	10,000	100	100	10,000	10,000	-	-
Total investments in subsidiaries					430,580	730,955	15,320	-
Less: Allowance for impairment					(116,679)	(104,189)		
Investments in subsidiaries - net					313,901	626,766		

* Business suspended.

** Business has not yet commenced its operation.

During the year 2022, the Company set up allowance for impairment of investments in subsidiaries amounting to Baht 12.5 million (2021: Baht 4.4 million).

RPCG-JV 1 Co., Ltd.

On 12 November 2020, the meeting of the Company's Board of Directors passed a resolution approving the incorporation of a new company named "RPCG-JV 1 Co., Ltd.", in which the Company holds 100% of the shares. This company is engaged in the business of real estate development and has a registered share capital of Baht 300 million (3 million ordinary shares at a par value of Baht 100 each).

Later, on 1 February 2021, the meeting on the establishment of RPCG-JV 1 Co., Ltd. passed a resolution to call up the first share payment of Baht 25 per share or equivalent to the amount that the Company has to pay in total of Baht 75 million. The Company made payment for such shares on 4 February 2021. RPCG-JV 1 Co., Ltd. registered its establishment with the Ministry of Commerce on 5 February 2021.

On 18 February 2021, the meeting of the Board of Directors of RPCG-JV 1 Co., Ltd. passed a resolution to call up the remaining share payment of Baht 75 per share or equivalent to the amount that the Company has to pay in total of Baht 225 million. The Company made payment for such shares on 12 March 2021.

On 21 February 2022, the Annual General Meeting of the Shareholders of RPCG-JV 1 Co., Ltd. has a special resolution to dissolve the company. On 1 March 2022, the subsidiary registered its dissolution with the Ministry of Commerce. Later, on 8 March 2022, the Company received cash proceeds from return of capital from the subsidiary amounting to Baht 300 million. This subsidiary registered its liquidation on 25 May 2022.

RPC Management Co., Ltd.

On 15 July 2022, the Extraordinary General Meeting of Shareholders of RPC Management Co., Ltd. passed a special resolution to approve a decrease in its registered share capital from Baht 500,000 to Baht 125,000 by reducing the par value of the share from Baht 100 per share to Baht 25 per share. The reduction in registered capital had no effect on the number of shares of such subsidiary and the Company's shareholding percentage. This subsidiary registered the share capital decrease with the Ministry of Commerce on 1 September 2022. The Company received cash proceeds from return of capital from the subsidiary amounting to Baht 374,700 on 28 September 2022.

Onward Venture Co., Ltd.

On 16 April 2021, the meeting of the Company's Board of Directors passed a resolution approving the incorporation of a new company named "Onward Venture Co., Ltd.", in which the Company holds 100% of the shares. This company is engaged in the business of Pico Plus and has a registered share capital of Baht 1 million (10,000 ordinary shares at a par value of Baht 100 each). Onward Ventures Co., Ltd. was registered the establishment of the company with the Ministry of Commerce on 19 May 2021 with the Company's directors as the founders and shareholders. Subsequently, on 1 June 2021, the Company entered into an agreement to transfer 9,997 ordinary shares from the director to the Company, and the Company made payment for such ordinary shares on 4 June 2021.

Later, on 14 June 2021, the Extraordinary General Meeting of the Shareholders of Onward Venture Co., Ltd. passed a resolution approving the increase in registered share capital of Baht 9 million (90,000 ordinary shares at a par value of Baht 100 each). The Company made payment for such shares on 14 June 2021. Onward Venture Co., Ltd. registered the share capital increase with the Ministry of Commerce on 23 June 2021.

On 15 August 2022, the Board of Directors Meeting of the Company passed a resolution to seek partners to invest in shares of Onward Venture Co., Ltd. in the proportion that does not exceed 20% of its registered share capital. The selling price is equal to the par value. Later, on 14 February 2023, the Company sold shares of Onward Venture Co., Ltd. to 2 partners amounting to Baht 1.1 million (11,000 ordinary shares at a par value of Baht 100 each) and Baht 0.9 million (9,000 ordinary shares at a par value of Baht 100 each), respectively. The sale reduced the shareholding of the Company from 100% to 80%.

Onward Move Co., Ltd. (held by Onward Venture Co., Ltd.)

On 11 November 2022, the Board of Directors Meeting of the Company passed a resolution approving the incorporation of a new company named “Onward Move Co., Ltd.”. This company is engaged in the general service business and has a registered share capital of Baht 1 million (10,000 ordinary shares at a par value of Baht 100 each). Later, on 8 December 2022, the Board of Directors Meeting of Onward Venture Co., Ltd. passed a resolution to invest 100% of the shares in Onward Move Co., Ltd. (9,997 ordinary shares at a par value of Baht 100 each) and made a payment for such shares on 13 December 2022. Onward Move Co., Ltd. registered its establishment with the Ministry of Commerce on 15 December 2022.

20. Investment properties

The net book value of investment properties as at 31 December 2022 and 2021 is presented below.

	Consolidated financial statements			Separate financial statements	
	Land for rent	Right-of-use assets for rent	Total	Land for rent	Total
As at 31 December 2022:					
Cost	146,936	38,038	184,974	146,936	146,936
Less: Accumulated depreciation	-	(7,609)	(7,609)	-	-
Net book value	<u>146,936</u>	<u>30,429</u>	<u>177,365</u>	<u>146,936</u>	<u>146,936</u>
As at 31 December 2021 (restated):					
Cost	146,936	44,260	191,196	146,936	146,936
Less: Accumulated depreciation	-	(5,152)	(5,152)	-	-
Net book value	<u>146,936</u>	<u>39,108</u>	<u>186,044</u>	<u>146,936</u>	<u>146,936</u>

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
		(restated)		
Net book value at beginning of year	186,044	146,936	146,936	146,936
Additions	-	6,396	-	-
Transfers	(6,213)	35,340	-	-
Depreciation charged	(2,466)	(2,628)	-	-
Net book value at end of year	<u>177,365</u>	<u>186,044</u>	<u>146,936</u>	<u>146,936</u>

The additional information of the investment properties as at 31 December 2022 and 2021 stated below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
The fair value of land for rent	146,936	146,936	146,936	146,936
The fair value of right-of-use assets for rent	51,398	69,663	-	-

The fair value of land for rent has been determined based on market prices, while that of the right-of-use assets for rent has been determined using the income approach. Key assumptions used in the valuation of such right-of-use assets for rent consist of discount rate, growth rate and occupancy rate.

21. Property, plant and equipment

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Operating assets	654,502	623,391	22,848	17,462
Ceased using assets	979,553	986,434	588,262	595,143
Total property, plant and equipment	1,634,055	1,609,825	611,110	612,605
Less: Allowance for impairment on ceased using assets	(461,065)	(453,642)	(231,204)	(234,748)
Property, plant and equipment - net	<u>1,172,990</u>	<u>1,156,183</u>	<u>379,906</u>	<u>377,857</u>

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis		Cost basis					Total
	Land	Office buildings and office building improvements	Gas station equipment	Power generation equipment	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	
Operating assets								
Cost/revalued amount								
1 January 2021	7,350	459,560	126,192	-	131,036	18,125	97,156	839,419
Additions	-	-	52	-	237	-	115,131	115,420
Disposals/write-off	-	(6,849)	(935)	-	(1,968)	-	-	(9,752)
Transfers	-	158,391	12,948	-	10,534	-	(181,873)	-
31 December 2021	7,350	611,102	138,257	-	139,839	18,125	30,414	945,087
Additions	-	-	118	-	756	-	100,627	101,501
Disposals/write-off	-	(118)	(247)	-	(887)	(6,548)	-	(7,800)
Transfers	-	47,704	8,366	19,000	10,134	-	(85,204)	-
31 December 2022	7,350	658,688	146,494	19,000	149,842	11,577	45,837	1,038,788
Accumulated depreciation								
1 January 2021	-	156,035	34,412	-	60,311	14,866	-	265,624
Depreciation for the year	-	34,525	14,331	-	12,668	666	-	62,190
Depreciation on disposals/write-off	-	(3,321)	(909)	-	(1,888)	-	-	(6,118)
31 December 2021	-	187,239	47,834	-	71,091	15,532	-	321,696
Depreciation for the year	-	38,733	16,186	317	14,468	646	-	70,350
Depreciation on disposals/write-off	-	(118)	(245)	-	(849)	(6,548)	-	(7,760)
31 December 2022	-	225,854	63,775	317	84,710	9,630	-	384,286
Net book value								
31 December 2021	7,350	423,863	90,423	-	68,748	2,593	30,414	623,391
31 December 2022	7,350	432,834	82,719	18,683	65,132	1,947	45,837	654,502
Depreciation for the years								
2021 (included in administrative expenses)								62,190
2022 (included in administrative expenses)								70,350

(Unit: Thousand Baht)

	Consolidated financial statements			
	Revaluation basis			
	Land	Factory buildings and factory building improvements	Machinery and factory equipment	Total
Ceased using assets				
Revalued amount				
1 January 2021	391,829	175,768	1,491,221	2,058,818
Revaluations	22,100	-	-	22,100
31 December 2021	413,929	175,768	1,491,221	2,080,918
Write-off	-	-	(34,400)	(34,400)
31 December 2022	413,929	175,768	1,456,821	2,046,518
Accumulated depreciation				
1 January 2021	-	113,588	972,795	1,086,383
Depreciation for the year	-	856	7,245	8,101
31 December 2021	-	114,444	980,040	1,094,484
Depreciation on write-off	-	-	(27,519)	(27,519)
31 December 2022	-	114,444	952,521	1,066,965
Allowance for impairment loss				
1 January 2021	-	46,187	417,817	464,004
Increase (decrease) during the year	-	78	(10,440)	(10,362)
31 December 2021	-	46,265	407,377	453,642
Increase during the year	-	952	12,252	13,204
Reversal of impairment due to write-off	-	-	(5,781)	(5,781)
31 December 2022	-	47,217	413,848	461,065
Net book value				
31 December 2021	413,929	15,059	103,804	532,792
31 December 2022	413,929	14,107	90,452	518,488
Depreciation for the years				
2021 (included in administrative expenses)				8,101
2022 (included in administrative expenses)				-

(Unit: Thousand Baht)

	Separate financial statements					Total
	Cost basis					
	Office buildings and office building improvements	Power generation equipment	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	
Operating assets						
Cost						
1 January 2021	8,679	-	17,119	5,246	-	31,044
Additions	-	-	39	-	12,350	12,389
31 December 2021	8,679	-	17,158	5,246	12,350	43,433
Additions	-	-	-	-	6,650	6,650
Disposals	-	-	-	(800)	-	(800)
Transfers	-	19,000	-	-	(19,000)	-
31 December 2022	8,679	19,000	17,158	4,446	-	49,283
Accumulated depreciation						
1 January 2021	4,895	-	16,971	3,133	-	24,999
Depreciation for the year	300	-	72	600	-	972
31 December 2021	5,195	-	17,043	3,733	-	25,971
Depreciation for the year	299	317	48	600	-	1,264
Depreciation on disposals	-	-	-	(800)	-	(800)
31 December 2022	5,494	317	17,091	3,533	-	26,435
Net book value						
31 December 2021	3,484	-	115	1,513	12,350	17,462
31 December 2022	3,185	18,683	67	913	-	22,848
Depreciation for the years						
2021 (included in administrative expenses)						972
2022 (included in administrative expenses)						1,264

(Unit: Thousand Baht)

	Separate financial statements			
	Revaluation basis			
	Factory buildings and factory building improvements		Machinery and factory equipment	Total
	Land			
Ceased using assets				
Revalued amount				
1 January 2021	299,861	108,094	950,091	1,358,046
Revaluations	17,000	-	-	17,000
31 December 2021	316,861	108,094	950,091	1,375,046
Write-off	-	-	(34,400)	(34,400)
31 December 2022	316,861	108,094	915,691	1,340,646
Accumulated depreciation				
1 January 2021	-	80,140	698,376	778,516
Depreciation for the year	-	361	1,026	1,387
31 December 2021	-	80,501	699,402	779,903
Depreciation on write-off	-	-	(27,519)	(27,519)
31 December 2022	-	80,501	671,883	752,384
Allowance for impairment loss				
1 January 2021	-	18,482	222,516	240,998
Decrease during the year	-	-	(6,250)	(6,250)
31 December 2021	-	18,482	216,266	234,748
Increase during the year	-	-	2,237	2,237
Reversal of impairment due to write-off	-	-	(5,781)	(5,781)
31 December 2022	-	18,482	212,722	231,204
Net book value				
31 December 2021	316,861	9,111	34,423	360,395
31 December 2022	316,861	9,111	31,086	357,058
Depreciation for the years				
2021 (included in administrative expenses)				1,387
2022 (included in administrative expenses)				-

In January 2023, the Group arranged for an independent professional valuer to appraise the value of certain refinery assets on an asset-by-asset basis. The revaluation was concluded as at 31 December 2022 and the basis of the revaluation was as follows.

- a) Land was revalued using the market approach. The fair value of the land was at the average of Baht 9.5 million per rai.
- b) Factory buildings, machinery and factory equipment were revalued using the orderly liquidation value approach. The orderly liquidation value is the amount expected to be obtained from finding buyers for the assets on a piecemeal basis, given the condition and location of the assets at that time and the applicable conditions. It assumes there is a reasonable period of time within which the owner is forced to sell, that the assets are sold through an intermediary or offered to the buyer for other uses, and that the buyer will pay all expenses.

The appraised value of land was equal to the net book value per the previous revaluation conducted in 2021.

In addition, the appraised values of the buildings and equipment were Baht 13.2 million (separate financial statements: Baht 2.2 million) lower than their net book value as presented in the consolidated financial statements. The Group therefore recognised the loss on impairment of assets in full amount in the income statement.

Had the land, factory buildings, machinery and factory equipment been carried in the financial statements on a historical cost basis, their net book values as of 31 December 2022 and 2021 would have been as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Land	141,286	141,286	105,770	105,770
Factory buildings and improvements	14,107	15,059	9,111	9,111
Machinery and factory equipment	90,452	103,804	31,086	34,423

Pure Biodiesel Co., Ltd. has mortgaged land, buildings, machinery and oil depots with a total book value as at 31 December 2022 of Baht 104 million (2021: Baht 105 million), as collateral to secure short-term loans received from the Company, as discussed in Note 10 to the consolidated financial statements.

As at 31 December 2022, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 172 million (2021: Baht 162 million) in the consolidated financial statements (separate financial statements: Baht 20 million, 2021: Baht 20 million).

22. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer software under installation	Computer software	Total
Cost			
1 January 2021	2,509	28,791	31,300
Additions	1,423	806	2,229
Transfers	(3,932)	3,932	-
31 December 2021	-	33,529	33,529
Additions	13,447	482	13,929
Write-off	-	(76)	(76)
31 December 2022	13,447	33,935	47,382
Accumulated amortisation			
1 January 2021	-	25,526	25,526
Amortisation for the year	-	624	624
31 December 2021	-	26,150	26,150
Amortisation for the year	-	916	916
Amortisation on write-off	-	(76)	(76)
31 December 2022	-	26,990	26,990
Net book value			
31 December 2021	-	7,379	7,379
31 December 2022	13,447	6,945	20,392
Amortisation for the years			
2021 (included in administrative expenses)			624
2022 (included in administrative expenses)			916

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software under installation	Computer software	Total
Cost			
1 January 2021	2,509	19,738	22,247
Additions	1,423	-	1,423
Disposals to subsidiary	(3,932)	-	(3,932)
31 December 2021	-	19,738	19,738
Additions	3,435	-	3,435
31 December 2022	3,435	19,738	23,173
Accumulated amortisation			
1 January 2021	-	19,738	19,738
31 December 2021	-	19,738	19,738
31 December 2022	-	19,738	19,738
Net book value			
31 December 2021	-	-	-
31 December 2022	3,435	-	3,435
Amortisation for the years			
2021 (included in administrative expenses)			-
2022 (included in administrative expenses)			-

As at 31 December 2022 and 2021, certain items of computer software were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 24 million (separate financial statements: Baht 20 million).

23. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Value added tax refundable	-	9,365	-	9,365
Withholding tax awaiting refund	9,807	9,005	7,946	7,915
Deposits	4,468	4,061	1,203	1,203
Total	14,275	22,431	9,149	18,483

24. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade payables - unrelated parties	506,926	373,004	-	-
Other payables - related parties	3,088	3,885	2,755	2,498
Other payables - unrelated parties	29,294	14,559	1,433	1,506
Accrued expenses	50,250	34,917	1,187	8,479
Retention payables	3,083	3,276	-	-
Total	592,641	429,641	5,375	12,483

25. Short-term loans from unrelated parties

As at 31 December 2022, these represented promissory notes which the subsidiary issued to individuals. The loans carried interest at the rate of 0.15% per annum (2021: 0.26% per annum) and are due within one year.

26. Advances received for renovation of gasoline stations

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	2022	2021
Advances received for renovation of gasoline stations		
at beginning of year	475,099	466,960
Increase during the year	37,247	56,433
Less: Amortisation for the year	(52,286)	(48,294)
Advances received for renovation of gasoline stations		
at end of year	460,060	475,099
Less: Current portion	(52,676)	(49,928)
Advances received for renovation of gasoline stations, net of current portion	407,384	425,171

27. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Advances received from customers	8,681	9,626	-	-
Others	5,716	4,487	297	647
Total	14,397	14,113	297	647

28. Leases

28.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 3 - 30.5 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land and land	Buildings and	Motor vehicles	Total
	improvement	building improvement		
31 December 2020 - As previously reported	566,040	1,760	1,392	569,192
Cumulative effect of the adjustment of consolidated financial statement (Note 4)	30,982	-	-	30,982
31 December 2020 - As restated	597,022	1,760	1,392	600,174
Additions	40,306	7,873	6,531	54,710
Write-off	-	(587)	-	(587)
Transfer to investment properties - restated	(35,340)	-	-	(35,340)
Adjustment due to lease modification	411	-	-	411
Depreciation for the year - restated	(43,195)	(1,779)	(1,019)	(45,993)
31 December 2021 - As restated	559,204	7,267	6,904	573,375
Additions	44,821	-	-	44,821
Transfer from investment properties	-	6,213	-	6,213
Adjustment due to lease modification	(86)	-	-	(86)
Depreciation for the year	(43,738)	(2,052)	(1,580)	(47,370)
31 December 2022	560,201	11,428	5,324	576,953

	(Unit: Thousand Baht)
	Separate financial statements
	Land and land improvement
1 January 2021	-
Additions	3,325
Depreciation for the year	(1,250)
31 December 2021	2,075
Adjustment due to lease modification	(109)
Depreciation for the year	(1,046)
31 December 2022	920

The movements of right-of-use assets exclude the right-of-use assets which are classified as investment properties which are presented in Note 20 to the consolidated financial statements.

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Lease payments	828,457	822,650	1,053	2,203
Less: Deferred interest expenses	(305,708)	(313,131)	(6)	(13)
Total	522,749	509,519	1,047	2,190
Less: Portion due within one year	(27,843)	(25,031)	(1,047)	(1,138)
Lease liabilities - net of current portion	494,906	484,488	-	1,052

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of year	509,519	478,482	2,190	-
Additions	36,576	54,426	-	3,325
Accretion of interest	33,490	32,060	12	40
Repayments	(56,750)	(55,666)	(1,046)	(1,175)
Adjustment due to lease modification	(86)	217	(109)	-
Balance at end of year	522,749	509,519	1,047	2,190

A maturity analysis of lease payments is disclosed in Note 44.1 to the consolidated financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
		(restated)		
Depreciation expense of				
right-of-use assets	49,836	48,621	1,046	1,250
Interest expense on lease liabilities	33,490	32,060	12	40
Expense relating to short-term or				
low-value assets leases	3,091	2,416	428	447
Expense relating to variable lease				
payments that do not depend on an				
index or a rate	10,715	10,585	-	-

The Group has lease contracts for land that contains variable payments based on sales quantity. The lease term is 11 - 25 years.

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 72.9 million (2021: Baht 68.7 million) (separate financial statements: Baht 1.5 million, 2021: Baht 1.6 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

28.2 Group as a lessor

The Group has entered into operating leases for its investment properties portfolio consisting of land and buildings (see Note 20 to consolidated the financial statements) of the lease terms are between 1 - 7 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2022 and 2021 as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Within 1 year	4,755	7,627	646	2,902
Over 1 and up to 5 years	3,589	14,146	1,069	11,555
Total	8,344	21,773	1,715	14,457

During 2022, the Group has rental income and sub-lease income amounting to Baht 15.1 million (2021: Baht 13.0 million) (separate financial statements: Baht 0.6 million, 2021: Baht 3.0 million).

29. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2022 and 2021, which represents compensation payable to employees after they retire from the company, was as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Provisions for long-term employee				
benefits at beginning of year	20,425	18,309	4,243	3,746
Included in profit or loss:				
Current service cost	1,830	1,856	456	449
Interest cost	310	280	54	48
Reversal of provision for long-term				
employee benefits	(2,823)	-	(212)	-
Benefits paid during the year	(41)	(20)	-	-
Provisions for long-term employee				
benefits at end of year	19,701	20,425	4,541	4,243

The Group expects to pay Baht 0.9 million (2021: Baht 0.9 million) (separate financial statements: nil, 2021: nil) of long-term employee benefits during the next year.

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is approximately 1 - 13 years (2021: 2 - 14 years) (separate financial statements: 6 years, 2021: 7 years).

Key actuarial assumptions used for the valuation are as follows.

(Unit: % per annum)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Discount rate	0.63 - 1.71	0.63 - 1.71	1.28	1.28
Future salary increase rate	3.00 - 5.00	3.00 - 5.00	5.00	5.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2022			
	Consolidated		Separate	
	financial statements		financial statements	
	Rate increase	Rate decrease	Rate increase	Rate decrease
Increase or decrease 0.5%				
in discount rate	(944)	1,008	(129)	135
Increase or decrease 1%				
in future salary increase rate	2,318	(2,046)	327	(303)

(Unit: Thousand Baht)

	As at 31 December 2021			
	Consolidated		Separate	
	financial statements		financial statements	
	Rate increase	Rate decrease	Rate increase	Rate decrease
Increase or decrease 0.5%				
in discount rate	(938)	1,005	(136)	142
Increase or decrease 1%				
in future salary increase rate	2,082	(1,840)	292	(271)

30. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

Under the Civil and Commercial Code, the subsidiaries are required to set aside a statutory reserve equal to at least 5% of its net profit each time the subsidiaries pay out a dividend, until such reserve reaches 10% of their registered share capital. The statutory reserve is not available for dividend distribution.

During the year 2022, the Company set aside a statutory reserve amounting to Baht 35.3 million (2021: nil).

31. Revaluation surplus

This outstanding balance represents surplus arising from revaluation of land. Movements in the revaluation surplus account, net of income tax, during the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Balance - beginning of year	223,996	206,316	168,873	155,273
Add: Revaluation of assets during the year	-	22,100	-	17,000
Less: Effect of income tax from revaluation	-	(4,420)	-	(3,400)
Balance - end of year	<u>223,996</u>	<u>223,996</u>	<u>168,873</u>	<u>168,873</u>

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

32. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Management fee income	-	-	1,800	-
Rental income	15,266	13,347	582	3,034
Other income	15,571	3,962	16,049	3,795
Total	<u>30,837</u>	<u>17,309</u>	<u>18,431</u>	<u>6,829</u>

A subsidiary has rental income from the lease of land, building, machinery and oil depots. However, the subsidiary recorded such assets under the heading “Property, plant and equipment” instead of “Investment properties” because the main objective is to sell such assets.

33. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest expenses on borrowings	1,062	1,060	205	1,333
Interest expenses on lease liabilities	33,490	32,060	12	40
Total	<u>34,552</u>	<u>33,120</u>	<u>217</u>	<u>1,373</u>

34. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
		(restated)		
Salaries, wages and other				
employee benefits	189,043	168,853	16,223	23,127
Long-term employee benefits (reversal)	(724)	2,116	298	498
Depreciation and amortisation	121,104	119,536	2,309	3,609
Changes in finished goods	(31,083)	(2,464)	-	-
Cost of merchandise inventories and services	7,430,981	5,151,486	-	-
Loss on impairment of buildings and equipment (reversal)	7,423	(10,362)	(3,544)	(6,250)
Loss on impairment of investments in subsidiaries	-	-	12,490	4,428
Bad debts and doubtful debts	443	2,304	-	2,450

35. Income tax

Income tax expense for the years ended 31 December 2022 and 2021 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
		(restated)		
Current income tax:				
Current income tax charge	13,935	167,375	-	164,143
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,616)	(998)	-	-
Income tax expense reported in the income statement	10,319	166,377	-	164,143

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax on gain from revaluation of land	-	4,420	-	3,400
Total	-	4,420	-	3,400

The reconciliation between accounting profit (loss) and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
		(restated)		
Accounting profit (loss) before tax				
From continuing operation	74,311	885,804	(8,366)	866,182
From discontinued operation	-	4,863	-	4,863
Total accounting profit (loss) before tax	<u>74,311</u>	<u>890,667</u>	<u>(8,366)</u>	<u>871,045</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	14,862	178,134	(1,673)	174,209
Utilisation of previously unrecognised deferred tax assets on temporary differences	-	(9,841)	-	(9,841)
Deferred tax assets which were not recognised during the year as future taxable profits may not be sufficient	10,670	9,039	926	(403)
Effects of non-deductible expenses				
- Allowance for impairment on investments in subsidiaries	-	-	2,498	886
- Other non-deductible expenses	(3,247)	(6,882)	1,454	(477)
Effects of:				
- Income not subject to tax	(5,875)	(2,955)	(5,503)	(2,518)
- Write-off bad debt	-	(1,457)	-	-
- Others	2,595	1,480	2,298	2,287
Effect of elimination entries on the consolidated financial statements	<u>(8,686)</u>	<u>(1,141)</u>	<u>-</u>	<u>-</u>
Income tax expense reported in the income statement	<u>10,319</u>	<u>166,377</u>	<u>-</u>	<u>164,143</u>

The components of deferred tax assets and deferred tax liabilities are as follows.

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
		(restated)		
Deferred tax assets				
Allowance for expected credit losses	686	633	-	-
Allowance for diminution in value of inventories	198	185	-	-
Provision for long-term employee benefits	3,032	3,236	-	-
Unused tax loss	77	195	-	-
Lease	9,224	6,493	-	-
Others	4,217	3,076	-	-
Total	<u>17,434</u>	<u>13,818</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Revaluation surplus on land	55,999	55,999	42,218	42,218
Total	<u>55,999</u>	<u>55,999</u>	<u>42,218</u>	<u>42,218</u>

As at 31 December 2022, the Group has deductible temporary differences and unused tax losses totaling Baht 1,046 million (2021: Baht 913 million) per the consolidated financial statements and Baht 698 million (2021: Baht 685 million) per the separate financial statements. No deferred tax assets have been recognised on these amounts as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. The unused tax losses amounting to Baht 185 million per the consolidated financial statements (separate financial statements: nil) will expire by 2027.

36. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the solar power generation, pursuant to the promotion certificate No.64-1095-1-00-1-0 issued on 14 September 2021. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues. However, in the year 2022 and 2021, the Company has no income from such business.

37. Discontinued operation

Profit (loss) from discontinued operations for the years ended 31 December 2022 and 2021 are presented below.

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	2022	2021
Revenues	-	-
Expenses		
Administrative expenses	-	1,387
Reversal of loss on impairment of buildings and equipment	-	(6,250)
Total expenses	-	(4,863)
Profit for the year from discontinued operation	-	4,863

The net cash flows incurred by discontinued operation for 2022 and 2021 are as follows.

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	2022	2021
Operating activities	-	-
Investing activities	-	-
Financing activities	-	-
Net cash flows from discontinued operation	-	-

38. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

39. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have two reportable segments as follows.

- 1) Energy segment: Fuel and gas retailing through a network of gas stations, distribution and maintenance of gas station equipment and rental of oil depot and port business.
- 2) Real estate segment: Real estate development for sale and for rent.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Group operates in Thailand only. As a result, all the revenues as reflected in these financial statements pertain exclusively to this geographical reportable segment.

For the years 2022 and 2021, the Group has no major customer with revenue of 10% or more of an entity's revenues.

The following tables present revenues and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2022 and 2021.

(Unit: Million Baht)

	For the years ended 31 December							
	Energy segment		Real estate segment		Adjustments and eliminations		Consolidated financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021
		(restated)						(restated)
Revenues								
Sales and service income from external								
customers	7,822	5,480	-	-	-	-	7,822	5,480
Interest income	4	10	-	-	-	-	4	10
Other income	31	17	-	-	-	-	31	17
Income from compensation for damages								
according to the court judgements	-	900	-	-	-	-	-	900
Total revenues	7,857	6,407	-	-	-	-	7,857	6,407
Expenses								
Cost of sales and services	7,400	5,149	-	-	-	-	7,400	5,149
Depreciation and amortisation	121	120	-	-	-	-	121	120
Selling and distribution expenses	109	94	-	-	-	-	109	94
Administrative expenses	167	150	-	-	-	-	167	150
Loss on impairment of buildings and								
equipment (reversal)	7	(4)	-	-	-	-	7	(4)
Total expenses	7,804	5,509	-	-	-	-	7,804	5,509
Profit from operating activities	53	898	-	-	-	-	53	898
Share of profit from investments in joint								
venture and associate	-	-	56	20	-	-	56	20
Finance cost	(35)	(33)	-	-	-	-	(35)	(33)
Profit before income tax	18	865	56	20	-	-	74	885
Tax income expense	(10)	(166)	-	-	-	-	(10)	(166)
Profit for the year from continuing								
operation	8	699	56	20	-	-	64	719
Profit for the year from discontinued								
operation	-	5	-	-	-	-	-	5
Profit for the year	8	704	56	20	-	-	64	724

40. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company or its subsidiaries and employees contributed to the fund monthly at the rates of 5% - 10% of basic salary. The fund, which is managed by Aberdeen Standard Asset Management (Thailand) Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years 2022 amounting to Baht 3.5 million (2021: Baht 3.3 million) were recognised as expenses (separate financial statements: Baht 0.7 million, 2021: Baht 0.7 million).

41. Dividend

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividend</u> (Thousand Baht)	<u>Dividend</u> <u>per share</u> (Baht)
Final dividend for 2021	Annual General Meeting of the Company's shareholders on 21 April 2022	130,463	0.10
		<u>130,463</u>	<u>0.10</u>

During the year 2021, the Company has not declared a dividend payment.

42. Commitments and contingent liabilities

42.1 Capital commitments

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Constructions of gas stations agreements	15	6	-	-
Solar roof power generation system agreement	-	7	-	7
Installation of computer software agreement	-	2	-	2

42.2 Guarantees

- a) As at 31 December 2022 and 2021, the outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business were summarised as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Letter of trade creditor guarantee	180	180	-	-
Letter of electricity use guarantee	2	2	-	-

- b) As at 31 December 2022 and 2021, a subsidiary entered into an agreement with its subsidiary to guarantee bank credit facility of its subsidiary totaling Baht 10 million. The guarantee is effective as long as the underlying obligations have not been discharged by the subsidiary. No guarantee fee was charged for the guarantee.

42.3 Long-term purchase and sale commitments

As at 31 December 2022, the subsidiary has signed up to gasoline trading agreements with Esso (Thailand) Public Company Limited and was granted the right to use the “Esso” trademark at 77 gasoline stations (2021: 74 gasoline stations) for at least 10 years from the date that each station is opened under the “Esso” trademark. The subsidiary continues to be the operator of these gasoline stations. Under the agreements, the subsidiary has to order fuel in quantities and at prices as specified in the agreements throughout the contractual period.

42.4 Litigation

- a) In 2021, the Company filed a lawsuit against an unrelated company due to its refusal to pay rent. Currently, the case is in the process of the examining of witnesses by the Civil Court. In addition, such company filed a lawsuit against the Company as the second defendant regarding the revocation of the land transfer under the land purchase agreement. Currently, the case is in the process of the examining of witnesses by the Civil Court. The Company’s management, based on the opinion of legal counsel, believes that this case will not result in any damage to the Company since plaintiff’s allegations in the indictment lack sufficient grounds to prevail in the court. For this reason, the Company has not recorded a provision for the contingent liability in its accounts.

- b) On 8 August 1995, the Company entered into a purchase agreement with PTT Public Company Limited (PTT) to purchase condensate residue raw materials that are produced by PTT Global Chemical Public Company Limited (PTTGC) in a quantity and at a price stipulated in the agreement. The agreement is on an evergreen basis, meaning that there is no specified termination date, and after the primary period of 15 years ends in 2012 it automatically renews for a second period.

On 30 September 2009, PTT sent a letter informing the Company of the cancellation of the condensate residue raw materials purchase agreement, and requesting termination of the agreement upon completion of the 15-year term (Primary period) in 2012 even though the Company did not breach the agreement and the cancellation was contrary to the purpose of the agreement. The Company and the Company's legal advisor are of the opinion that the agreement cannot be terminated since it is a long-term reciprocal agreement. On 3 December 2009, the Company therefore submitted a petition to the Arbitration Office (Black Dispute No. 114/2552) and on 27 August 2010, the Company lodged a lawsuit against PTT and PTTGC with the Civil Court (Black Case No. 3162/2553), demanding PTT and PTTGC should pay compensation to the Company from cancellation of the agreement totaling Baht 29,368 million and Baht 9,382 million, respectively. The Civil Court has ordered the ongoing litigation (Black Case No. 3162/2553) be temporarily struck off in order to await the decision of the Arbitration Office.

According to PTT's breach of agreement, and the Company exercising its rights to undertake court action and arbitration in order to pursue these claims. Due to PTT did not deliver condensate residue raw material to the Company as stated in contract. Therefore, the Company has exercised lien over the last payment for condensate residue, amounting to Baht 1,518 million. PTT had submitted the dispute to the Arbitration Office (Black Dispute No. 78/2555), requesting the Company to pay principal together with interest totaling Baht 1,555 million to PTT.

In April 2016, the Company received a copy of an arbitration award (Black Dispute No. 114/2552) dated 25 March 2016, pursuant to which the arbitral tribunal rendered an award by a majority vote whereby PTT was to pay damages for the unlawful termination of its agreement with the Company in the amount of Baht 390 million per annum starting from 1 February 2012 until the date on which the arbitral tribunal rendered the arbitration award (25 March 2016), together with 7.5% interest per annum on such amount of damages calculated on the date on which the arbitral tribunal rendered the arbitration award until PTT makes payment in full to the Company. However, PTT lodged a petition with the Civil Court to revoke the award on 30 June 2016 (Black Case No. Por.3016/2559). Later, on 16 December 2016, the

Company filed a petition with the Civil Court to seek enforcement of the above arbitration award (Black Case No. Por.6000/2559). The Civil Court has ordered the combination of Black Case No. Por.6000/2559 with Black Case No. Por.3016/2559. In September 2019, the Civil Court ordered PTT to pay damages to the Company in accordance with the arbitral award and dismissed the petition of PTT. The Company has filed a petition for enforcement of the judgement of the Civil Court. However, PTT disagreed with the judgement and file an appeal with the Supreme Court in March 2020. The Company has filed an answer in response to the appeal with the Supreme Court. Later, on 23 June 2021, the Supreme Court rendered judgement in concurrence with the Civil Court's judgement, to enforce the arbitration award. The lawsuit is finalised. As a result, PTT is obliged to make payment together with interest to the Company, which was calculated up to 23 July 2021, which is the date of the debt offset memorandum, of Baht 2,263 million.

In May 2017, the Company received a copy of an arbitration award (Black Dispute No. 78/2555) dated 27 April 2017, pursuant to which the arbitral tribunal rendered an award to order the Company to make a final payment for condensate residue to PTT of Baht 1,555 million, together with interest at 9.375% per annum on principal of Baht 1,518 million, from the date on which the dispute was submitted to arbitration (18 May 2012) until the Company makes payment in full to PTT. However, the Company does not agree with the arbitration award. On 25 July 2017, the Company exercised its legal right to filed a petition with the Civil Court to revoke the award (Black Case No. Por.3492/2560). Later, in September 2017, the Company received a copy of a petition filed by PTT with the Civil Court seeking to enforce the award (Black Case No. Por.3789/2560). The Civil Court has ordered the combination of Black Case No. Por.3789/2560 with Black Case No. Por. 3492/2560. In March 2019, the Civil Court ordered the revocation of the arbitration award and dismissed the petition of PTT. However, PTT disagreed with the judgement and file an appeal with the Supreme Court in August 2019. The Company has filed an answer in response to the appeal with the Supreme Court. Later, on 23 June 2021, the Supreme Court rendered judgement in reversal of the Civil Court's judgement, to enforce the arbitration award. The lawsuit is finalised. As a result, the Company is obliged to make payment together with interest to PTT, which was calculated up to 23 July 2021, which is the date of the debt offset memorandum, of Baht 2,862 million (this amount consisted of raw material payable of Baht 1,518 million previously recorded and interest of Baht 1,344 million).

On 23 July 2021, the Company entered into “Debt offset memorandum” with PTT. The memorandum is to offset debts between Black Disputes No. 114/2552 and 78/2555, resulting in the Company having to pay the remaining debt of Baht 599 million. Subsequently, on 26 November 2021, the Company issued a letter for the full payment of the remaining debt together with interest calculated up to 26 November 2021, along with cashier cheques of Baht 599 million and Baht 19 million, repressively, to PTT. PTT has issued a receipt to the Company on 15 December 2021.

Based on the final court judgements, the Company is entitled to compensation plus interest of Baht 2,263 million, net of interest on last payment of raw material for which the Company had exercised a lien over the amount of Baht 1,344 million and interest expense calculated up to 26 November 2021, which was the date of payment to PTT, of Baht 19 million. The Company recognised income from compensation for damages according to court judgements of Baht 900 million in the consolidated and separate income statements for the year ended 31 December 2021.

42.5 Uncalled portion of investment in joint venture

As at 31 December 2022, its subsidiary has no a commitment relating to the uncalled portion of investment in joint venture (2021: Baht 1 million).

43. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2022			As at 31 December 2021		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Assets measured at fair value						
Financial assets measured at PVTPL						
Investment in investment units in						
mutual funds	300	-	300	252	-	252
Property, plant and equipment	526	-	526	540	-	540
Assets for which fair value is disclosed						
Investment properties	147	51	198	153	64	217

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2022			As at 31 December 2021		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Assets measured at fair value						
Financial assets measured at PVTPL						
Investment in investment units in						
mutual funds	300	-	300	252	-	252
Property, plant and equipment	357	-	357	360	-	360
Assets for which fair value is disclosed						
Investment properties	147	-	147	147	-	147

44. Financial instruments

44.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, accounts receivable, accounts payable, loans receivable, investments and loans payable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by pledging of collateral. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and coverage by pledging of collateral according to the Group's policy. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than two years and may subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Interest rate risk

The Group's exposures to interest rate risk relate primarily to its loans. However, the loans bear fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2022							
	Fixed interest rates			Floating		Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	236	33	269	0.13 - 0.50
Other current financial assets	-	-	-	-	300	300	-
Trade and other receivables	-	-	-	-	33	33	-
Short-term loans to related party	39	-	-	-	-	39	3.50
Short-term loans to unrelated party	12	-	-	-	-	12	15.00
Pledged deposits at banks	127	-	-	-	-	127	0.13 - 0.30
	<u>178</u>	<u>-</u>	<u>-</u>	<u>236</u>	<u>366</u>	<u>780</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	593	593	-
Lease liabilities	28	132	363	-	-	523	1.15 - 6.88
	<u>28</u>	<u>132</u>	<u>363</u>	<u>-</u>	<u>593</u>	<u>1,116</u>	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021

	Fixed interest rates			Floating		Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	180	19	199	0.05 - 0.65
Other current financial assets	-	-	-	-	252	252	-
Trade and other receivables	-	-	-	-	30	30	-
Short-term loans to related parties	140	-	-	-	-	140	2.50 - 3.50
Short-term loans to unrelated party	12	-	-	-	-	12	15.00
Pledged deposits at banks	141	-	-	-	-	141	0.05 - 0.65
	<u>293</u>	<u>-</u>	<u>-</u>	<u>180</u>	<u>301</u>	<u>774</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	430	430	-
Lease liabilities	25	122	363	-	-	510	1.20 - 6.88
	<u>25</u>	<u>122</u>	<u>363</u>	<u>-</u>	<u>430</u>	<u>940</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2022

	Fixed interest rates			Floating		Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	6	4	10	0.20 - 0.35
Other current financial assets	-	-	-	-	300	300	-
Trade and other receivables	-	-	-	-	6	6	-
Short-term loans to related party	39	-	-	-	-	39	3.50
Pledged deposits at banks	49	-	-	-	-	49	0.15 - 0.30
	<u>88</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>310</u>	<u>404</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	5	5	-
Lease liabilities	1	-	-	-	-	1	1.15
	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>6</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2021

	Fixed interest rates		Floating		Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	interest rate	Non-interest bearing		
Financial assets						
Cash and cash equivalents	-	-	9	1	10	0.05 - 0.30
Other current financial assets	-	-	-	252	252	-
Trade and other receivables	-	-	-	7	7	-
Short-term loans to related parties	140	-	-	-	140	2.50 - 3.50
Pledged deposits at banks	49	-	-	-	49	0.15 - 0.30
Long-term loans to related party	-	80	-	-	80	2.50
	<u>189</u>	<u>80</u>	<u>9</u>	<u>260</u>	<u>538</u>	
Financial liabilities						
Trade and other payables	-	-	-	12	12	-
Short-term loan from related party	300	-	-	-	300	2.50
Lease liabilities	1	1	-	-	2	1.20
	<u>301</u>	<u>1</u>	<u>-</u>	<u>12</u>	<u>314</u>	

Liquidity risk

The Group regularly monitors the risk of a shortage of liquidity and has a policy to manage the cash inflow and outflow to be sufficient for its operations.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: thousand Baht)

Consolidated financial statements as at 31 December 2022

	On demand	Less than		Over		Total
		1 year	1 - 5 years	5 years		
Trade and other payables	-	592,641	-	-	-	592,641
Lease liabilities	-	60,433	242,480	525,545	-	828,458
Total	-	<u>653,074</u>	<u>242,480</u>	<u>525,545</u>	-	<u>1,421,099</u>

(Unit: thousand Baht)

Consolidated financial statements as at 31 December 2021

	Less than			Over	Total
	On demand	1 year	1 - 5 years	5 years	
Trade and other payables	-	429,641	-	-	429,641
Lease liabilities	-	57,340	233,775	531,535	822,650
Total	-	486,981	233,775	531,535	1,252,291

(Unit: thousand Baht)

Separate financial statements as at 31 December 2022

	Less than			Over	Total
	On demand	1 year	1 - 5 years	5 years	
Trade and other payables	-	5,375	-	-	5,375
Lease liabilities	-	1,053	-	-	1,053
Total	-	6,428	-	-	6,428

(Unit: thousand Baht)

Separate financial statements as at 31 December 2021

	Less than			Over	Total
	On demand	1 year	1 - 5 years	5 years	
Trade and other payables	-	12,483	-	-	12,483
Short-term loan from related party	-	299,500	-	-	299,500
Lease liabilities	-	1,150	1,053	-	2,203
Total	-	313,133	1,053	-	314,186

44.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable and short-term loans receivable, accounts payable and short-term loans payable, the carrying amounts in the statement of financial position approximate their fair value.

- b) The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association or by other relevant bodies.

During the current year, there were no transfers within the fair value hierarchy.

45. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2022, the Group's debt-to-equity ratio was 0.68:1 (2021: 0.60:1) and the Company's was 0.03:1 (2021: 0.17:1).

46. Events after the reporting period

- a) On 15 February 2023, the Board of Directors Meeting of Pure Thai Energy Co., Ltd. passed a resolution approving payment of interim dividend to its shareholders of Baht 15 per share, with the Company to receive Baht 21.0 million. The Company expects the interim dividend to be received on 28 February 2023.
- b) On 21 February 2023, the Board of Directors Meeting of Sammakorn Plc. resolved to propose to the Annual General Meeting of the Shareholders, held in April 2023, that a dividend payment to its shareholders of Baht 0.10 per share, with the Company to receive Baht 31.0 million.

47. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2023.