

Tipco Asphalt Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2022

## Independent Auditor's Report

To the Shareholders of Tipco Asphalt Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Tipco Asphalt Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Tipco Asphalt Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tipco Asphalt Public Company Limited and its subsidiaries and of Tipco Asphalt Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Key Audit Matters**

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

### **Valuation of commodity forward contracts**

As discussed in Notes 4 and 32 to the consolidated financial statements, the Group has entered into derivatives to protect the exposure from the fluctuation in price of commodities, with many counterparties, and presented the fair value of such derivatives in the financial statements. Management therefore relied on a valuation technique and model suggested by expert, in which the assumptions used in the model were based on comparable and observable market inputs. The difference in assumption used in calculation affected the fair value of such derivatives presented in the financial statements.

I gained an understanding of the transaction and recording process of fair value of commodity forward contracts. I recalculated the fair value of such commodity forward contracts. I sent the confirmations to counterparties to determine the completeness of transaction and verified supporting documents, on a sampling basis, for actual transactions occurring during the year and after the period-end. In addition, I tested the appropriateness of fair value used by comparing to the counterparties' information and available market inputs. Moreover, I examined the information disclosed in notes to the consolidated financial statements for appropriateness and completeness.

## **Other Information**

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 9 February 2023

Tipco Asphalt Public Company Limited and its subsidiaries

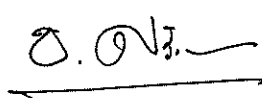
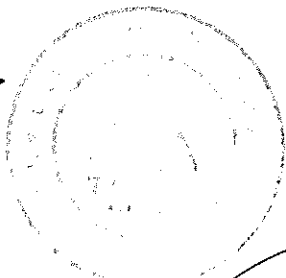

Statement of financial position

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		2,603,494,942	1,540,617,230	546,475,445	271,318,056
Trade and other receivables	6, 7	6,988,214,278	4,236,717,655	5,644,218,500	2,886,098,893
Contract assets	8	1,146,128,460	872,860,668	-	-
Short-term loans to related parties	6	40,928,476	25,226,121	110,000,000	110,000,000
Inventories	9	4,982,918,932	6,370,552,623	3,774,333,213	5,173,512,611
Current tax assets		66,715,497	35,036,659	-	-
Derivative - commodity forward contracts	32	128,761,876	154,581,742	128,761,876	154,581,742
Advance payments for inventories and services	6	307,809,850	398,863,799	1,404,748	6,217,578
Other current assets		241,904,611	190,163,928	50,242,971	39,692,693
		16,506,876,922	13,824,620,425	10,255,436,753	8,641,421,573
Assets held for sale	10	-	446,235,018	-	-
<b>Total current assets</b>		<b>16,506,876,922</b>	<b>14,270,855,443</b>	<b>10,255,436,753</b>	<b>8,641,421,573</b>
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	8,376,058,878	8,315,283,014
Investments in joint ventures	12	135,315,828	132,567,628	67,552,611	67,552,611
Investments in associates	13	507,246,214	479,190,367	18,403,580	18,403,580
Derivative - commodity forward contracts	32	-	33,720,679	-	33,720,679
Long-term loans to related parties	6	-	-	514,356,144	675,244,405
Investment properties	14	189,032,559	189,032,559	94,342,234	94,342,234
Property, plant and equipment	15	7,586,835,835	8,250,196,593	745,966,145	846,238,620
Right-of-use assets	20	739,555,981	728,649,714	89,752,128	102,748,737
Goodwill		195,932,109	195,932,109	-	-
Intangible assets	16	191,105,885	266,384,079	19,713,781	32,205,154
Deferred tax assets	25	107,256,152	177,023,897	29,025,367	108,470,849
Other non-current assets		98,025,452	77,348,958	3,242,252	4,032,717
<b>Total non-current assets</b>		<b>9,750,306,015</b>	<b>10,530,046,583</b>	<b>9,958,413,120</b>	<b>10,298,242,600</b>
<b>Total assets</b>		<b>26,257,182,937</b>	<b>24,800,902,026</b>	<b>20,213,849,873</b>	<b>18,939,664,173</b>

The accompanying notes are an integral part of the financial statements.

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Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position (continued)

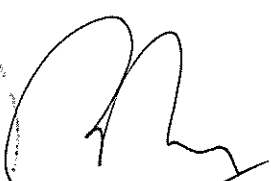
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	17	3,230,549,084	3,415,910,559	2,908,319,823	3,096,246,795
Trade and other payables	6, 18	3,732,364,714	3,107,027,194	4,203,363,259	4,145,228,861
Contract liabilities	8	529,182,585	665,845,150	-	-
Current portion of lease liabilities	20	101,790,845	107,742,260	22,698,052	25,237,609
Short-term loans from related parties	6	110,967,305	-	100,000,000	80,000,000
Income tax payable		520,014,837	115,019,489	449,766,495	69,711,225
Derivative - commodity forward contracts	32	197,697	234,032,207	197,697	234,032,207
Other current liabilities		301,216,371	254,511,284	41,884,314	17,964,912
<b>Total current liabilities</b>		<b>8,526,283,438</b>	<b>7,900,088,143</b>	<b>7,726,229,640</b>	<b>7,668,421,609</b>
<b>Non-current liabilities</b>					
Long-term loan from related parties	6	-	7,718,529	-	-
Lease liabilities - net of current portion	20	322,204,162	315,896,929	68,771,087	79,764,486
Deferred tax liabilities	25	369,714,692	393,033,973	-	-
Provision for long-term employee benefits	21	246,786,202	246,882,196	135,103,822	145,856,344
<b>Total non-current liabilities</b>		<b>938,705,056</b>	<b>963,531,627</b>	<b>203,874,909</b>	<b>225,620,830</b>
<b>Total liabilities</b>		<b>9,464,988,494</b>	<b>8,863,619,770</b>	<b>7,930,104,549</b>	<b>7,894,042,439</b>

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The accompanying notes are an integral part of the financial statements.

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Tipco Asphalt Public Company Limited and its subsidiaries

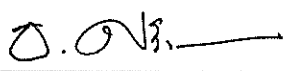
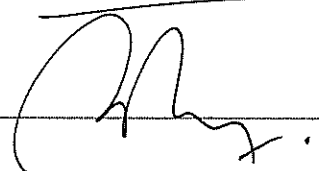
Statement of financial position (continued)

As at 31 December 2022

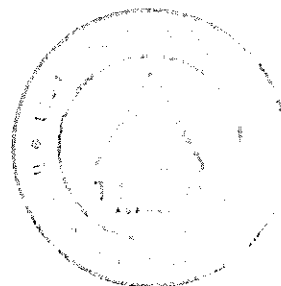
(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Shareholders' equity</b>					
Share capital					
Registered					
1,578,361,570 ordinary shares of Baht 1 each		<u>1,578,361,570</u>	<u>1,578,361,570</u>	<u>1,578,361,570</u>	<u>1,578,361,570</u>
Issued and fully paid					
1,578,361,570 ordinary shares of Baht 1 each		1,578,361,570	1,578,361,570	1,578,361,570	1,578,361,570
Premium on share capital		1,152,388,500	1,152,388,500	1,152,388,500	1,152,388,500
Non-controlling interests of subsidiary acquired					
by the Company at price lower than book value		6,237,755	6,237,755	-	-
Change in the Company's interests in subsidiaries					
which did not result in a loss of control		(570,310,802)	(570,310,802)	-	-
Capital reserve for share-based payment transactions		174,753,421	174,753,421	174,753,421	174,753,421
Retained earnings					
Appropriated - statutory reserve	22	172,123,329	172,123,329	172,123,329	172,123,329
Unappropriated		14,003,178,416	13,285,766,211	9,082,474,145	7,995,603,112
Other components of shareholders' equity		<u>(284,026,930)</u>	<u>(431,366,985)</u>	<u>123,644,359</u>	<u>(27,608,198)</u>
Equity attributable to owners of the Company		16,232,705,259	15,367,952,999	12,283,745,324	11,045,621,734
Non-controlling interests of the subsidiaries		<u>559,489,184</u>	<u>569,329,257</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>		<u>16,792,194,443</u>	<u>15,937,282,256</u>	<u>12,283,745,324</u>	<u>11,045,621,734</u>
<b>Total liabilities and shareholders' equity</b>		<u>26,257,182,937</u>	<u>24,800,902,026</u>	<u>20,213,849,873</u>	<u>18,939,664,173</u>

The accompanying notes are an integral part of the financial statements.

Directors



Tipco Asphalt Public Company Limited and its subsidiaries  
Statement of comprehensive income  
For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		30,024,760,275	24,447,114,947	25,944,953,712	21,429,750,278
Revenues from construction contracts		3,375,779,293	2,605,664,633	-	-
Other income					
Dividend income from subsidiaries	11	-	-	465,329,556	187,480,548
Dividend income from associate	13	-	-	119,591,865	85,505,033
Gain on exchange		107,662,484	90,286,944	110,615,489	4,538,177
Others		214,195,832	133,595,246	173,741,646	141,858,267
<b>Total revenues</b>		<b>33,722,397,884</b>	<b>27,276,661,770</b>	<b>26,814,232,268</b>	<b>21,849,132,303</b>
<b>Expenses</b>					
Cost of sales and services		25,129,895,827	19,723,431,299	22,089,570,743	18,032,740,798
Loss from commodity forward contracts	32	679,755,777	1,048,417,215	679,755,777	1,048,417,215
Reduction of cost of inventories to net realisable value (reversal)	9	197,582	(3,885,676)	1,886,953	10,969
		25,809,849,186	20,767,962,838	22,771,213,473	19,081,168,982
Cost of construction		3,229,323,111	2,403,260,487	-	-
Selling expenses		160,339,649	169,822,267	96,079,106	95,113,197
Administrative expenses		1,153,911,525	1,184,005,519	632,135,036	729,399,504
Other expenses					
Reversal of impairment loss of investment in a subsidiary	11	-	-	(60,775,864)	-
Impairment loss on property, plant and equipment	15	199,941,927	37,972,693	3,822,552	-
Insurance claim from a fire	23	-	(270,647,162)	-	-
<b>Total expenses</b>		<b>30,553,365,398</b>	<b>24,292,376,642</b>	<b>23,442,474,303</b>	<b>19,905,681,683</b>
<b>Profit from operating activities</b>		<b>3,169,032,486</b>	<b>2,984,285,128</b>	<b>3,371,757,965</b>	<b>1,943,450,620</b>
Share of profit (loss) from investments in joint ventures	12	9,094,506	(1,221,883)	-	-
Share of profit from investments in associates	13	151,933,984	129,648,604	-	-
Finance income		23,658,248	23,490,250	25,111,202	28,656,733
Finance cost		(113,215,419)	(118,121,817)	(69,405,491)	(88,703,292)
Expected credit losses	7	(120,240,367)	(33,454,061)	(20,911,166)	(14,251,699)
Remeasurement gain on business combination		-	20,748,366	-	-
<b>Profit before income tax</b>		<b>3,120,263,438</b>	<b>3,005,374,587</b>	<b>3,306,552,510</b>	<b>1,869,152,362</b>
Income tax	25	(737,552,345)	(753,416,563)	(573,009,036)	(315,570,600)
<b>Profit for the year</b>		<b>2,382,711,093</b>	<b>2,251,958,024</b>	<b>2,733,543,474</b>	<b>1,553,581,762</b>

The accompanying notes are an integral part of the financial statements.

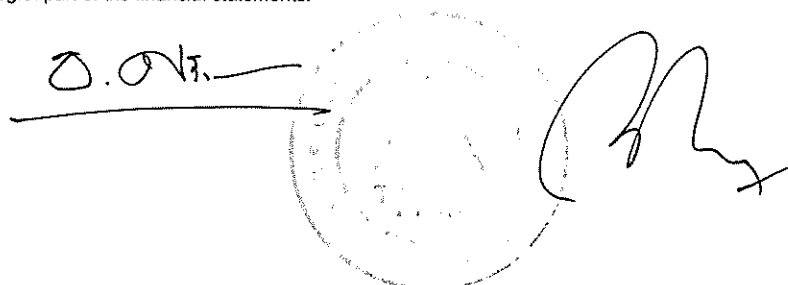
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Tipco Asphalt Public Company Limited and its subsidiaries  
Statement of comprehensive income (continued)  
For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		(19,833,565)	744,119,888	-	-
Gain on cash flow hedges - net of income tax	25, 32	151,252,557	62,523,768	151,252,557	62,523,768
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		131,418,992	806,643,656	151,252,557	62,523,768
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss) - net of income tax	21, 25	3,728,424	(34,222,353)	10,383,370	(27,422,621)
Share of other comprehensive income in associate - net of income tax		-	(2,348,000)	-	-
Gain on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax		-	1,267,000	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		3,728,424	(35,303,353)	10,383,370	(27,422,621)
Other comprehensive income for the year		135,147,416	771,340,303	161,635,927	35,101,147
Total comprehensive income for the year		2,517,858,509	3,023,298,327	2,895,179,401	1,588,682,909
<b>Profit attributable to:</b>					
Equity holders of the Company		2,366,511,142	2,219,712,251	2,733,543,474	1,553,581,762
Non-controlling interests of the subsidiaries		16,199,951	32,245,773	-	-
		2,382,711,093	2,251,958,024	-	-
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		2,521,808,071	2,976,957,658	2,895,179,401	1,588,682,909
Non-controlling interests of the subsidiaries		(3,949,562)	46,340,669	-	-
		2,517,858,509	3,023,298,327	-	-
<b>Earnings per share</b>					
28					
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		1.50	1.41	1.73	0.98

The accompanying notes are an integral part of the financial statements.



Tipco Asphalt Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the year ended 31 December 2022

	Consolidated financial statements										(Unit: Baht)
	Equity attributable to owners of the Company										
	Non-controlling interests of subsidiary acquired by the Company			Change in the Company's interests in subsidiaries which did not result in a loss of control	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	
Issued and paid-up share capital	Premium on share capital	at price lower than book value				Appropriated statutory reserve	Unappropriated				
Balance as at 1 January 2021	1,578,361,570	1,152,388,500	6,237,755	(570,310,802)	174,753,421	172,123,329	13,545,642,150	(1,221,847,455)	14,837,348,468	183,290,657	15,020,639,125
Profit for the year	-	-	-	-	-	-	2,219,712,251	-	2,219,712,251	32,245,773	2,251,958,024
Other comprehensive income for the year	-	-	-	-	-	-	(31,678,938)	-	757,245,407	14,094,896	771,340,303
Total comprehensive income for the year	-	-	-	-	-	-	2,188,033,313	-	2,976,957,658	46,340,669	3,023,298,327
Change in non-controlling interests of a subsidiary from business combination	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 30)	-	-	-	-	-	-	-	-	-	339,698,033	339,698,033
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	(2,446,353,127)	-	(2,446,353,127)	-	(2,446,353,127)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	(102)	(102)
Balance as at 31 December 2021	1,578,361,570	1,152,388,500	6,237,755	(570,310,802)	174,753,421	172,123,329	13,285,766,211	(431,366,985)	15,367,952,999	569,329,257	15,937,282,256
Balance as at 1 January 2022	1,578,361,570	1,152,388,500	6,237,755	(570,310,802)	174,753,421	172,123,329	13,285,766,211	(431,366,985)	15,367,952,999	569,329,257	15,937,282,256
Profit for the year	-	-	-	-	-	-	2,366,511,142	-	2,366,511,142	16,198,951	2,382,711,093
Other comprehensive income for the year	-	-	-	-	-	-	7,956,874	-	155,296,929	(20,149,513)	135,147,416
Total comprehensive income for the year	-	-	-	-	-	-	2,374,468,016	-	2,521,808,071	(3,949,562)	2,517,858,509
Dividend paid (Note 30)	-	-	-	-	-	-	(1,657,055,811)	-	(1,657,055,811)	-	(1,657,055,811)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	1,578,361,570	1,152,388,500	6,237,755	(570,310,802)	174,753,421	172,123,329	14,003,178,416	(284,026,930)	16,232,705,259	(5,890,511)	(5,890,511)
										559,489,184	16,792,194,443

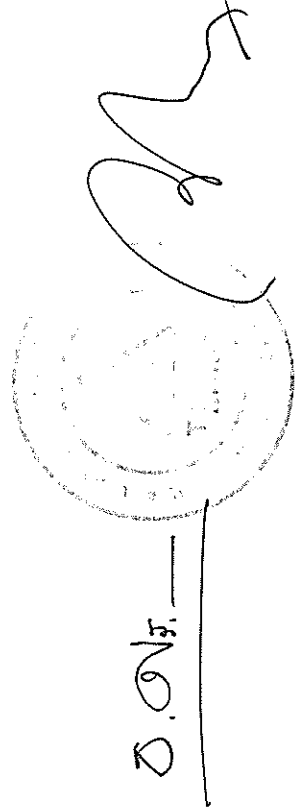
The accompanying notes are an integral part of the financial statements.

Tipco Asphalt Public Company Limited and its subsidiaries  
Statements of changes in shareholders' equity (continued)  
For the year ended 31 December 2022

Other components of shareholders' equity are as follows:

	Consolidated financial statements (continued)					(Unit: Baht)
	Other components of shareholders' equity					
	Exchange differences on translation of financial statements	Fair value reserve	Share of other comprehensive income in associate	Cash flow hedge reserve	Total	
Balance as at 1 January 2021	(1,131,715,489)	-	-	(90,131,966)	(1,221,847,455)	
Other comprehensive income for the year	727,956,702	791,875	(2,348,000)	62,523,768	788,924,345	
Transfer to retained earnings	-	(791,875)	2,348,000	-	1,556,125	
Balance as at 31 December 2021	(403,758,787)	-	-	(27,608,198)	(431,366,985)	
Balance as at 1 January 2022	(403,758,787)	-	-	(27,608,198)	(431,366,985)	
Other comprehensive income for the year	(3,912,502)	-	-	151,252,557	147,340,055	
Balance as at 31 December 2022	(407,671,289)	-	-	123,644,359	(284,026,930)	

The accompanying notes are an integral part of the financial statements.



Tipco Asphalt Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2022

	Separate financial statements							(Unit: Baht)	
	Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Retained earnings			Other components of shareholders' equity		
				Appropriated statutory reserve	Unappropriated	Cash flow hedge reserve	Total other components of shareholders' equity		Total shareholders' equity
Balance as at 1 January 2021	1,578,361,570	1,152,388,500	174,753,421	172,123,329	8,915,797,098	(90,131,966)	(90,131,966)	11,903,291,952	
Profit for the year	-	-	-	-	1,553,581,762	-	-	1,553,581,762	
Other comprehensive income for the year	-	-	-	-	(27,422,621)	62,523,768	62,523,768	35,101,147	
Total comprehensive income for the year	-	-	-	-	1,526,159,141	62,523,768	62,523,768	1,588,682,909	
Dividend paid (Note 30)	-	-	-	-	(2,446,353,127)	-	-	(2,446,353,127)	
Balance as at 31 December 2021	1,578,361,570	1,152,388,500	174,753,421	172,123,329	7,995,603,112	(27,608,198)	(27,608,198)	11,045,621,734	
Balance as at 1 January 2022	1,578,361,570	1,152,388,500	174,753,421	172,123,329	7,995,603,112	(27,608,198)	(27,608,198)	11,045,621,734	
Profit for the year	-	-	-	-	2,733,543,474	-	-	2,733,543,474	
Other comprehensive income for the year	-	-	-	-	10,383,370	151,252,557	151,252,557	161,635,927	
Total comprehensive income for the year	-	-	-	-	2,743,926,844	151,252,557	151,252,557	2,895,179,401	
Dividend paid (Note 30)	-	-	-	-	(1,657,055,811)	-	-	(1,657,055,811)	
Balance as at 31 December 2022	1,578,361,570	1,152,388,500	174,753,421	172,123,329	9,082,474,145	123,644,359	123,644,359	12,283,745,324	

The accompanying notes are an integral part of the financial statements.

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2022

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>				
Profit before income tax	3,120,263,438	3,005,374,587	3,306,552,510	1,869,152,362
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,218,709,362	1,236,662,897	203,960,245	238,882,916
Written off withholding tax	13,671,526	9,247,182	-	-
Expected credit losses	120,240,367	33,454,061	20,911,166	14,251,699
Reversal of impairment loss of investment in a subsidiary	-	-	(60,775,864)	-
Reduction of cost of inventories to net realisable value (reversal)	197,582	(3,885,676)	1,886,953	10,969
Impairment loss on property, plant and equipment	199,941,927	37,972,693	3,822,552	-
Written off right-of-use assets	-	2,051,120	-	2,051,120
Dividend income from subsidiaries	-	-	(465,329,556)	(187,480,548)
Dividend income from associate	-	-	(119,591,865)	(85,505,033)
Unrealised (gain) loss on exchange	(18,557,651)	80,500,459	(51,944,853)	46,700,256
Gain on sales/written off of equipment	(40,010,554)	(18,525,454)	(46,010,142)	(11,287,982)
Remeasurement gain on business combination	-	(20,748,366)	-	-
Gain on disposal of investment in a subsidiary	(35,343,050)	-	-	-
Share of (profit) loss from investments in joint ventures	(9,094,506)	1,221,883	-	-
Share of profit from investments in associates	(151,933,984)	(129,648,604)	-	-
Provision for long-term employee benefits	32,384,457	19,030,953	16,239,107	15,342,139
Change in fair value of forward exchange contracts	(20,761,123)	3,223,795	(20,943,968)	3,806,990
Change in fair value of commodity forward contracts	18,471,125	(298,163,492)	18,471,125	(298,163,492)
Finance income	(23,658,248)	(23,490,250)	(25,111,202)	(28,656,733)
Finance cost	99,987,900	74,929,951	63,553,370	62,852,190
Profit from operating activities before changes in operating assets and liabilities	4,524,508,568	4,009,207,739	2,845,689,578	1,641,956,853
(Increase) decrease in operating assets				
Trade and other receivables	(2,926,309,405)	(658,970,241)	(2,876,262,783)	28,104,886
Contract assets	(273,267,793)	(195,876,475)	-	-
Inventories	1,386,885,446	(903,742,841)	1,397,292,445	(398,157,141)
Advance payments for inventories and services	91,053,949	(41,175,248)	4,812,830	(3,452,364)
Other current assets	(147,606,991)	(220,161,103)	(34,211,774)	(46,847,490)
Other non-current assets	(1,702,447)	(3,150,810)	442,249	31,966
Increase (decrease) in operating liabilities				
Trade and other payables	758,542,674	(352,609,352)	388,361,865	(144,081,835)
Contract liabilities	(136,662,565)	(35,182,947)	-	-
Other current liabilities	46,380,033	55,562,891	24,348,010	13,255,723
Other non-current liabilities	(25,945,798)	(25,216,419)	(14,012,417)	(17,879,525)
Cash flows from operating activities	3,295,875,671	1,628,685,194	1,736,460,003	1,072,931,073
Cash paid for corporate income tax	(395,811,582)	(884,370,352)	(153,917,266)	(618,867,299)
Net cash flows from operating activities	2,900,064,089	744,314,842	1,582,542,737	454,063,774

The accompanying notes are an integral part of the financial statements.

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2022

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from investing activities:</b>				
Cash paid for investment in subsidiary - net from cash and cash equivalent received	-	(194,957,661)	-	(373,000,000)
Dividend received from subsidiaries	-	-	465,329,556	187,480,548
Dividend received from an associate	119,591,865	85,505,033	119,591,865	85,505,033
(Increase) decrease in short-term loans to related parties	(15,702,355)	101,773,879	-	155,000,000
Decrease in long-term loans to related parties	-	-	-	50,072,737
Cash receipt from interest	23,648,120	23,464,628	589,070	5,868,686
Acquisition and cash paid to settle payables from purchases of equipment	(411,140,119)	(500,200,483)	(23,989,087)	(57,370,702)
Cash paid for acquisitions of computer software	(7,902,121)	(10,975,449)	(6,326,665)	(6,224,531)
Proceeds from sales of equipment and vessel	539,896,875	26,889,734	52,814,603	13,618,260
<b>Net cash flows from (used in) investing activities</b>	<b>248,392,265</b>	<b>(468,500,319)</b>	<b>608,009,342</b>	<b>60,950,031</b>
<b>Cash flows from financing activities:</b>				
Increase (decrease) in short-term loans from financial institutions	(173,376,275)	1,846,670,492	(187,926,973)	1,644,482,478
Increase (decrease) in short-term loans from related parties	110,967,305	(39,193,713)	20,000,000	80,000,000
Payment of principal of lease liabilities	(121,270,455)	(92,722,560)	(27,518,932)	(28,503,738)
Repayment of long-term loan from financial institutions	-	(39,539,500)	-	-
Dividend paid to shareholders	(1,656,636,145)	(2,445,919,651)	(1,656,636,145)	(2,445,919,651)
Dividend paid to non-controlling interests of subsidiaries	(5,890,511)	(102)	-	-
Interest paid	(103,617,871)	(77,723,374)	(63,312,640)	(62,262,507)
<b>Net cash flows used in financing activities</b>	<b>(1,949,823,952)</b>	<b>(848,428,408)</b>	<b>(1,915,394,690)</b>	<b>(812,203,418)</b>
<b>Exchange differences on translation of financial statements in foreign currencies</b>	<b>(135,754,690)</b>	<b>225,467,995</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,062,877,712</b>	<b>(347,145,890)</b>	<b>275,157,389</b>	<b>(297,189,613)</b>
Cash and cash equivalents at beginning of year	1,540,617,230	1,887,763,120	271,318,056	568,507,669
<b>Cash and cash equivalents at end of year</b>	<b>2,603,494,942</b>	<b>1,540,617,230</b>	<b>546,475,445</b>	<b>271,318,056</b>

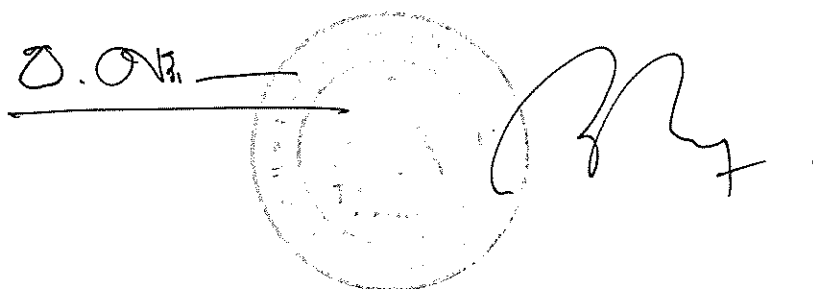
**Supplemental cash flows information**

**Non-cash transactions**

Acquisitions of equipment for which cash has not been paid

12,096,875 39,249,629

The accompanying notes are an integral part of the financial statements.





**Tipco Asphalt Public Company Limited and its subsidiaries**

**Notes to consolidated financial statements**

**For the year ended 31 December 2022**

**1. General information**

Tipco Asphalt Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The major shareholders of the Company are Supsakorn family and Colas Group, a company incorporated in French Republic. The Company is principally engaged in the manufacture and distribution of asphalt and petroleum products and its registered address is 118/1 Rama 6 Road, Phayathai Sub district, Phayathai District, Bangkok.

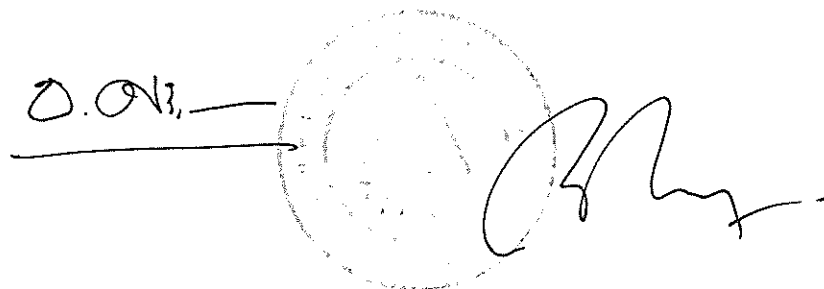
**2. Basis of preparation**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession 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.

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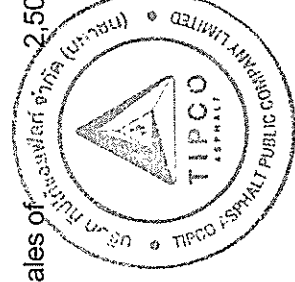
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## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Tipco Asphalt Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		<u>2022</u> (Million Baht)	<u>2021</u> (Million Baht)	<u>2022</u> (%)	<u>2021</u> (%)
<b><u>Subsidiaries incorporated in Thailand</u></b>					
Raycol Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	111	111	100.00	100.00
Thai Bitumen Co., Ltd.	Manufacture and distribution of asphalt products	375	375	99.99	99.99
Ravana 1020 Co., Ltd.	Distribution of machine, materials and tools relating to road construction	80	80	99.99	99.99
Tipco Maritime Co., Ltd.	Shipping management and agency	2	2	99.99	99.99
Alpha Maritime Co., Ltd.	Marine transportation	143	143	99.99	99.99
Bitumen Marine Co., Ltd.	Marine transportation	150	150	99.99	99.99
Tasco Shipping Co., Ltd.	Marine transportation	290	290	99.99	99.99
Thai Slurry Seal Co., Ltd. ("Thai Slurry Seal")	Road rehabilitation services and sales of construction materials	497	497	62.50	62.50
Thanomwongse Service Co., Ltd. (100% owned by Thai Slurry Seal)	Construction service and sales of construction materials	2,500	2,500	62.50	62.50

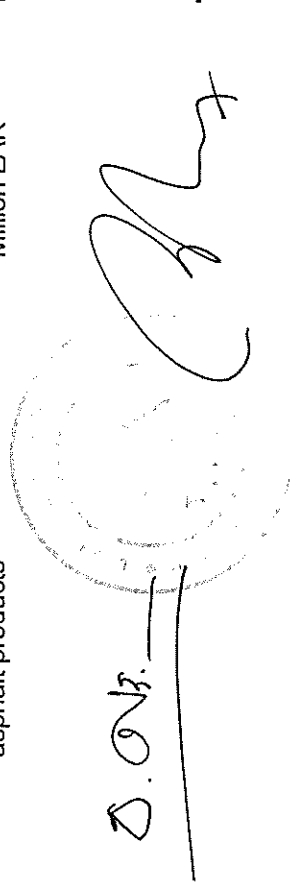
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Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
				(%)	(%)
<b><u>Subsidiaries incorporated in Malaysia</u></b>					
Kemaman Oil Corporation Sdn Bhd ("KOC")	Holding company, manufacture, storer, tank rental and distribution of asphalt and petroleum products	151.96 Million MYR	151.96 Million MYR	100.00	100.00
Kemaman Bitumen Company Sdn Bhd ("KBC")	Manufacture, refinery, storer and distribution of asphalt and petroleum products	305.55 Million MYR	305.55 Million MYR	100.00	100.00
KBC Trading Sdn Bhd (10% owned by the Company and 20% owned by KOC)	Distribution of asphalt products	0.30 Million MYR	0.30 Million MYR	30.00	30.00
<b><u>Subsidiaries incorporated in Singapore</u></b>					
Highway Resources Pte. Ltd. ("HR")	Holding company	4.78 Million SGD	4.78 Million SGD	100.00	100.00
Highway Resources Trading Pte. Ltd. (100% owned by HR)	Dormant	0.01 Million USD	0.01 Million USD	100.00	100.00
AD Shipping Pte. Ltd.	Marine transportation	7.13 Million SGD	7.13 Million SGD	100.00	100.00
Reta Link Pte. Ltd.	Marine transportation	0.05 Million SGD	0.05 Million SGD	100.00	100.00
Pacific Bitumen Shipping Pte. Ltd.	Marine transportation	0.04 Million USD	0.04 Million USD	100.00	100.00

Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
				(%)	(%)
<b><u>Subsidiary incorporated in Vietnam</u></b>					
Asphalt Distribution Co., Ltd. (100% owned by HR)	Manufacture and distribution of asphalt products	115,650 Million VND	115,650 Million VND	100.00	100.00
<b><u>Subsidiaries incorporated in Indonesia</u></b>					
PT Asphalt Bangun Sarana ("ABS")	Manufacture and distribution of asphalt products	58,450 Million IDR	58,450 Million IDR	99.99	99.99
PT Saranaraya Reka Cipta (99.90% owned by ABS)	Manufacture and distribution of asphalt products	10,477 Million IDR	10,477 Million IDR	99.89	99.89
<b><u>Subsidiary incorporated in Cambodia</u></b>					
Tipco Asphalt (Cambodia) Co., Ltd.	Manufacture and distribution of asphalt products	20.00 Million Riel	20.00 Million Riel	100.00	100.00
<b><u>Subsidiary incorporated in Lao People's Democratic Republic</u></b>					
Tipco Asphalt Lao Co., Ltd.	Manufacture and distribution of asphalt products	26,675 Million LAK	26,675 Million LAK	75.00	75.00





- 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 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 those of the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statement of changes in shareholders' equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

2.4 The Group has interests in joint operations which are joint arrangements whereby subsidiaries has rights to assets and obligations relating to the joint arrangements. The Group recognises assets, liabilities, revenues and expenses in relation to its interest in the following joint operations in the consolidated and separate financial statements of subsidiaries from the date that joint control commences until the date that joint control ceases.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2022</u>	<u>2021</u>
TN Joint Venture	Construction service	Thailand	51.61	51.61
TN-CEI Joint Venture	Construction service	Thailand	51.00	51.00
TH Joint Venture	Construction service	Thailand	51.00	51.00
NTH Joint Venture	Construction service	Thailand	23.50	23.50
NT Joint Venture	Construction service	Thailand	49.00	-

### **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. Significant accounting policies**

#### **4.1 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 returns and discounts to customers.

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### *Revenues from construction contracts*

The Group has determined that its construction contracts generally have one performance obligation. The Group recognises construction revenue over time where the stage of completion is measured using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

The likelihood of contract variations claims and liquidated damages, delays in delivery or contractual penalties are taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

### *Rendering of services*

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

Vessel operating income consists of time charters and voyage charters. Income from time charters is recognised when the right to use a vessel is transferred to a lessee for an agreed period of time, while income from voyage charters is recognised by reference to the stage of completion.

### *Costs of construction*

Costs of construction services consist of costs of materials, labour, sub-contractors, services and other expenses.

Costs of construction are recognised in accordance with satisfied performance obligations in the contract when incurred. Provision for anticipated losses on projects is made in the accounts in full when the possibility of loss is ascertained.

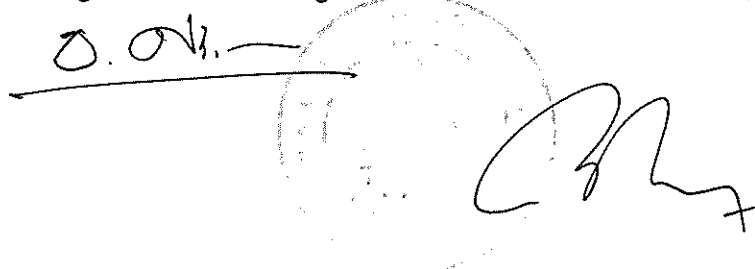
### *Finance cost*

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.

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## 4.2 Balances of contracts with customers

### *Contract assets*

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional.

### *Contract liabilities*

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer services to its customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

## 4.3 Cash and cash equivalents

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

## 4.4 Inventories

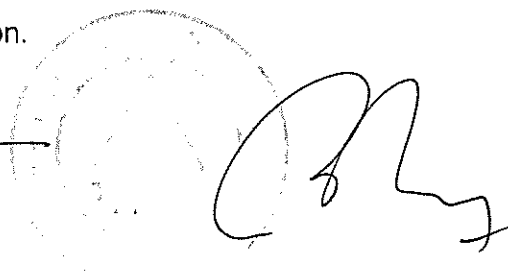
Finished goods and work in process are valued at the lower of cost determined under the weighted average cost method and net realisable value. Cost of finished goods includes all production costs and attributable factory overheads.

Raw materials, packaging materials, spare parts and factory supplies are valued at the lower of cost determined under the weighted average cost method and net realisable value. Raw materials, packaging materials, spare parts and factory supplies are charged to production costs whenever consumed.

## 4.5 Assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Noncurrent assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Group will classify assets held for sale when the sale is highly probable, which is completed within one year from the date of the classification. In addition, the asset is available for immediate sale in its present condition.

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#### 4.6 Investments in subsidiaries, joint ventures and associates

Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method less allowance for loss on impairment (if any).

#### 4.7 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 the estimated useful lives of 5 and 20 years. Depreciation of the investment properties is included in profit or loss. No depreciation is provided on land.

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.

#### 4.8 Property, plant and equipment/Depreciation

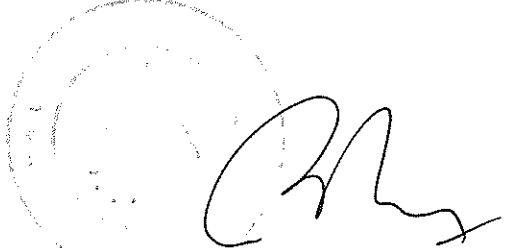
Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and less allowance for loss on impairment of assets (if any).

Building and equipment acquired through business combination are initially recognised at their fair value on the date of business acquisition. Following the initial recognition, the building and equipment are carried at cost less accumulated depreciation and less allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs less residual value on the straight-line basis over the following estimated useful lives:

Land improvement	20 years
Buildings and complements	20 to 47 years
Building improvements	20 to 30 years
Machinery, tools and equipment	5 to 20 years
Furniture and office equipment	3 to 5 years
Vehicles	5 to 10 years
Vessels	2.5 to 30 years

Depreciation is included in profit or loss.

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No depreciation is provided on land, construction in progress and equipment under installation.

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 is included in profit or loss when the asset is derecognised.

#### 4.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and less allowance for loss on impairment of assets (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 profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 years
Customer relationship	8 to 29 years
Non-competition clause	5 years
Backlog	3 to 4 years

#### 4.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less allowance for impairment loss (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of group of cash-generating unit that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each group of cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss and will not be reversed in future periods.

#### 4.11 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 recognises right-of-use assets and lease liabilities based on lease payments for all leases as at the date underlying assets are available for use (the commencement date of the lease), except a lease that has a lease term of no more than 12 months or a lease of low-value assets; for which the Group recognises lease payments as expenses on a straight-line basis over the lease term.

##### ***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.

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 terms.

Land and buildings	1 to 50 years
Machinery and equipment	5 to 17 years
Office equipment	4 to 5 years
Motor vehicles	3 to 6 years

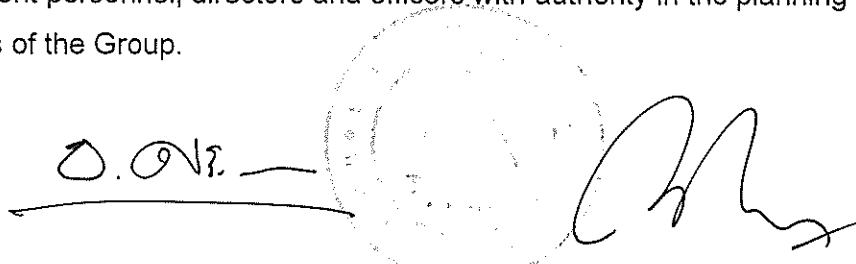
##### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term, discounted 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. The carrying amount of lease liabilities is remeasured if there is a lease modification.

#### 4.12 Related party transactions

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

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

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#### 4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using the functional currency of that entity.

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 the reporting period.

Gains and losses on exchange are included in profit or loss.

#### 4.14 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, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

#### 4.15 Employee benefits

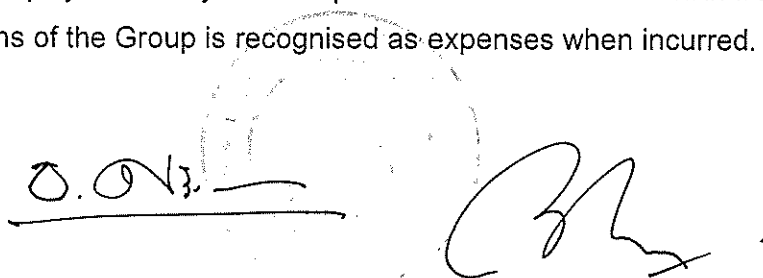
##### ***Short-term employee benefits***

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 Group, 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 contributions of the Group is recognised as expenses when incurred.

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#### *Defined benefit plans and other long-term employee benefits*

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Company and its local subsidiaries provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is 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 are recognised immediately in other comprehensive income.

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

#### **4.16 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.

#### **4.17 Income Tax**

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

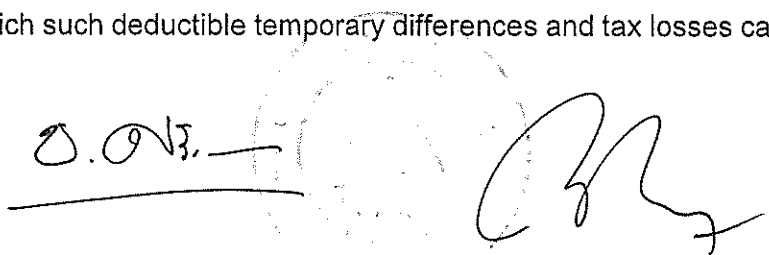
##### ***Current tax***

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 it recognises 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.

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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 those are recorded directly to shareholders' equity.

#### **4.18 Financial instruments**

The Group initially measures financial assets at their 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, fair value through other comprehensive income ("FVOCI"), 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.

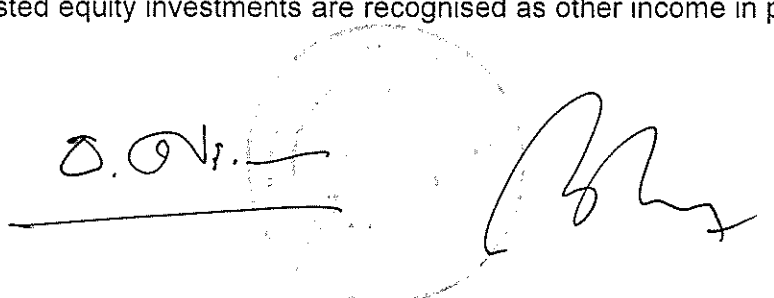
Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### ***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 derivatives and 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 recognised as other income in profit or loss.

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## **Classification and measurement of financial liabilities**

Except for derivative 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 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 trade receivables and contract assets, 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.

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## 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.

### 4.19 Derivatives and hedge accounting

The Group entered into commodity forward contracts and forward exchange contracts to hedge against fluctuations in commodity prices and foreign exchange rates, respectively.

Derivatives are initially recognised at fair value on the date of the derivative contract and are subsequently remeasured at fair value. They are carried as financial assets or financial liabilities depending on the fair value of the derivatives. Subsequent changes in fair value are recognised in profit or loss, unless the derivative is designated as an effective hedging instrument under a cash flow hedge, when it is recognised using hedge accounting.

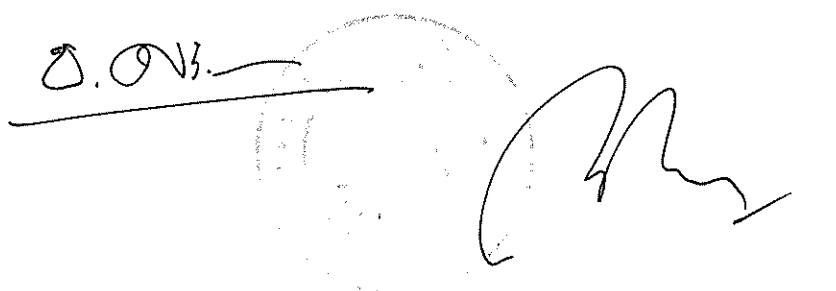
#### *Hedge accounting for cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve and later reclassified to profit or loss when the hedged cash flows affect profit or loss or no longer exist.

The Group prepares formal documentation on the date that hedge accounting is applied, and provides regular updates regarding the risk management objectives and strategies and the relationships between the hedging instruments and hedged items, including the nature of the risks being hedged, how the Group assesses the hedge effectiveness, analysis of the causes of hedge ineffectiveness and how the hedge ratio is determined.

The Group considers hedging effective when all of the following requirements are met.

- There is an economic relationship between hedged items and hedging instruments.
- Counterparty credit risk is not a significant factor in the change in the fair value of hedging instruments and hedged items.
- The ratio of the quantity of hedging instruments to the quantity of hedged items is equal to the hedge ratio.

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#### 4.20 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.

#### 5. Significant accounting judgments and estimates

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

##### Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

**Allowance for expected credit losses of trade receivables and contract assets**

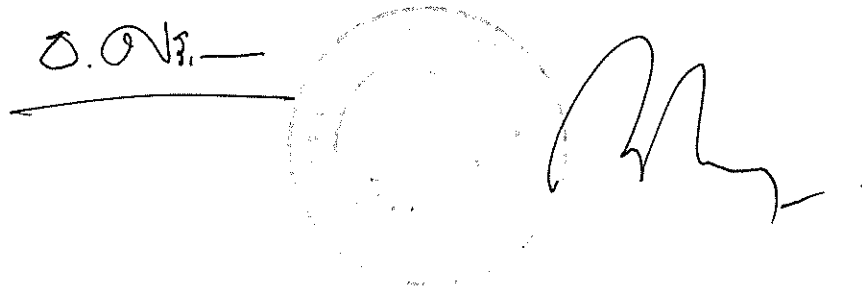
In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various 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.

**Net realisable value of inventories**

The management uses judgment to estimate the net realisable value of inventories taking into consideration the fluctuation of price or cost directly relating to events occurring after the reporting period.

**Consolidation of subsidiary that the Group hold less than half of shares**

The management of the Group determined that the Group has control over KBC Trading Sdn Bhd, even though the Group holds 30 percent of shares that is less than half of shares. This is because the Group has control over that company through its board of directors. As a result, KBC Trading Sdn Bhd is deemed to be a subsidiary of the Group and has to be included in the consolidated financial statements from the date on which the Group assumed control.

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## 6. Related party transactions

During the year, 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 Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	7,599	6,162	Cost plus certain margin
Rental and service income	-	-	7	8	Contract price
Technical and administrative assistance income	-	-	55	61	Contract price
Interest income	-	-	25	28	At rates of 2.00 percent and LIBOR plus 1.50 percent per annum
Dividend income	-	-	465	187	
Purchases of goods	-	-	11	10	Cost plus certain margin
Rental and service expenses	-	-	1,996	2,112	Contract price
<u>Transactions with joint arrangements</u>					
Sales and service income	1,112	727	614	724	Market price / contract price
Revenues from construction contracts	161	102	-	-	Contract price
Rental and service income	5	1	-	-	Contract price
Interest income	1	1	-	-	At rate of 3.20 percent per annum
Purchases of goods	272	-	272	-	Market price
<u>Transactions with group of other joint operators</u>					
Purchases of goods	106	19	-	-	Market price / contract price
Cost of construction	223	197	-	-	Contract price
Rental and service expenses	-	2	-	-	Contract price
Interest expenses	3	-	-	-	At rates of 5.25 - 5.75 percent per annum

S. V.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<u>Transactions with associates</u>					
Sales and service income	-	13	-	12	Market price / contract price
Dividend income	-	-	120	86	
Rental and service expense	3	3	-	-	Contract price
<u>Transactions with related companies</u>					
Sales and service income	2,479	2,021	2,405	2,021	Market price / contract price
Rental and service income	4	4	3	3	Contract price
Rental and service expenses	94	91	65	68	Contract price
Technical and administrative assistance expenses	44	42	27	29	Contract price

The balances of the accounts between the Group and those related companies as at 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Trade and other receivables- related parties (Note 7)</u></b>				
Subsidiaries	-	-	1,536,022	1,106,588
Joint arrangements	287,837	230,700	172,807	65,816
Associates	4,266	5,727	-	-
Related companies (common shareholders and directors)	421,053	203,755	401,875	202,572
Total trade and other receivables - related parties	713,156	440,182	2,110,704	1,374,976
Less: Allowance for expected credit losses	-	-	-	(248,959)
Total trade and other receivables - related parties, net	713,156	440,182	2,110,704	1,126,017
<b><u>Unbilled receivables - related parties</u></b>				
Joint arrangements	28,164	13,642	-	-
Total unbilled receivables - related parties	28,164	13,642	-	-
<b><u>Advance payments for inventories and services - related parties</u></b>				
Group of other joint operators	138,997	153,424	-	-
Total advance payments for inventories and services - related parties	138,997	153,424	-	-

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b><u>Trade and other payables - related parties</u></b> (Note 18)				
Subsidiaries	-	-	2,227,046	2,317,203
Joint arrangements	90,818	-	80,145	-
Group of other joint operators	227,584	143,736	-	-
Related companies (common shareholders and directors)	83,474	93,778	60,754	63,542
<b>Total trade and other payables - related parties</b>	<b>401,876</b>	<b>237,514</b>	<b>2,367,945</b>	<b>2,380,745</b>

**Advance received from customer - related parties**

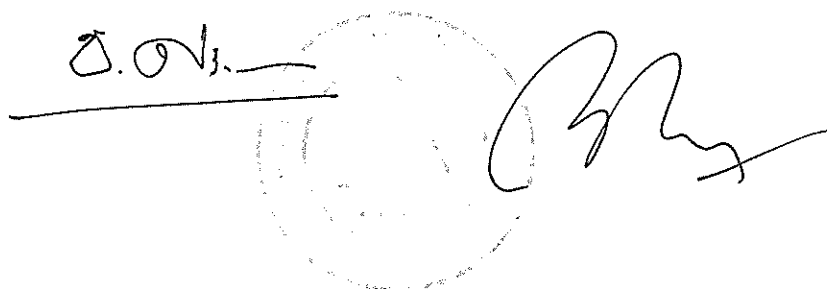
Joint arrangements	19,890	39,402	-	-
<b>Total advance received from customer - related parties</b>	<b>19,890</b>	<b>39,402</b>	<b>-</b>	<b>-</b>

**Loans to related parties and loan from related parties**

The balances and the movements of loans between the Company and those related companies are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Company's name	Related by	Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
<u>Short-term loans to related party</u>					
TN Joint Venture	Joint arrangements	25,226	92,734	(77,032)	40,928
<u>Short-term loans from related party</u>					
Nawarat Patanakarn PCL	Other joint operator	-	110,967	-	110,967
<u>Long-term loan from related party</u>					
Zhenjiang Highway Materials Company	Shareholder of subsidiary	7,719	-	(7,719)	-



(Unit: Thousand Baht)

		Separate financial statements			
Company's name	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	31 December
		2021	the year	the year	2022
<u>Short-term loan to related party</u>					
Alpha Maritime Co., Ltd.	Subsidiary	110,000	-	-	110,000
<u>Long-term loans to related parties</u>					
AD Shipping Pte. Ltd.	Subsidiary	38,620	-	-	39,950
Pacific Bitumen Shipping Pte. Ltd.*	Subsidiary	636,624	-	(178,004)	474,406
Total		675,244	-	(178,004)	514,356

\* Pacific Bitumen Shipping Pte. Ltd. offset its long-term loan to be repaid to the Company with outstanding balance receivable from the Company.

Short-term loans from related parties

Raycol Asphalt Co., Ltd.	Subsidiary	60,000	100,000	(60,000)	-	100,000
Thai Bitumen Co., Ltd.	Subsidiary	20,000	-	(20,000)	-	-
Total		80,000	100,000	(80,000)	-	100,000

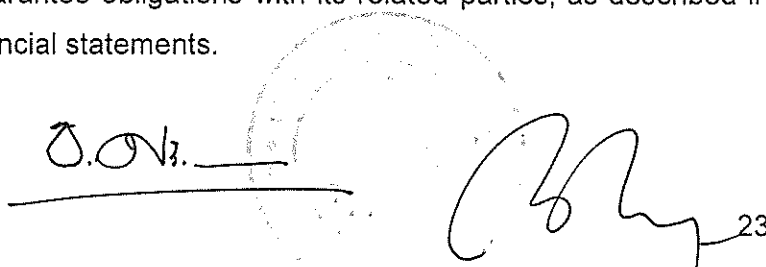
Directors and management's benefits

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	211	185	195	166
Post-employment benefits and other long-term benefits	6	3	6	3
Total	217	188	201	169

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 19 to the consolidated financial statements.

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## 7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Trade receivables - related parties</u></b> (Note 6)				
Aged on the basis of due dates				
Not yet due	623,849	407,677	1,670,949	708,590
Past due				
Up to 3 months	49,581	-	197,884	60,869
3 - 6 months	2,743	-	93,504	47,835
6 - 9 months	-	-	1,577	18,124
9 - 12 months	2,902	128	1,609	7,385
Over 12 months	-	-	163	252,027
Total	679,075	407,805	1,965,686	1,094,830
Less: Allowance for expected credit losses	-	-	-	(248,959)
Total trade receivables - related parties, net	679,075	407,805	1,965,686	845,871
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	4,515,929	2,609,909	2,826,620	1,203,480
Past due				
Up to 3 months	787,090	532,571	279,271	205,597
3 - 6 months	516,520	301,376	171,518	126,051
6 - 9 months	235,559	126,813	153,784	39,049
9 - 12 months	125,278	40,979	55,670	3,633
Over 12 months	409,037	434,481	111,751	84,381
Total	6,589,413	4,046,129	3,598,614	1,662,191
Less: Allowance for expected credit losses	(436,080)	(453,589)	(166,439)	(97,653)
Total trade receivables - unrelated parties, net	6,153,333	3,592,540	3,432,175	1,564,538
Total trade receivables - net	6,832,408	4,000,345	5,397,861	2,410,409
<b><u>Other receivables</u></b>				
Accounts receivable from commodity forward contracts				
	100,271	194,161	100,271	194,161
Other receivables - related parties (Note 6)	34,081	32,377	145,018	280,146
Other receivables - unrelated parties	21,454	9,835	1,069	1,383
Total other receivables	155,806	236,373	246,358	475,690
Total trade and other receivables - net	6,988,214	4,236,718	5,644,219	2,886,099





The normal credit terms are due within 90 days.

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	453,589	388,248	346,612	301,708
Allowance for expected credit losses	200,724	33,454	71,095	14,252
Amount recovered	(80,484)	-	(50,184)	-
Amount written-off	(370)	-	(197,477)	-
Disposal of investment in subsidiary	(122,543)	-	-	-
Effect from foreign exchange	(14,836)	31,887	(3,607)	30,652
Ending balance	<u>436,080</u>	<u>453,589</u>	<u>166,439</u>	<u>346,612</u>

## 8. Contract assets/Contract liabilities

### 8.1 Contract balances

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2022</u>	<u>2021</u>
Contract assets		
Unbilled receivables	958,140	722,923
Retention receivables	187,988	149,938
Total contract assets	<u>1,146,128</u>	<u>872,861</u>
Contract liabilities		
Advances received from customers	529,183	665,845
Total contract liabilities	<u>529,183</u>	<u>665,845</u>

### 8.2 Unbilled receivables

As at 31 December 2022, the balance of unbilled receivables of Baht 958 million was expected to be billed within one year (2021: Baht 723 million).

### 8.3 Revenue recognised in relation to contract balances

During the year 2022, the Group recognised contract liabilities at the beginning of the year of Baht 280 million (2021: Baht 245 million) as revenue, and recognised decrease in revenue from changes in variable considerations of performance obligations satisfied in previous years of Baht 65 million (2021: Baht 45 million).

#### 8.4 Revenue to be recognised for the remaining performance obligations

As at 31 December 2022, the Group expected to recognise revenue totaling Baht 5,736 million (2021: Baht 7,367 million) in the future in respect of performance obligations under contracts with customers that have not been satisfied or partially unsatisfied. The Group expects to satisfy these performance obligations within 2 years.

#### 9. Inventories

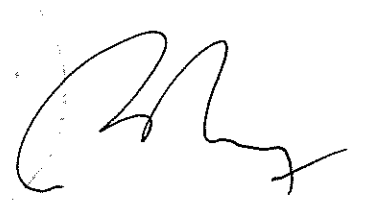
(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduction of cost to net realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	1,908,430	1,889,151	(1,814)	(1,011)	1,906,616	1,888,140
Raw materials	2,732,468	4,207,962	(2,508)	(9,128)	2,729,960	4,198,834
Packaging materials, spare parts and factory supplies	171,207	145,131	(133)	(726)	171,074	144,405
Goods in transit	175,269	139,174	-	-	175,269	139,174
Total	<u>4,987,374</u>	<u>6,381,418</u>	<u>(4,455)</u>	<u>(10,865)</u>	<u>4,982,919</u>	<u>6,370,553</u>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduction of cost to net realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	1,465,738	1,374,365	(1,814)	(513)	1,463,924	1,373,852
Raw materials	2,279,982	3,768,037	-	-	2,279,982	3,768,037
Packaging materials, spare parts and factory supplies	8,725	9,322	(133)	-	8,592	9,322
Goods in transit	21,835	22,302	-	-	21,835	22,302
Total	<u>3,776,280</u>	<u>5,174,026</u>	<u>(1,947)</u>	<u>(513)</u>	<u>3,774,333</u>	<u>5,173,513</u>

During the current year, the Group reduced cost of inventories by Baht 0.2 million which was included in cost of sales to reflect the net realisable value. (2021: reversed by Baht 3.9 million) (the Company only: reduced of Baht 1.9 million, 2021: Baht 0.01 million)

## 10. Assets held for sale

In November 2021, a subsidiary in Singapore entered into a sell contract of vessel, together with its bunker oil and other related assets with an unrelated overseas company amounting to approximately USD 13 million or approximately Baht 446 million.

During the current year, the subsidiary received payment for the sales of such assets after having the ownership transferred to the buyer.

## 11. Investments in subsidiaries

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

Company's name	Investment cost		(Unit: Thousand Baht) Dividend received during the year	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Domestic subsidiaries</u></b>				
Raycol Asphalt Co., Ltd.	583,030	583,030	-	66,600
Thai Bitumen Co., Ltd.	386,696	386,696	-	112,500
Less: Allowance for impairment loss of investment	-	(60,775)	-	-
Tipco Maritime Co., Ltd.	2,945	2,945	-	-
Alpha Maritime Co., Ltd.	142,999	142,999	-	-
Bitumen Marine Co., Ltd.	149,999	149,999	-	-
Ravana 1020 Co., Ltd.	79,999	79,999	-	-
Tasco Shipping Co., Ltd.	289,999	289,999	-	-
Thai Slurry Seal Co., Ltd.	598,043	598,043	-	-
<b><u>Overseas subsidiaries</u></b>				
Tasco International (Hong Kong) Ltd.	537,072	537,072	-	-
Less: Allowance for impairment loss of investment	(65,420)	(65,420)	-	-
Kemaman Oil Corporation Sdn Bhd	1,303,035	1,303,035	-	-
Kemaman Bitumen Company Sdn Bhd	2,769,493	2,769,493	-	-
KBC Trading Sdn Bhd	1,377	1,377	801	-
Tipco Asphalt (Cambodia) Co., Ltd.	3,352	3,352	-	-
PT Asphalt Bangun Sarana	337,254	337,254	-	-
Pacific Bitumen Shipping Pte. Ltd.	1,340	1,340	-	-
Highway Resources Pte. Ltd.	717,054	717,054	35,978	8,381
AD Shipping Pte. Ltd.	430,232	430,232	-	-
Reta Link Pte. Ltd.	28,682	28,682	428,551	-
Tipco Asphalt Lao Company Limited	78,877	78,877	-	-
Total investments in subsidiaries	<u>8,376,058</u>	<u>8,315,283</u>	<u>465,330</u>	<u>187,481</u>

The paid-up capital and percentage of shareholding were presented in Note 2.2 to the consolidated financial statements.

Disposal of investment in Zhenjiang Tipco Asphalt Co., Ltd. ("Zhenjiang")

In May 2022, the Group sold all of its investment in Zhenjiang to another shareholder. This resulted in gain on disposal of investment in a subsidiary amounting to Baht 35 million, which was included in other income in the consolidated statements of comprehensive income.

Holding in Zhenjiang was an investment in a subsidiary by an overseas subsidiary, representing 51 percent interest in the subsidiary. The Group did not include the financial statements of Zhenjiang in the consolidated financial statements as from the date of investment disposal.

Reversal of impairment loss of investment in Thai Bitumen Co., Ltd. ("Thai Bitumen")

During 2022, having noted the continuously good operating results, the Company's management revisits the recoverable amount of the investment in Thai Bitumen and reaches the conclusion to reverse the allowance for impairment loss of the investment amounting to Baht 61 million. The amount is presented as a separate item in profit or loss of the separate financial statements.

## 12. Investments in joint ventures

### 12.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint ventures	Nature of business	Consolidated financial statements					
		Shareholding		Cost		Carrying amounts	
		percentage				based on equity	
		2022	2021	2022	2021	2022	2021
		(%)	(%)				
Asia Bitumen Trading Pte. Ltd. (Owned by TIHK)	Distribution of asphalt and petroleum products	50	50	242	242	44,888	39,712
Borneo Asphalt Sdn Bhd (Owned by KBC)	Distribution of asphalt products	50	50	23,815	23,815	8,444	13,261
Phoenix Asphalt Philippines Inc.	Manufacture and distribution of asphalt and petroleum products	40	40	67,553	67,553	81,984	79,595
Total				91,610	91,610	135,316	132,568

(Unit: Thousand Baht)

Joint venture	Nature of business	Separate financial statements					
		Shareholding		Cost		Carrying amounts	
		percentage				based on cost	
		2022	2021	2022	2021	2022	2021
		(%)	(%)				
Phoenix Asphalt Philippines Inc.	Manufacture and distribution of asphalt and petroleum products	40	40	67,553	67,553	67,553	67,553
Total				67,553	67,553	67,553	67,553

## 12.2 Share of comprehensive income

The Group recognised its share of profit/loss from investments in the joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint ventures	Consolidated financial statements	
	Share of profit (loss) from investments in joint ventures during the year	
	2022	2021
Asia Bitumen Trading Pte. Ltd.	4,206	(5,366)
Borneo Asphalt Sdn Bhd	(2,240)	(954)
Phoenix Asphalt Philippines Inc.	7,129	5,098
Total	9,095	(1,222)

## 12.3 Summarised financial information about material joint ventures

### Financial information of Asia Bitumen Trading Pte. Ltd. ("ABT")

Summarised information about financial position as at 31 December 2022 and 2021 is as follows:

(Unit: Million Baht)

	2022	2021
Cash and cash equivalents	42.9	100.1
Trade and other receivables	86.8	-
Other assets	1.1	2.4
Trade and other payables	(32.5)	(13.2)
Other liabilities	(8.6)	(9.9)
<b>Net assets</b>	<b>89.7</b>	<b>79.4</b>
Shareholding percentage (%)	50	50
<b>Carrying amounts of joint venture based on equity method</b>	<b>44.9</b>	<b>39.7</b>

Summarised information about profit and loss for the years ended 31 December 2022 and 2021 is as follows:

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Total revenues	1,917.4	1,187.0
Cost of goods sold	(1,883.9)	(1,171.6)
Total expenses	(25.1)	(26.2)
<b>Profit (loss) for the year</b>	<b>8.4</b>	<b>(10.8)</b>

Financial information of Borneo Asphalt Sdn Bhd

Summarised information about financial position as at 31 December 2022 and 2021 is as follows:

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	30.5	41.1
Trade and other receivables	26.3	38.5
Other assets	402.0	407.3
Trade and other payables	(118.7)	(17.1)
Other liabilities	(323.3)	(443.2)
<b>Net assets</b>	<b>16.8</b>	<b>26.6</b>
Shareholding percentage (%)	50	50
<b>Carrying amounts of joint venture based on equity method</b>	<b>8.4</b>	<b>13.3</b>

Summarised information about profit and loss for the years ended 31 December 2022 and 2021 is as follows:

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Total revenues	388.2	325.5
Cost of goods sold	(371.1)	(310.5)
Total expenses	(21.5)	(16.9)
<b>Loss for the year</b>	<b>(4.4)</b>	<b>(1.9)</b>

D. O. N. J.



Financial information of Phoenix Asphalt Philippines Inc.

Summarised information about financial position as at 31 December 2022 and 2021 is as follows:

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	77.0	15.0
Trade and other receivables	32.9	28.4
Other assets	224.7	195.4
Trade and other payables	(13.5)	(13.6)
Other liabilities	(116.2)	(26.2)
<b>Net assets</b>	<b>204.9</b>	<b>199.0</b>
Shareholding percentage (%)	40	40
<b>Carrying amounts of joint venture based on equity method</b>	<b>82.0</b>	<b>79.6</b>

Summarised information about profit and loss for the years ended 31 December 2022 and 2021 is as follows:

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Total revenues	694.4	447.3
Cost of goods sold	(636.9)	(403.0)
Total expenses	(39.7)	(31.6)
<b>Profit for the year</b>	<b>17.8</b>	<b>12.7</b>

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### 13. Investments in associates

#### 13.1 Details of associates

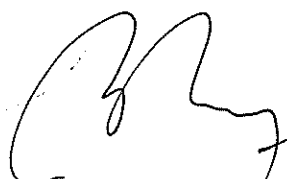
(Unit: Thousand Baht)

Consolidated financial statements							
Company's name	Nature of business	Shareholding		Cost		Carrying amounts based on equity method	
		percentage					
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		(%)	(%)				
Colasie Co., Ltd.	Holding company	40	40	18,404	18,404	507,202	479,188
PT Sarana Distribusi Aspal Nusantara							
(Owned by ABS)	Barge rental service	49	49	1,313	1,313	44	2
Total investments in associates				19,717	19,717	507,246	479,190

(Unit: Thousand Baht)

Separate financial statements							
Company's name	Nature of business	Shareholding		Cost		Carrying amounts based on cost method	
		percentage					
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		(%)	(%)				
Colasie Co., Ltd.	Holding company	40	40	18,404	18,404	18,404	18,404
Total investments in associates				18,404	18,404	18,404	18,404

D. N. —





### 13.2 Share of comprehensive income and dividend received

The Group recognised its share of profit/loss from investments in associates 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 profit (loss) from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year by the Company	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Colasie Co., Ltd.	151,837	130,365	-	-	119,592	85,505
PT Sarana Distribusi						
Aspal Nusantara	97	(131)	-	-	-	-
Thai Slurry Seal Co., Ltd.	-	(585)	-	(2,348)	-	-
Total	<u>151,934</u>	<u>129,649</u>	<u>-</u>	<u>(2,348)</u>	<u>119,592</u>	<u>85,505</u>

### 13.3 Summarised financial information about material associates

#### Financial information of Colasie Co., Ltd.

Financial information of Colasie Co., Ltd. as at 31 December 2022 and 2021 and for the years then ended are summarised below.

(Unit: Million Euro)

	<u>2022</u>	<u>2021</u>
Paid-up capital	1.04	1.04
Total assets	1.47	4.75
Total liabilities	0.01	0.03
Total revenues	5.08	5.87
Profit for the year	5.02	5.79

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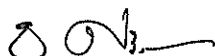
## 14. Investment properties

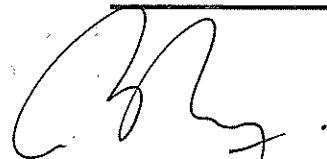
(Unit: Thousand Baht)

Consolidated financial statements			
	The Company's land, buildings and equipment located at Petchburi plant	Land of Thai Bitumen	Total
As at 31 December 2022:			
Cost	267,472	383,608	651,080
<u>Less</u> Accumulated depreciation	(137,804)	-	(137,804)
<u>Less</u> Allowance for diminution in value	(86,868)	(237,375)	(324,243)
Net book value	42,800	146,233	189,033
As at 31 December 2021:			
Cost	267,472	383,608	651,080
<u>Less</u> Accumulated depreciation	(137,804)	-	(137,804)
<u>Less</u> Allowance for diminution in value	(86,868)	(237,375)	(324,243)
Net book value	42,800	146,233	189,033

(Unit: Thousand Baht)

Separate financial statements			
	The Company's land, buildings and equipment located at Petchburi plant	The Company's land for rent located at Suratthani province	Total
As at 31 December 2022:			
Cost	267,472	61,438	328,910
<u>Less</u> Accumulated depreciation	(137,804)	(9,896)	(147,700)
<u>Less</u> Allowance for diminution in value	(86,868)	-	(86,868)
Net book value	42,800	51,542	94,342
As at 31 December 2021:			
Cost	267,472	61,438	328,910
<u>Less</u> Accumulated depreciation	(137,804)	(9,896)	(147,700)
<u>Less</u> Allowance for diminution in value	(86,868)	-	(86,868)
Net book value	42,800	51,542	94,342





The fair values of the investment properties, appraised by an independent professional valuer using the Sales Comparison Approach, as at 31 December 2022 and 2021 are stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
The Company's land for rent located at				
Suratthani province	-	-	218,000	218,000
The Company's land, buildings and equipment				
located at Petchburi plant	42,800	42,800	42,800	42,800
Land of Thai Bitumen	146,233	146,233	-	-

15. Property, plant and equipment

(Unit: Thousand Baht)

Cost	Consolidated financial statements					
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation
As at 1 January 2021	697,209	971,324	7,971,098	1,273,713	4,569,927	365,545
Additions	2,711	6,767	60,585	27,936	60,078	362,921
Increase from business combination	18,086	14,586	282,923	142,994	-	-
Disposals/written off	(30,606)	(8,452)	(49,159)	(157,593)	-	(1,140)
Transfer in (transfer out)	9,599	82,427	170,315	3,406	-	(265,747)
Classified as assets held for sale (Note 10)	-	-	(280)	(104)	(599,809)	-
As at 31 December 2021	696,999	1,066,652	8,435,482	1,290,352	4,030,196	461,579
Additions	7,049	9,376	95,587	16,555	91,831	163,592
Disposals/written off	(198)	(37,628)	(85,933)	(145,643)	(124,942)	(34)
Transfer in (transfer out)	410	10,861	329,260	8,556	-	(349,087)
Disposal of investment in a subsidiary	-	(63,526)	(16,880)	(3,019)	-	-
As at 31 December 2022	704,260	985,735	8,757,516	1,166,801	3,997,085	276,050
						15,887,447



(Unit: Thousand Baht)

## Consolidated financial statements

	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	Total
<b>Accumulated depreciation</b>							
As at 1 January 2021	349,319	549,218	3,988,698	802,831	1,278,659	-	6,968,725
Depreciation for the year	10,442	33,849	493,076	136,983	268,165	-	942,515
Accumulated depreciation on disposals/written off	(30,252)	(7,587)	(44,761)	(154,026)	-	-	(236,626)
Classified as assets held for sale (Note 10)	-	-	(25)	(16)	(125,262)	-	(125,303)
As at 31 December 2021	329,509	575,480	4,436,988	785,772	1,421,562	-	7,549,311
Depreciation for the year	10,877	34,621	509,763	126,887	212,688	-	894,836
Accumulated depreciation on disposals/written off	(127)	(37,195)	(40,507)	(135,318)	(119,591)	-	(332,738)
Disposal of investment in a subsidiary	-	(16,330)	(5,202)	(510)	-	-	(22,042)
As at 31 December 2022	340,259	556,576	4,901,042	776,831	1,514,659	-	8,089,367
<b>Allowance for impairment loss</b>							
As at 1 January 2021	1,183	50,769	32,399	2,066	-	5,049	91,466
Increase during the year	-	-	1,665	-	36,152	-	37,817
Classified as assets held for sale (Note 10)	-	-	-	-	(36,152)	-	(36,152)
As at 31 December 2021	1,183	50,769	34,064	2,066	-	5,049	93,131
Increase during the year	-	-	-	-	196,119	3,823	199,942
Decrease during the year	-	(50,769)	(34,064)	(2,066)	-	(5,049)	(91,948)
As at 31 December 2022	1,183	-	-	-	196,119	3,823	201,125

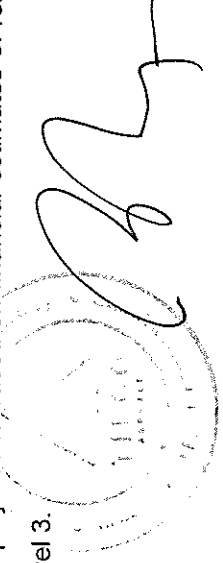
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(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and land improvement	Buildings, improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation
<b>Translation adjustments</b>						
As at 1 January 2021	-	11,081	(373,958)	(24,631)	(221,299)	(632,842)
Translation adjustments during the year	-	10,642	349,142	7,806	181,222	544,221
As at 31 December 2021	-	21,723	(24,816)	(16,825)	(40,077)	(88,621)
Translation adjustments during the year	-	(15,155)	39,977	(1,998)	41,082	78,502
As at 31 December 2022	-	6,568	15,161	(18,823)	1,005	(10,119)
<b>Net book value</b>						
As at 31 December 2021	366,307	462,126	3,939,614	485,689	2,568,557	8,250,197
As at 31 December 2022	362,818	435,727	3,871,635	371,147	2,287,312	7,586,836
<b>Depreciation for the year</b>						
2021 (Baht 760 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						942,515
2022 (Baht 820 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						894,836

In 2022, the Group recognised an impairment loss for a vessel amounting to Baht 196 million and presented it under the caption of impairment loss on property, plant and equipment in the consolidated statement of comprehensive income, to reduce the carrying amount of the asset to its recoverable amount. The Group's management determined the recoverable amount based on value in use, using cash flow projections based on financial estimates of remaining useful life of the vessel and discounted to present value. The fair value hierarchy level was classified as level 3.


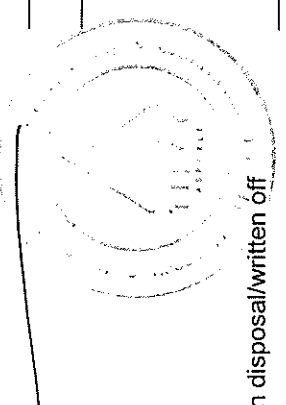

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(Unit: Thousand Baht)

## Separate financial statements

	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Construction in progress and equipment under installation	Total
<b>Cost</b>						
As at 1 January 2021	506,887	358,439	710,541	737,943	47,728	2,361,538
Additions	1,784	4,875	13,236	2,740	34,800	57,435
Disposals/written off	(473)	(2,569)	(24,858)	(97,891)	(754)	(126,545)
Transfer in (transfer out)	2,941	24,056	43,860	408	(71,265)	-
As at 31 December 2021	511,139	384,801	742,779	643,200	10,509	2,292,428
Additions	4,054	2,786	7,483	2,227	7,440	23,990
Disposals/written off	(198)	(609)	(21,303)	(109,097)	-	(131,207)
Transfer in (transfer out)	51	177	5,359	-	(5,587)	-
As at 31 December 2022	515,046	387,155	734,318	536,330	12,362	2,185,211
<b>Accumulated depreciation</b>						
As at 1 January 2021	254,770	206,798	496,959	471,999	-	1,430,526
Depreciation for the year	4,295	10,620	53,203	64,304	-	132,422
Accumulated depreciation on disposal/written off	(329)	(2,194)	(24,756)	(96,936)	-	(124,215)
As at 31 December 2021	258,736	215,224	525,406	439,367	-	1,438,733
Depreciation for the year	4,395	11,296	44,901	53,043	-	113,635
Accumulated depreciation on disposal/written off	(127)	(224)	(15,013)	(102,765)	-	(118,129)
As at 31 December 2022	263,004	226,296	555,294	389,645	-	1,434,239

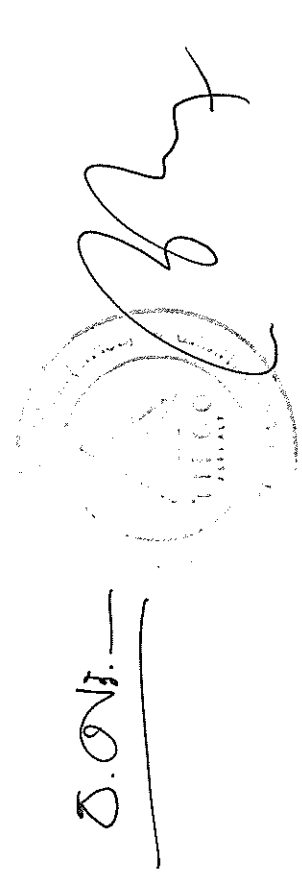




(Unit: Thousand Baht)

	Separate financial statements				
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Construction in progress and equipment under installation
<b>Allowance for impairment loss</b>					<b>Total</b>
As at 31 December 2021	1,183	-	6,273	-	-
Increase during the year	-	-	-	-	3,823
Decrease during the year	-	-	(6,273)	-	-
As at 31 December 2022	1,183	-	-	-	3,823
<b>Net book value</b>					
As at 31 December 2021	251,220	169,577	211,100	203,833	10,509
As at 31 December 2022	250,859	160,859	179,024	146,685	8,539
<b>Depreciation for the year</b>					
2021 (Baht 108 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)					132,422
2022 (Baht 93 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)					113,635

As at 31 December 2022, certain items of plant and equipment items had been fully depreciated but were still in use. The original cost of those assets amounted to approximately Baht 3,387 million (2021: Baht 3,061 million) (The Company only: Baht 1,011 million (2021: Baht 1,165 million)).

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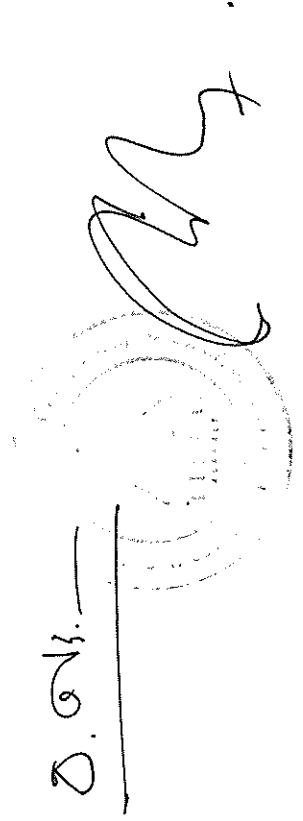




16. Intangible assets

	Consolidated financial statements					Separate financial statements			(Unit: Thousand Baht)
	Non-					Computer			
	Computer software	Customer relationship	competition clause	Backlog	Computer software under installation	Computer software	Computer software under installation	Total	
As at 31 December 2022:									
Cost	212,057	224,112	11,724	129,386	5,659	582,938	165,698	5,659	171,357
<u>Less</u> Accumulated amortisation	(190,023)	(108,290)	(10,725)	(83,894)	-	(392,932)	(151,643)	-	(151,643)
Translation adjustments	2,099	-	(999)	-	-	1,100	-	-	-
Net book value	24,133	115,822	-	45,492	5,659	191,106	14,055	5,659	19,714
As at 31 December 2021:									
Cost	208,925	224,112	11,724	129,386	887	575,034	164,143	887	165,030
<u>Less</u> Accumulated amortisation	(167,984)	(90,929)	(10,725)	(40,123)	-	(309,761)	(132,825)	-	(132,825)
Translation adjustments	2,110	-	(999)	-	-	1,111	-	-	-
Net book value	43,051	133,183	-	89,263	887	266,384	31,318	887	32,205

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

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	266,384	158,360	32,205	50,104
Acquisition of computer software	7,902	10,975	6,327	6,225
Increase from business combination	-	181,458	-	-
Disposal of investment in a subsidiary	(62)	-	-	-
Amortisation	(83,171)	(84,744)	(18,818)	(24,124)
Translation adjustments	53	335	-	-
Net book value at end of year	<u>191,106</u>	<u>266,384</u>	<u>19,714</u>	<u>32,205</u>

#### 17. Short-term loans from financial institutions

					(Unit: Thousand Baht)	
	Interest rates		Consolidated		Separate	
	(% per annum)		financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Loans in Thai Baht	1.45 - 2.75	1.25 - 2.35	3,037,905	3,188,381	2,908,320	3,096,247
Loan in Renminbi	-	4.00	-	21,003	-	-
Loans in Indonesia Rupiah	6.40 - 7.90	6.40 - 6.55	192,644	206,527	-	-
Total			<u>3,230,549</u>	<u>3,415,911</u>	<u>2,908,320</u>	<u>3,096,247</u>

#### 18. Trade and other payables

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade payables - related parties (Note 6)	175,296	17,146	2,306,060	2,315,802
Trade payables - unrelated parties	2,408,645	2,045,354	1,536,774	1,515,174
Accounts payable from commodity forward contracts	53,000	-	53,000	-
Unbilled payables - related parties (Note 6)	131,549	127,264	-	-
Retention payables - unrelated parties	60,440	44,905	1,774	5,726
Other payables - related parties (Note 6)	95,031	93,104	61,885	64,943
Other payables and accrued expenses - unrelated parties	808,404	779,254	243,870	243,584
Total trade and other payables	<u>3,732,365</u>	<u>3,107,027</u>	<u>4,203,363</u>	<u>4,145,229</u>



## 19. Credit facilities

The credit facilities of the Group granted by financial institutions are secured by the following collaterals:

- The guarantees by the Company, its subsidiaries and a shareholder of a subsidiary.
- The prohibition from creating lien over assets of the Group.
- Financial support letters provided by the Group to banks.
- The Company allows its subsidiaries to use its facilities obtained from banks, with the Company responsible to the banks for the amounts drawn down by the subsidiaries.

## 20. Leases

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 50 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 buildings	Machinery and equipment	Office equipment	Motor vehicles	Total
1 January 2021	461,307	53,373	-	44,540	559,220
Additions	84,068	60,352	-	34,292	178,712
Increase from business combination	20,006	31,508	1,520	22,412	75,446
Depreciation	(64,619)	(16,454)	(522)	(26,636)	(108,231)
Written off	(11,179)	-	-	-	(11,179)
Translation adjustments	39,915	(5,233)	-	-	34,682
31 December 2021	529,498	123,546	998	74,608	728,650
Additions	31,431	57,846	6,719	19,324	115,320
Lease modification	6,523	-	-	-	6,523
Depreciation	(59,164)	(27,105)	(1,096)	(32,234)	(119,599)
Written off	(1,154)	-	-	(341)	(1,495)
Translation adjustments	5,440	4,717	-	-	10,157
31 December 2022	512,574	159,004	6,621	61,357	739,556

(Unit: Thousand Baht)

	Separate financial statements			
	Land and buildings	Office equipment	Motor vehicles	Total
1 January 2021	86,837	-	40,516	127,353
Additions	811	-	14,535	15,346
Depreciation	(14,206)	-	(15,180)	(29,386)
Written off	(10,564)	-	-	(10,564)
31 December 2021	62,878	-	39,871	102,749
Additions	-	6,719	9,865	16,584
Lease modification	(2,250)	-	-	(2,250)
Depreciation	(9,967)	(560)	(16,804)	(27,331)
31 December 2022	50,661	6,159	32,932	89,752

**b) Lease liabilities**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments	512,247	504,126	97,883	113,359
Less: Deferred interest expenses	(88,252)	(80,487)	(6,414)	(8,357)
Total	423,995	423,639	91,469	105,002
Less: Portion due within one year	(101,791)	(107,742)	(22,698)	(25,238)
Lease liabilities - net of current portion	322,204	315,897	68,771	79,764

A maturity analysis of lease payments is disclosed in Note 32.2 to the consolidated financial statements under the liquidity risk.

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	119,599	108,231	27,331	29,386
Interest expense on lease liabilities	19,244	15,201	2,788	3,330
Expense relating to short-term leases	6,183	5,881	157	763
Expense relating to leases of low-value assets	9,632	5,762	4,487	4,521

#### d) Others

The Group has total cash outflows for leases for the year ended 31 December 2022 of Baht 143 million (2021: Baht 128 million) (the Company only: Baht 30 million, 2021: Baht 37 million), including the cash outflow related to short-term lease and leases of low-value assets.

#### 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement and long service award, are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Provision for long-term employee benefits</b>				
at beginning of year	246,882	166,386	145,856	114,115
Increase from business combination	-	40,576	-	-
Included in profit or loss:				
Defined benefit plans				
Current service cost	22,349	17,262	12,851	9,540
Past service cost	(263)	(11,725)	(99)	-
Interest cost	5,429	5,086	2,784	1,799
Long service award	4,869	8,407	703	4,003
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	(11,266)	(5,272)	(5,729)	(4,086)
Experience adjustments	6,508	48,026	(7,250)	38,365
Benefits paid during the year	(25,945)	(25,216)	(14,012)	(17,880)
Translation adjustments	(1,777)	3,352	-	-
<b>Provision for long-term employee benefits</b>				
at end of year	<u>246,786</u>	<u>246,882</u>	<u>135,104</u>	<u>145,856</u>

The Group expects to pay Baht 45 million of long-term employee benefits during the next year (2021: Baht 44 million) (the Company only: Baht 26 million, 2021: Baht 26 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit was between 6 - 15 Years (2021: 3 - 19 years) (the Company only: 6 years, 2021: 3 years).

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Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.9 - 7.0	2.0 - 8.0	2.9	2.0
Future salary increase rate	4.0 - 7.0	3.0 - 7.0	4.0	3.0 - 4.0
Staff turnover rate (depending on age of employee)	0.0 - 25.0	0.0 - 25.0	0.0 - 15.0	0.0 - 15.0

The results 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:

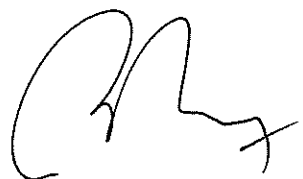
(Unit: Million Baht)

	31 December 2022			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(13)	14	(6)	7
Salary increase rate	12	(11)	6	(6)

(Unit: Million Baht)

	31 December 2021			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(13)	15	(7)	8
Salary increase rate	13	(12)	7	(6)

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## 22. Statutory reserve

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

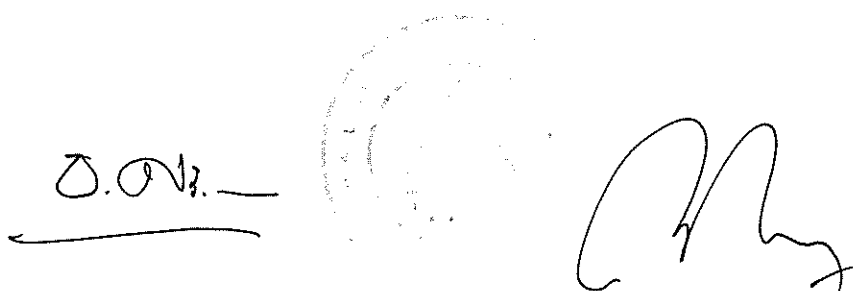
## 23. Insurance claim from a fire

During 2021, the subsidiary received and recorded income of final payment pursuant to its insurance claim of MYR 34 million or approximately Baht 271 million.

## 24. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Salary, wages and other employee benefits	1,368	1,422	512	533
Depreciation and maintenance expenses	1,079	1,135	192	240
Costs related to production of goods and services (excluding of staff cost, depreciation and maintenance expenses)	26,812	20,477	21,914	17,826

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## 25. Income tax

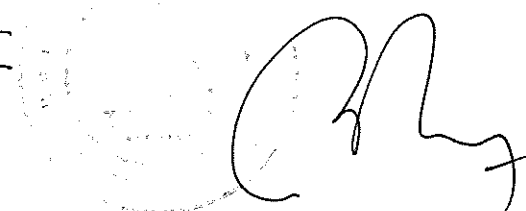
Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Current income tax:</b>				
Current income tax charge	(727,684)	(419,382)	(531,753)	(260,051)
Adjustment in respect of income tax of previous year	(2,287)	(2,137)	(2,219)	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(7,581)	(331,898)	(39,037)	(55,520)
<b>Income tax expense reported in profit or loss</b>	<u>(737,552)</u>	<u>(753,417)</u>	<u>(573,009)</u>	<u>(315,571)</u>

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	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax on actuarial gains and losses	1,054	(8,746)	2,596	(6,856)
Deferred tax on change in fair value of hedging instruments of cash flow hedges	37,813	15,631	37,813	15,631
	<u>38,867</u>	<u>6,885</u>	<u>40,409</u>	<u>8,775</u>

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Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit before tax	<u>3,120,263</u>	<u>3,005,375</u>	<u>3,306,553</u>	<u>1,869,152</u>
Income tax at Thai corporate income tax rate of 20%	(624,053)	(601,075)	(661,311)	(373,830)
Adjustment in respect of income tax of previous year	(2,287)	(2,137)	(2,219)	-
Utilisation of previously unrecognised tax losses and capital allowance	1,061	5,641	-	-
Unused tax loss and unutilised investment tax allowances of current year which has not recognised as deferred tax assets	(44,723)	(187,624)	-	-
Difference of tax rate in group companies	(4,455)	(7,262)	-	-
Adjustment of previous deferred tax assets/ liabilities	(40,921)	-	(40,189)	-
Effects of:				
Non-taxable income/expenses	(68,813)	(69,529)	10,729	(2,109)
Additional expenses deductions allowed	777	2,215	175	1,077
Exemption of income	6,277	30,771	116,984	54,597
Promotional privileges (Note 26)	6,579	9,082	-	-
Tax privilege (Note 27)	23,102	31,448	2,822	4,694
Share of profit from investment in joint ventures and associates	13,985	25,686	-	-
Others	(4,081)	9,367	-	-
Total	<u>(22,174)</u>	<u>39,040</u>	<u>130,710</u>	<u>58,259</u>
Income tax expenses reported in profit or loss	<u>(737,552)</u>	<u>(753,417)</u>	<u>(573,009)</u>	<u>(315,571)</u>

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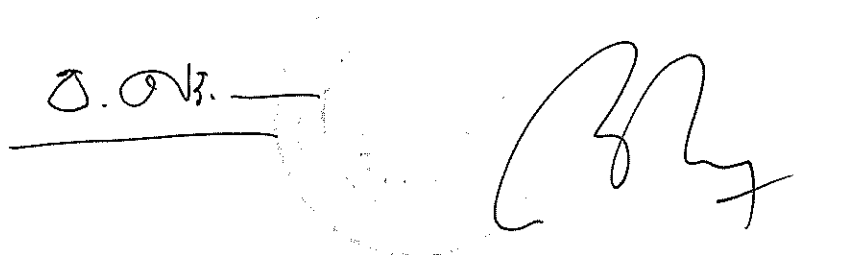
The tax rates enacted at the end of the reporting period of the Group are 0% to 25% (2021: 0% to 25%).

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statement	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	83,843	62,356	33,288	69,322
Reduction of cost of inventories to net realisable value	2,078	2,565	389	103
Fair value of commodity forward contracts	39	53,708	39	53,708
Allowance for asset impairment	65,863	65,099	18,378	17,614
Provision for long-term employee benefits	50,588	51,727	27,021	29,171
Effect on elimination of intercompany transaction	8,579	940	-	-
Unutilised tax loss and capital allowance	14,240	330,588	7,972	9,543
Others	12,789	19,196	550	636
<b>Total</b>	<u>238,019</u>	<u>586,179</u>	<u>87,637</u>	<u>180,097</u>
<b>Deferred tax liabilities</b>				
Difference depreciation for tax purpose	(321,728)	(644,716)	(28,457)	(26,764)
Fair value of commodity forward contracts	(25,752)	(44,563)	(25,752)	(44,562)
Fair value of forward exchange contracts	(4,403)	(309)	(4,403)	(300)
Share of profit from investment in a associate	(58,640)	-	-	-
Fair value adjustment of assets from business combination	(89,955)	(112,601)	-	-
<b>Total</b>	<u>(500,478)</u>	<u>(802,189)</u>	<u>(58,612)</u>	<u>(71,626)</u>

Presented as follows:

Deferred tax assets	107,256	177,024	29,025	108,471
Deferred tax liabilities	369,715	393,034	-	-

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As at 31 December 2022 and 2021, the subsidiaries had deductible temporary differences and unused tax losses on which deferred tax assets have not been recognised as these subsidiaries believed that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses, as follows:

	<u>2022</u>	<u>2021</u>
	(Million)	(Million)
Baht	3	50
Malaysian Ringgit	95	98
Renminbi	-	33

## 26. Promotional privileges

The subsidiaries were granted investment promotional privileges by the Board of Investment for mass transit systems and transportation of bulk goods. Important tax privileges is exemption of corporate income tax not exceeding of the stipulated amount for 8 years commencing from the following dates.

Alpha Maritime Company Limited

9 October 2014

Bitumen Marine Company Limited

29 October 2015

## 27. Tax privileges

### *Tax privileges for maritime commerce*

The subsidiaries in Thailand which are engaged in marine transportation business, are entitled to withholding income tax privileges under the Revenue Department Instruction No. Por 110/2545 since they are international marine transportation business operators, whereby income from vessel rental is subject to withholding tax at a rate of 1%. Moreover, the subsidiaries are exempted from corporate income tax on their income from international marine transportation under Announcement of the Director-General of the Revenue Department No. 72.

### *Tax privilege for an International Business Center ("IBC")*

The Company was granted approval from the Revenue Department to be an International Business Center, providing managerial or technical services, supporting services or to be an international trading center. Under this tax privilege, the corporate income tax rate of IBC activity is reduced for 15 accounting periods, from 1 June 2019 to 31 December 2033.

### *Tax privilege from the stipulated investment*

Kemaman Bitumen Company Sdn Bhd were granted tax privilege for a corporate income tax reduction from the stipulated investment amount.

## 28. 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.

The following table sets forth the computation of basic earnings per share:

Consolidated financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity						
holders of the Company						
2,366,511	2,219,712	1,578,362	1,578,362	1.50	1.41	

Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity						
holders of the Company						
2,733,543	1,553,582	1,578,362	1,578,362	1.73	0.98	

## 29. Segment information

The Group considers to organise into business groups based on types of products and services. The major segments of the Group are as follows:

### Manufacturing and trading

The Group conducts manufacturing and trading of asphalt, petroleum oil products and asphalt concrete in both domestic and overseas markets. Whereas, the marine logistic business complements the manufacturing and trading of asphalt and petroleum oil products.

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### Construction business

The Group conducts construction service related to highway construction and road rehabilitation in Thailand.

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.

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 total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

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

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Revenue and profit information regarding the Group's operating segments for the years ended 31 December 2022 and 2021 are as follows:

	For the years ended 31 December						(Unit: Million Baht)
	Manufacturing and trading segment			Construction segment		Eliminated transactions	Consolidated financial statements
	2022	2021		2022	2021	2022	2021
Revenues from external customers	30,025	24,447		3,376	2,606	-	33,401
Inter-segment revenues	566	591		-	-	(566)	-
Total revenues	30,591	25,038		3,376	2,606	(566)	33,401
Segment profit	4,215	3,679		146	203	-	4,361
Unallocated income and expenses							(1,241)
Profit before income tax							3,120
							3,882
							(877)
							3,005

Non-current assets (other than deferred tax assets)

	For the years ended 31 December						(Unit: Million Baht)
	Geographic segment located in Thailand			Geographic segment located in overseas		Total	
	2022	2021		2022	2021	2022	2021
Non-current assets	3,759	4,033		5,884	6,320	9,643	10,353

Transfer prices between the segments are as set out in Note 6 to the consolidate financial statements.



Revenue from external customers based on locations of the customers is as follows:

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Thailand	15,753	12,928
Overseas	17,648	14,125
Total	<u>33,401</u>	<u>27,053</u>

### 30. Dividend

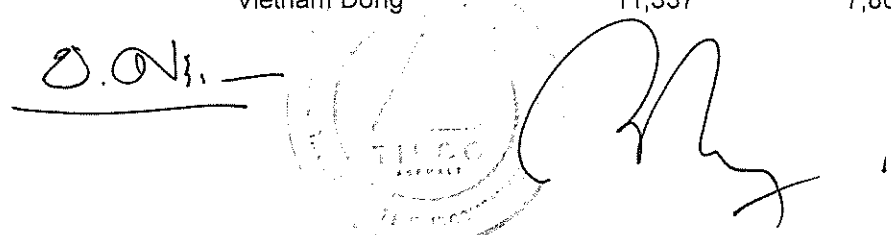
Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Interim dividends for 2020	Board of Directors' Meeting on 14 January 2021	473.5	0.30
Final dividends for 2020	Annual General Meeting of the shareholders on 8 April 2021	1,578.3	1.00
Interim dividends for 2021	Board of Directors' Meeting on 11 August 2021	394.6	0.25
Total for 2021		<u>2,446.4</u>	<u>1.55</u>
Final dividends for 2021	Annual General Meeting of the shareholders on 8 April 2022	1,262.5	0.80
Interim dividends for 2022	Board of Directors' Meeting on 9 November 2022	394.6	0.25
Total for 2022		<u>1,657.1</u>	<u>1.05</u>

### 31. Commitments and contingent liabilities

#### 31.1 Capital commitment

As at 31 December 2022 and 2021, the Group had outstanding capital commitments relating to the purchase of machinery, equipment and construction of building, as follows:

Foreign currency	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Million)	(Million)
Baht	12	6	12	5
Malaysian Ringgit	8	17	-	-
Vietnam Dong	11,337	7,805	-	-



### 31.2 Long-term service commitments

The Group has entered into service agreements. The terms of the agreements are generally between 1 and 5 years.

Future minimum service fees payable under these agreements as at 31 December 2022 are as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Within 1 year	54	41
2 to 5 years	27	20
Total	81	61

### 31.3 Long-term service agreement

The Group entered into service agreements with a related company related to management and marketing services, technical assistance in the manufacture of premium grade asphalt and construction project management. Those agreements have terms 2 - 5 years for which the Group is to pay fees at the rates stipulated in the agreements. The Group has fees for 2022 and 2021 amounted to approximately Baht 44 million and Baht 42 million, respectively (the Company only: Baht 27 million and Baht 29 million, respectively).

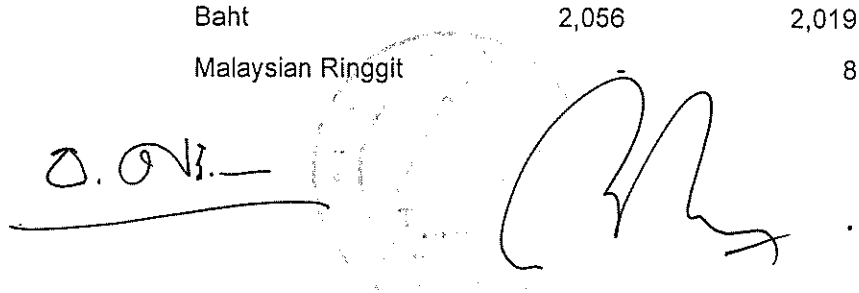
### 31.4 Project construction cost commitments

As at 31 December 2022, the Group had commitments related to agreements of project construction costs of Baht 2,839 million (2021: 2,078 million). The Group will make payment of these commitments upon delivery of the relevant goods or services.

### 31.5 Bank guarantees

As at 31 December 2022 and 2021, there were outstanding bank guarantees issued by the banks on behalf of the Group in respect of advance received, contractual performance and certain performance bonds as required in the normal course of business which are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements	
	<u>2022</u> (Million)	<u>2021</u> (Million)	<u>2022</u> (Million)	<u>2021</u> (Million)
Baht	2,056	2,019	2	2
Malaysian Ringgit		8	-	-

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## 32. Financial instruments

### 32.1 Derivatives and hedge accounting

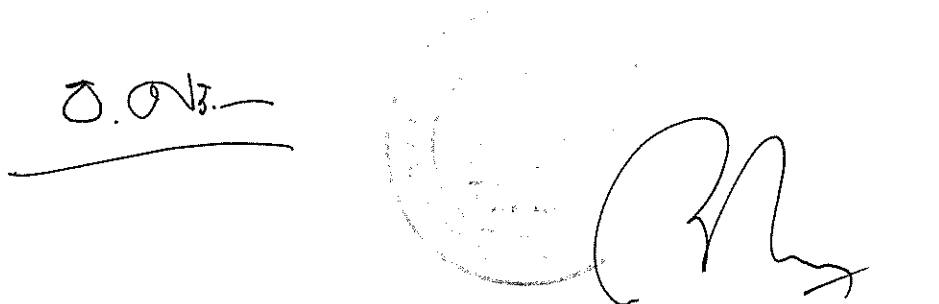
(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Derivative assets</b>				
<i>Not designated as hedging instruments</i>				
Commodity forward contracts	-	188,302	-	188,302
Forward exchange contracts	22,035	1,632	22,013	1,498
<i>Designated as hedging instruments</i>				
Commodity forward contracts	128,762	-	128,762	-
<b>Total derivative assets</b>	<u>150,797</u>	<u>189,934</u>	<u>150,775</u>	<u>189,800</u>
<b>Derivative liabilities</b>				
<i>Not designated as hedging instruments</i>				
Commodity forward contracts	198	192,241	198	192,241
Forward exchange contracts	2,822	3,179	2,751	3,179
<i>Designated as hedging instruments</i>				
Commodity forward contracts	-	41,791	-	41,791
<b>Total derivative liabilities</b>	<u>3,020</u>	<u>237,211</u>	<u>2,949</u>	<u>237,211</u>

All derivatives are measured at fair value in level 2.

#### Derivatives not designated as hedging instruments

The Group enters into commodity forward contracts and forward exchange contracts to manage risk against fluctuations in commodity prices and foreign exchange rates, respectively. The contracts are entered into for the periods consistent with the underlying transaction, generally from one to twelve months.



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## Derivatives designated as hedging instruments

### *Cash flow hedges on commodity prices*

The Group sells petroleum products produced from refining of crude oil and bitumen derived from crude oil distillation. The Group enters into commodity forward contracts to hedge against risks of petroleum price volatility in products expected to be sold in the future under risk management strategies established by the Group's Commodity Hedging Committee.

There is an economic relationship between the hedging instruments and the hedged items as the significant terms of the commodity forward contracts, i.e. notional amount and expected payment date, match those of the forecast sales (the expected highly probable forecast transactions). The Group has established a hedge ratio of 0.98:1 for the hedging relationships.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of hedged items and hedging instruments
- Differences in commodity indexes of hedged items and hedging instruments
- Changes to the forecasted amount of cash flows of hedged items or hedging instruments

Derivatives held by the Group as hedging instruments as at 31 December 2022 are to mature within one year and at an average hedge rate of USD 120.9 per barrels (2021: USD 82.0 per barrels).

The impact of hedged items on the statement of financial position as at 31 December 2022 and 2021 is as follows:

(Unit: Thousand Baht)

	Change in fair value used for measuring ineffectiveness		Cash flow hedge reserve			
			Continuing hedges		Discontinued hedges	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Highly probable forecast sales	(159,592)	35,218	(154,555)	34,510	(5,037)	708

The block contains a handwritten signature and a circular official stamp. The signature is written in dark ink and appears to be 'D. Oki'. The circular stamp is partially obscured by the signature and contains some text that is difficult to read, but it likely represents an official seal or approval.

The impact of the hedging instruments on the statement of financial position as at 31 December 2022 and 2021 and the effect of the cash flow hedge in the statement of comprehensive income for the years ended 31 December 2022 and 2021 are, as follows:

(Unit: Million Baht)

Consolidated and separate financial statements													

\* Presented in statement of financial position as derivative - commodity forward contracts.

\*\* Presented in profit or loss as (gain) loss from commodity forward contracts.

\*\*\* Presented in profit or loss as deducted from sales and service income.



## 32.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, trade and other payables, loans to and loans from related parties and financial institutions. 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 accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. Except for derivatives, 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. 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.

### ***Financial instruments and cash deposits***

The credit risk on debt instruments and derivatives is limited because the Group have a policy to consider and approve credit limits assigned to each counterparty by the Group's Board of Directors. The counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### **Market risk**

There are three types of market risk comprising interest rate risk, currency risk and commodity price risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- Forward exchange contracts to hedge the foreign currency risk arising on the export or import of goods
- Commodity forward contracts to hedge the commodity price risk arising on sales of products

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### Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions and borrowings that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2022 and 2021, the balances of financial assets and liabilities of the Group denominated in foreign currencies were summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	57	16	28	48	34.6	33.4
Euro	8	-	8	-	36.8	37.9
Yen	-	-	8	-	0.3	0.3
Ringgit	14	20	17	20	7.8	8.0

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	102	62	50	76	34.6	33.4
Singapore Dollar	-	-	12	7	25.7	24.7
Euro	8	-	8	-	36.8	37.9
Renminbi	-	48	-	-	5.0	5.3
Ringgit	-	-	5	7	7.8	8.0

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The Group outstanding forward exchange contracts which maturity date within one year are summarised below.

As at 31 December 2022						
Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought	Sold	Bought
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)	(Per 1 foreign currency unit)	
US Dollar	31	13	31	13	34.3 - 37.7 Baht	34.5 - 35.5 Baht
US Dollar	-	10	-	-	-	23,703 - 23,781
						Vietnam Dong
US Dollar	-	12	-	-	-	15,502 - 15,763
						Indonesia Rupiah

As at 31 December 2021						
Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought	Sold	Bought
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)	(Per 1 foreign currency unit)	
US Dollar	16	12	16	12	32.8 - 33.7 Baht	32.8 - 33.7 Baht
US Dollar	-	3	-	-	-	22,910
						Vietnam Dong
US Dollar	-	3	-	-	-	14,298 - 14,460
						Indonesia Rupiah

In addition, the Group exposes to foreign exchange risk on its investments in overseas subsidiaries, joint ventures and associates, loans to overseas subsidiaries and loan from financial institution. These investments and loans are currently not hedged by derivative financial instruments.



The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2022 and 2021. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2022		2021	
	Change in FX rate	Effect on profit before tax (Thousand Baht)	Change in FX rate	Effect on profit before tax (Thousand Baht)
US dollar	+1%	13,768	+1%	(11,526)
	-1%	(13,768)	-1%	11,526

### ***Interest rate risk***

The Group exposure to interest rate risk relates primarily to its cash at banks, loans to and loans from related parties and financial institutions. However, since most of the Group's financial assets and liabilities bear fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on loans from financial institutions affected as at 31 December 2022 and 2021.

	2022		2021	
	Increase/ decrease	Effect on profit before tax (Thousand Baht)	Increase/ decrease	Effect on profit before tax (Thousand Baht)
Interest rate	+1%	(1,926)	+1%	(2,065)
	-1%	1,926	-1%	2,065

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*[Handwritten signature]*

### *Commodity price risk*

The Group is exposed to risk from fluctuations in the price of raw materials and finished goods. To manage these risks, the Group has entered into commodity forward contracts to hedge the risk from fluctuation in such prices.

The Group's Commodity Hedging Committee has developed and enacted a risk management strategy for commodity price risk and its mitigation. Based on a 12-month forecast sales, the Group hedges the selling price using commodity forward contracts. The forward contracts do not result in physical delivery of commodity products, but hedge the risk from fluctuation in commodity prices to offset the effect of price changes in commodity.

Forward contracts with a physical delivery that qualify for normal purchase, sale or usage are therefore not recognised as derivatives.

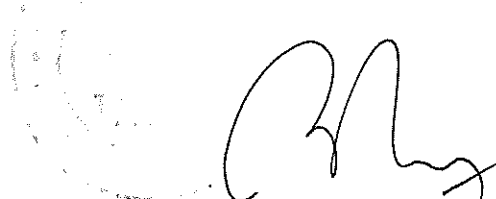
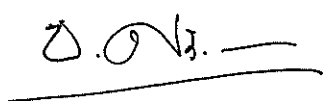
### *Commodity price sensitivity*

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in commodity price, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of commodity forward contracts are as follow:

	2022			2021		
	Increase/ decrease	Effect on profit before tax	Effect on equity	Increase/ decrease	Effect on profit before tax	Effect on equity
		(Thousand Baht)	(Thousand Baht)		(Thousand Baht)	(Thousand Baht)
Crude price	+1%	-	-	+1%	(466)	-
	-1%	-	-	-1%	466	-
Petroleum price	+1%	(965)	(15,887)	+1%	(10,780)	(5,032)
	-1%	965	15,887	-1%	10,780	5,032

### **Liquidity risk**

The Group implements liquidity risk management procedures through the use of loans from financial institutions and leases. The Group assesses the risk relating to its ability to repay as low since the Group has access to sufficient and varied sources of funding and ability to request an extension to the repayment period for debts due within 12 months.





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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than 1	1 to 5	> 5 years	Total
	year	years		
<b>Non-derivatives</b>				
Short-term loans from financial institutions	3,253,653	-	-	3,253,653
Trade and other payables	3,732,365	-	-	3,732,365
Lease liabilities	121,554	314,170	76,523	512,247
Short-term loans from related parties	116,916	-	-	116,916
<b>Total non-derivatives</b>	<b>7,224,488</b>	<b>314,170</b>	<b>76,523</b>	<b>7,615,181</b>
<b>Derivatives</b>				
Derivative liabilities - commodity forward contracts	198	-	-	198

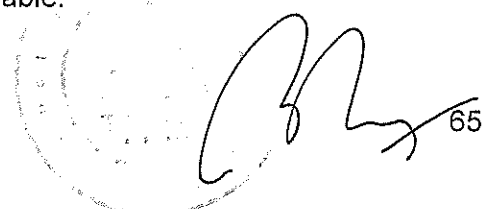
(Unit: Thousand Baht)

	Separate financial statements			
	Less than	1 to 5	> 5 years	Total
	1 year	years		
<b>Non-derivatives</b>				
Short-term loans from financial institutions	2,929,865	-	-	2,929,865
Trade and other payables	4,203,363	-	-	4,203,363
Lease liabilities	25,077	63,572	9,234	97,883
Short-term loans from related parties	101,000	-	-	101,000
<b>Total non-derivatives</b>	<b>7,259,305</b>	<b>63,572</b>	<b>9,234</b>	<b>7,332,111</b>
<b>Derivatives</b>				
Derivative liabilities - commodity forward contracts	198	-	-	198

### 32.3 Fair value of financial instruments

Since the majority of the Group'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 statement of financial position. For derivatives, fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

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### 33. Capital management

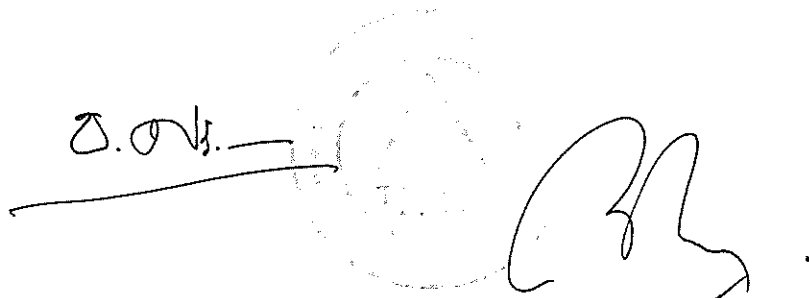
The primary objective of the capital management of the Group is to ensure that they have an appropriate financial structure and preserve the ability to continue their business as a going concern.

The Group manages its capital position with reference to financial ratio. As at 31 December 2022 and 2021, these financial ratios were as follow:

Financial Ratio	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest Bearing Short-term Debt-to-Equity Ratio	0.199 : 1	0.214 : 1	0.245 : 1	0.288 : 1

### 34. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 9 February 2023.

D.O.V. →  .