ANNUAL REPORT 2020

RPCG PUBLIC COMPANY LIMITED

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ENCLOSURE

Financial Statements for the year ended 31 December 2020 and Independent Auditor's Report

General Information

Company Name	RPCG Public Company Limited (“the Company”)
Type of Business	RPCG acts as the holding company, accompany with its fuel-retailing (former) business with the refined capacity of 17,000 Barrel per Day and one depot for the distribution of High Speed Diesel, 91 RON Gasoline, Gasohol 91, Gasohol 95, Gasohol E85, Chemicals and Fuel Oil including retail marketing
Head Office	86/2 Sammakorn Place, Ramkhamhaeng Road, Saphansoong, Bangkok 10240
Registered Capital	1,304,664,125 Baht
Ordinary shares	1,304,664,125 Shares
Par value	1 Baht
Paid registered capital	1,304,664,125 Baht
Company Register No.	0107546000202
	Telephone No. 02-372-3600 Fax No. 02-372-3327
Factory	7/3 Pakorn Songkrohrad Road, Tambol Map-ta-phut, Amphur Muang-Rayong, Rayong Province 21150 Telephone No. (038) 685-816 -9 Fax No. (038) 685-243 Home page : http://www.rpcthai.com

References

Securities Registration	Thailand Security Depository Co., Ltd.
Address	93 Ratchadapisek Road, Dindaeng, Bangkok 10400 Telephone No. 02-009-9000 Fax No. 02-009-9991
Auditor (year 2020)	Mrs.Poonnard Paocharoen Certified Public Accountant (Thailand) No. 5238
Address	EY Office Limited 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Telephone No. 02-264-0777 Fax No. 02-264-0790

Message from the Chairman

Satja Janetumnugul

The Company to receive revenue streams from two core businesses which are energy and property development. The Company believes that joint-investment and co-management in high potential business will be the business strategy that can provide a superior performance in the long run. In the property development business, the Company holds a 48.25% stake in Sammakorn Public Company Limited (“SAMCO”), a property development company that focuses on developing single-detached house, townhome, and condominium projects. SAMCO continues to generate sustainable performance. Currently, there are 8 projects, with 4 projects to be launched by the year 2021 to 2022. Moreover, there is also a business expansion project for additional rental areas. It is currently developing.

For Energy Business Group, Pure Thai Energy Company Limited ("PTEC"), a subsidiary of the Company, after managing gas stations under the Esso (ESSO) as oil contracts and the rights to use the trademark ESSO that caused the strength in the retail gasoline business. There are plans to expand gas stations and marketing plans to continuously meet the needs of customers, which currently have 67 gas stations under the trademark of ESSO.

In addition, the case between the Company and PTT, the Civil Court has issued a verdict of Black Case No. Por. 3492/2560 and Black Case No. Por. 3789/2560 that the revocation of the decision of the Arbitral Tribunal requiring the Company to pay the final price of condensate residue (CR) with interest. And the Civil Court has issued a judgment of the Black Case No. Por. 3016/2559 and the Black Case No. Por. 6000/2559 to allow PTT to pay damages to the Company. According to the arbitral award allow PTT to pay damages for unlawful termination of the contract with the Company. Currently, the cases are being considered by the Supreme Court.

The Company is still looking for alternatives to investing in various businesses. That will help strengthen the Company's business, include adjusting the Company's business strategy by focusing on investments that provide good returns in the long run.

On behalf of the Board of Directors, I would like to express sincere gratitude to the shareholders, suppliers, customers, financial institutions, management team, and every employee for your kind supports, companionship, and dedication to help the Company in tough times throughout the year. Please be assured that the Board of Directors and all employees are committed to operate the business with good governance for the shareholders, suppliers, customers, and employees and to turn the business into profitability and generate yields to shareholders as we have done in the past.

Board of Directors

As at December 31, 2020

1.	Mr. Satja Janetumnugul	Chairman of the Board
2.	Mr. Tawat Ungsuprasert	Director
3.	Mr. Supapong Krishnakan	Director
4.	Mr. Suthud Khancharoensuk	Director
5.	Mr. Prasit Dheeraratbongkot	Independent Director / Chairman of the Audit Committee
6.	Mr. Chamni Janchai	Independent Director / Member of the Audit Committee
7.	Ms. Panicha Pongsivapai	Independent Director / Member of the Audit Committee

Management Team

1.	Mr. Satja Janetumnugul	Acting Managing Director
2.	Mrs.Supannee Tanchaisrinakorn	General Manager-Finance & Administration Function
3.	Ms. Kallaya Klaithong	General Manager-Business Development Function

Corporate Social Responsibility (CSR)

RPCG Public Company Limited and the RPCG group by the Board and management have management policies under the principles of good corporate governance (Compliance and Governance) as well as the importance of environmental management, including benefits for the employees to have a better quality of life, confidence in working with the Company happily and stability, and the benefits to the business stakeholders, society, environment and the nation sustainably. Including taking into consideration the cultivation and to be aware of business ethics to the personnel in the organization acknowledge and strictly comply such as practices for shareholders, customers, creditors, business partners, business competitors, communities, society and the environment including information systems, accepting-giving gifts or assets and confidentiality etc.

The respect for human rights and treat workers fairly

The Company pays attention to the employees. There are various policies such as the human resource management policy that adds value to the employees in the organization to truly become human capital. Employment policy that will comply with the law and principles regarding basic human rights according to international standards, without categorizing birthplace, ethnicity, sex, age, skin color, religion, disability, family status, school, or other status which are not directly related to the operation. Including respect for individuality and the dignity of humanity. In the past, the Company employed disabled employees according to the job characteristics as per aptitude and suitability. In addition the Company does not support forced labor or illegal foreign workers against child labor.

The development and empowerment of employees.

The Company considers employees to be valuable resources that are important to leading the organization to success. The Company therefore supports the development of potentials and provides opportunity for employees to have training seminars for learning, increase one's potential, have a higher position and promote when there is an appropriate opportunity. The Company focuses on importance of the development of skills, knowledge and abilities of employees through continuous training both inside and outside the organization in various courses and in all aspects that can be conducive to increasing efficiency and operational ability. Concurrently, the Company also attaches importance to knowledge of laws relating to the business of the Company to executives and employees as well as encourages employees to understand the various policies of the Company. By adhering to the good corporate governance of the business as the framework for the management and employees to comply with transparency, fairness and business ethics of the Company. In order to be a guideline to fight against corruption and promote honesty of employees and responsible for performing duties and responsibilities as well as compliance with various laws and regulations strictly. And treating employees with honesty by listening to opinions and suggestions reasonably. In addition the Company schedules orientation to all new employees in order to acknowledge the policy, culture and recognize of the Company's values. There is development to practice skills and increase potential.

Quality of life and safety in the workplace.

The Company promotes an atmosphere for employees to work happily and focuses on importance of occupational health by providing hygienic clean drinking water, including providing appropriate welfare for employees as medical treatment, annual health check, health insurance, life insurance and importance to employees at all times of life, even in times of illness, the Company has visited all employees. This is to build morale for all employees continuously, as well as to maintain a safe working environment. In addition, it also considers safety for life and employee property. There are alarms installed inside the building etc.

Educational Development

To Development of Education for Sustainability

The Board of Directors has raised awareness on corporate social responsibilities to the Executives and employees through activities, especially in education. We firmly believe that education is the foundation of social and economic development of any nations. The Company has promoted the organization of activities related to community development by planting conscious seeds of community and social responsibility into its organization, including the participation in activities such as the Computer Sharing Project which offers old computer equipment in good condition to King Mongkut's University of Technology Thonburi so as to forward it to schools in Ratchaburi Province and to the Sharing Project for Change under the provision of the Mirror Foundation ,with continuous acts of monitoring its activities to prevent any negative impact on the community; supporting and helping the community to create mutual benefits and happiness; and promoting activities that are beneficial to community and society as a whole.

Activities to benefit society and the environment.

The Company considers social and environmental responsibility. In the past, the Company has seized the way of creating well-being for employees and organizations through 4 dimensions, namely physical, mental, social, intellectual, integrated in the development of personnel and organizations to create happiness and supporting the participation of personnel and instilling values in social and environmental responsibility to become a corporate culture such as pour water on the hands of revered elders and ask for blessing on Songkran Day to be a fraternal meeting between management and staff, Family Company Relations Project and the Company recognizes the importance of the environment to human life, while society is beginning to realize the importance of environmental protection seriously. RPCG project to reduce energy use in order to raise awareness to reduce environmental problems, encourage employees to use natural resources with value and maximize benefits. Including raising awareness among employees about the importance of energy saving and various wasteful resources that resulting in energy saving behavior until being accustomed to etc.

In addition, the Company is regarded as an important obligation and responsibility in supporting and providing activities that are beneficial to society in various aspects. By participating in responsibility in campaigning and promoting health activities and creating good hygiene. The Company

has continuously organized some activities and specific activities as appropriate for the social context, covering activities that are beneficial to society at the macro, community, and operational levels to return and return profits to society. And when there is an opportunity, the Company has organized activities that are beneficial to communities and societies in order to promote economic strength

as well as continuous social and cultural revitalization by giving importance to whether it supports social activities, public charity activities, namely, fund raising projects to support The Kaokonlakao Foundation, in which the staff who brought things to share, join the mutual auction in order to give all income to the Foundation. In addition, The Rescue Project for Flood Victims in Korat provides drinking water to The Surveillance and Rescue Center for Victims at Ban Kut Kradee Subdistrict Administrative Organization (located near Esso Pure Thai Gas Station, Branch 3, Pak Thong Chai), including giving importance to the community and continuous mass relations work in order to enhance good knowledge and understanding with one another, maintain good relations with the community, including other participation.

In addition, the Company continues to promote the preservation of good tradition of Thailand, with activities organized and supporting the important days, festivals and traditions of each locality such as Children's Day, Mother's Day, Father's Day, important religious days etc.

Financial Highlights

Financial Ratios	Unit	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020
Current Ratio	X	0.25	0.79	0.75
Inventory Turnover Ratio	X	55.19	61.49	57.51
Collection Period	Day	5	3	3
Net Profit Margin	%	(0.28)	8.94	1.06
Gross Profit Margin	%	5.17	5.89	8.11
Return on Equity	%	(0.66)	21.98	2.54
Return on Assets	%	(0.27)	10.02	1.02
Net Profit (loss) per Share	Baht	(0.01)	0.29	0.03
Book Value per Share	Baht	1.03	1.33	1.34
Debt to Equity Ratio	X	1.64	1.36	1.66
Long-term Debt to Equity Ratio	X	0.24	0.25	0.54

Financial Position and Operating Results

(Unit : Million Baht)

Financial Items	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020
Total assets	3,535	4,063	4,645
Total liabilities	2,188	2,331	2,897
Total Shareholders' equity	1,347	1,732	1,748
Revenue from sales	3,224	4,262	4,149
Total revenue	3,293	4,688	4,264
Gross profit	167	251	337
EBITDA	23	442	219
Profit(Loss) Equity holders of the Company	(9)	381	44
Profit(Loss) Equity holders of the Company per share (Baht)	(0.01)	0.29	0.03

Future Projects

The Company has a project to expand the scope of business or investment in the business to create opportunities and add value for the Company for sustainable and stable growth, increasing returns for shareholders and able to further expand the business of the Company and increase the Company's revenue as follows:

1. Energy Investment Project

The Company remains committed to conduct business related to the oil business that the Company has expertise and long experience. In the event that Pure Thai Energy Company Limited, a core company, has signed a cooperation agreement with Esso (Thailand) Public Company Limited ("Esso"). By entering into oil purchase contracts and using the rights of Esso trademark, is the management of gas service stations under the Esso trademark. And the Company has a plan to expand the gas service stations and expand other businesses continuously.

In addition, the Company is interested to invest in renewable energy projects such as biomass power generation, solar power generation or renewable energy in response to government policies to reduce imports of petroleum fuels from abroad by using agricultural products in the country.

2. Real Estate Investment Projects

The Company is interested in real estate investment by having a joint venture with Sammakorn Public Company Limited (SAMCO) to establish Pure Sammakorn Development Company Limited (PSDC) to develop land in Bangkok and the metropolitan area to be a Integrated Community Mall (Community mall) under the name "Sammakorn Place shopping center" which is a modern shopping mall near the community, currently Sammakorn Place shopping centers has 3 branches, Rangsit Khlong 2 Branch, Ramkhamhaeng Branch and Ratchaphruek Branch and still has plans to expand new projects continuously. Later, in the month of August 2016, the Company restructured its shareholding structure by allowing SAMCO to hold 100% of PSDC for the flexibility in management. And in December 2019, SAMCO allowed Bualuang K.E. Retail Leasehold Real Estate Investment Trust (BKER) in investing in all 3 leaseholds for a period of 30 years. In addition, the Company is interested to expand the scope of real estate investment further. By buying shares from former shareholders of Sammakorn Public Company Limited (SAMCO), which engages in property sales by focusing on the development of residential projects for horizontal sales in the category of single houses, town home and high rise which are continuous phases of the development of the existing projects and the development of new projects. Currently, 8 projects are Sammakorn Rangsit Khlong 7 (Prime-7) Project, Sammakorn Rangsit Khlong 7 (Zone 4) Project, Sammakorn Chaiyapruek Chaeng Watthana Project, Sammakorn Avenue Ramintra-Wongwaen Project, Sammakorn Avenue Chaiyaphruek-Wongwaen Project, Chaiyapruek Wongwaen 2 Project, Sammakorn Avenue Suvarnabhumi Project, Sammakorn Office Park Project. And there are 5 more projects being developed. In addition, the company has expanded the real estate development business with a resolution to establish the RPCG-JV 1 Company Limited to develop housing projects for horizontal sale of single detached houses.

It was of the opinion that it is appropriate and beneficial to the Company by investing in a potential business and participation in management. Moreover, in the future, SAMCO has plans to develop real estate projects in various forms, according to modern trends, which can generate good returns for the Company.

Shareholding and Management Structure

As of May 29, 2020, the list of top ten shareholders including related persons as specified in Section 258 of the Securities Act B.E. 2535 is as follows:

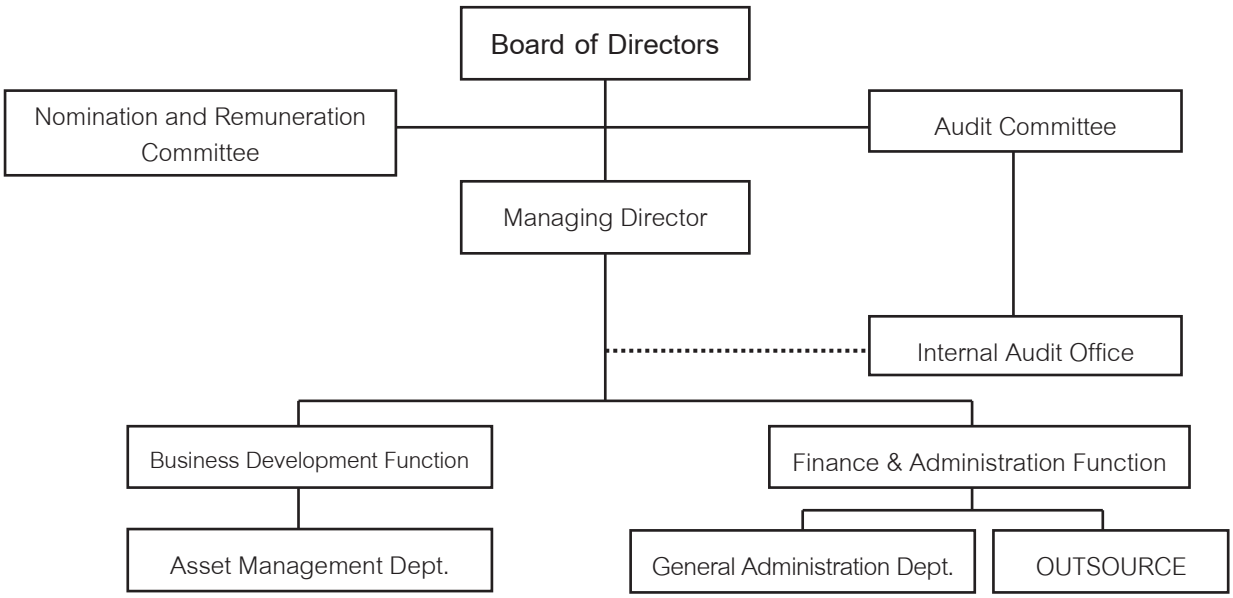
	Names of Shareholders	Number of shares	% [1]
1	Petro-Instruments Corp. Ltd.	257,227,140	19.72
2	Mr. Tawat Ungsuprasert and Spouse	48,539,238	3.72
3	Mr. Patanan Sukontarug	42,087,000	3.23
4	Ms. Montana Janetumnugul	34,481,978	2.64
5	Ms. Pimuma Janetumnugul	33,434,350	2.56
6	Ms. Prinnee Janetumnugul	29,601,578	2.27
7	Ms. Matanee Sukontarug	27,300,000	2.09
8	Mr. Satja Janetumnugul and Spouse	22,734,592	1.74
9	Mr. Napon Janetumnugul	21,311,400	1.63
10	Mrs. Ampai Hankraivilai	17,000,000	1.30

Source : List of registered shareholders of RPCG as of May 29, 2020.

Note : [1] Based on the paid-up capital of 1,304,664,125 shares

Structure of RPCG Public Company Limited

As of 31 December 2020



Board of Directors

As of December 31, 2020, the Board of Directors comprises 7 directors as follows:

Name	Position
1. Mr. Satja Janetumnugul	Chairman of the Board / Acting Managing Director
2. Mr. Tawat Ungsuprasert [(1)]	Director
3. Mr. Supapong Krishnakan	Director
4. Mr. Suthud Khancharoensuk	Director
5. Mr. Prasit Dheeraratbongkot	Independent Director / Chairman of the Audit Committee
6. Mr. Chamni Janchai	Independent Director / Member of the Audit Committee
7. Ms. Panicha Pongsivapai	Independent Director / Member of the Audit Committee

Mrs. Supannee Tanchaisrinakorn : the Company Secretary

Note: [(1)] Appointed as Director at the 2020 Annual General Meeting of Shareholders with effective from 16 July, 2020.

The Authorized Signatory

The authorized directors composed of:

- Mr.Satja Janetumnugul , Mr.Supapong Krishnakan, Mr.Tawat Ungsuprasert, Mr.Suthud Khancharoensuk; two of these four directors jointly sign and stamped with the Company's seal.

Authority and Responsibilities of the Board of Directors

1. The Board of Directors may appoint any person to conduct the Company's business under the Board of Directors' supervision or may delegate authority to that person within the timeframe deemed appropriate. However, the Board of Directors may revoke or alter that authority anytime. The Board of Directors assigns the Executive Board to conduct business within the scope of authority and responsibility of the Executive Board. However, the authority of the Executive Board or the delegation of authority thereof to the appointed person(s) will exclude the power to approve transactions that may be in conflict of interests with the Company and its affiliated companies, or as specified in the Securities and Exchange Commission's announcements and regulations, except for transactions that are in accordance with the prescribed policy and criteria previously approved by the Board of Directors.
2. The Board of Directors has the authority to approve and change the authorized signatory director(s).
3. The Board of Directors may approve an interim dividend when the Company has sufficient profits and then reports the decision to the shareholders in the next shareholder meeting.
4. The Board of Directors must comply with laws and the Company's objectives, Article of Association, as well as the shareholder resolutions. However, in some cases, the Board of Directors must get the shareholders' approvals prior to implementation i.e., activities that need shareholders' approval per law requirement, related party transactions as required by SET's regulation on acquisition or disposal of assets, and those activities as required by related government agencies.
5. The Board of Directors must convene meet at least quarterly and attended by more than half of the Board of Directors members. The Board of Directors' decision is based on majority vote, in which each director has one vote. When the voting is equal, the Chairman of the meeting shall vote for the final decision.

6. The Board of Directors shall arrange for an annual general meeting of shareholders within four months after the end of the Company's fiscal year.
7. A director shall immediately inform the Company once he/she has any conflict of interests in a contract(s) executed by the Company executed or when his/her number of shares or debentures in the Company or affiliates that the director holds has increased or decreased.
8. A director shall not conduct any competing business with the Company, be a partner in any business partnership, be an unlimited-liability partner in a limited business partnership, or be a director of any private or public company that is operating competitively in similar business to that of the Company. However, the aforesaid requirements will not be in effect if the shareholders are notified of those conditions prior to appointing the said director to the Board of Directors.

Qualification of Independent Directors

The Audit Committee of the Company is independent as defined by the independent directors as follows:

1. Holding shares not exceeding on per cent of the total number of voting rights of the company, its parent company, a subsidiary, an affiliate or a juristic person with a potential conflict of interest.
2. Not being an executive director, employee, staff member or advisor who receives salary, or a person having control over the company, its parent company, a subsidiary, an affiliate, a same-level subsidiary or a juristic person with a potential conflict of interest.
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as an executive or controlling persons of the company or any of its subsidiaries.
4. Not having a business relationship with the Company, its parent company, a subsidiary, an affiliate or a juristic person with a potential conflict of interest in the manner which may interfere with his/her independent judgment, and not being a major shareholder, non-independent directors or executives of any person having business relationship with the Company, its parent company, a subsidiary, an affiliate or a juristic person with a potential conflict of interest.
5. Not being an auditor of the Company, its parent company, a subsidiary, an affiliate or a juristic person with a potential conflict of interest and not being a major shareholder, the director did not perform as independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, a subsidiary, an affiliate or a juristic person with a potential conflict of interest.
6. Not being having been any type of professional advisor, including legal advisor or financial advisor, who receives an annual service fee exceeding two million baht per year from the Company, its parent company, a subsidiary, an affiliate or a juristic person with a potential conflict of interest and not being a major shareholder non-independent director, executive or partner of the professional advisor.
7. Not being a director who has been appointed as representative of the company's director, major shareholder, or shareholder who are related to the company's major shareholder.
8. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.
9. Not being a directors assigned by the board of directors to take part in the business decision-making of the Company, its parent company, a subsidiary, an affiliate, a same-level subsidiary or a juristic person

with a potential conflict of interest and not being a director of the listed company, its parent company, a subsidiary, an affiliate or same-level subsidiary.

10. Having duties as prescribed in the notification of the Stock Exchange of Thailand on the qualifications and scope of work of Audit Committee.

The Audit Committee

As of December 31, 2020 the Audit Committee comprises 3 directors as follows:

Name	Position
1. Mr. Prasit Dheeraratbongkot	Chairman of the Audit Committee
2. Mr. Chamni Janchai	Member of the Audit Committee
3. Ms. Panicha Pongsivapai	Member of the Audit Committee

Mrs. Supannee Tanchaisrinakorn : Secretary to the Audit Committee:

Authority and Responsibilities of the Audit Committee

1. To review the Company's and its subsidiary financial reporting process to financial statement to ensure the accuracy and sufficient;
2. To review the Company's and its subsidiary internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer dismissal and to yearly performance evaluation of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's and its subsidiary compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to be an auditor of the Company and subsidiary company as well as propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and to ensure that they are in compliance with the laws and the Exchange's regulations;
7. Review and report on the operating's result of the Company and its subsidiary to the Board of Directors to ensure that the company's risk management framework and operation efficiency and effectiveness have been evaluated regularly and suggest an improvement to be updated.;
8. Review reliability and effectiveness of information technology related to financial reporting and internal control and risk management system;
9. Review the audit plans to ensure that generally accepted principles are in practiced;
10. Review the appropriateness of the Audit Committee Charter and the Internal Audit Charter;

11. The Committee, if necessary, might seeks independent opinion from experts in other profession at the expense of the Company with the Board of Director' approval. The hiring procedure should conform to the company policy;
12. To report other matters that the shareholders and general investors should be informed of, within the scope of duty and responsibility assigned by the Board of Directors;
13. To report to the Board of Directors on regular basis for Board of Directors to acknowledge the Audit Committee's activities;
14. In performing duties, in case of doubt of the existence of a conflict of interest or fraud or irregularity or material error in the internal control system or a breach of laws on securities and exchange, the requirements of the Stock Exchange of Thailand or related laws that may have a significant impact on the financial position and operating results of the Company and its subsidiary, the Audit Committee shall report it to the Board of directors for improvement / correction in a timely manner as deemed appropriate by the Audit Committee;
15. To carry out other activities under the scope of authority and responsibility given in the charter or as assigned by the Board of Directors at the approval of the Audit Committee.

The Nomination and Remuneration Committee

As of December 31, 2020, the Nomination and Remuneration Committee comprises 4 directors as follows:

Name	Position
1. Mr. Prasit Dheeraratbongkot	Chairman of the Committee
2. Mr. Chamni Janchai	Member of the Committee
3. Ms. Panicha Pongsivapai	Member of the Committee
4. Mr. Suthud Khancharoensuk	Member of the Committee

Authority and Responsibilities of the Nomination and Remuneration Committee

1. To set up the policy and selection criteria for the Board of Directors, Sub-Committee and Managing Director
2. To select the Board of Directors, Sub-Committee and Managing Director and propose the Board of Directors and/or shareholders for their approval, as the case may be.
3. To set up the policy and remuneration payment criteria for the Board of Directors, Sub-Committee and Managing Director and propose the Board of Directors and/or shareholders for their approval, as the case may be.
4. To determine necessary and appropriate remuneration, both cash and non-cash payment, in order to attract and keep the Board of Directors, Sub-Committee and Managing Director
5. To set up criteria and methods for appraising the performance of the Board of Directors, Sub-Committee and Managing Director

6. To review the selection criteria and policy as well as the system and payment of remuneration in compliance with responsibilities, the Company's performance, and market situation by taking account of making the most of the Company benefits.
7. To perform other duties as assigned by the Board of Directors.

The Management

As of December 31, 2020 the Company's managements comprises 3 managements as follows:

Name	Position
1. Mr. Satja Janetumnugul	Acting Managing Director
2. Mrs. Supannee Tanchaisrinakorn	General Manager - Finance & Administration Function
3. Ms. Kallaya Klaithong	General Manager - Business Development Function

Authority and Responsibilities of the Managing Director

The Managing Director has the authority and responsibilities to conduct business in accordance with the Board of Directors' assignment and shall follow strictly and ethically the Company's business plan or budget that has been approved by the Board of Directors. The Managing Director shall also act diligently to protect the Company's and the shareholders' best interests. The authority and responsibilities of the Managing Director are described as follows:

1. Oversee and supervise the Company's routine operation.
2. Oversee the process of recruitment, appointment, promotion, and salary adjustment, based primarily on the pre-approval of the related authority in each department.
3. Consider and approve the purchase of fixed assets with the amount not exceeding 10 million Baht. The approval must be complied with the Stock Exchange of Thailand's regulation on the acquisition and disposal of assets of the listed companies or related party transactions or regulations of related authorities.
4. Prepare and propose the Company's policy, business plan, and budget to the Board of Directors for approval and report the progress thereof to the Board of Directors on the quarterly basis.
5. Execute the policy, business plan, and budget, which have been approved by the Board of Directors. The above authority of the Managing Director shall not be valid if, in exercising such authority, the Managing Director may receive benefits or have potential conflict of interest with the Company.

The Appointment of Directors and Management

The Company sets up the Nomination and Remuneration Committee to be responsible for the appointment of directors and management. In this regard, an individual who is eligible to be appointed as director and management of the Company must possess the qualifications as specified in the Public Company Act B.E. 2535, Section 68 and the Company's requirement, and shall not be disqualified per the SEC announcement dated December 12, 2008 on request for approval and Approval to offer new shares. The appointment process is as follows:

Appointment of the Board of Directors

The Board of Directors must comprise at least 5 members but not exceed 15 members. The directors shall be elected by the shareholders in the shareholder's meeting. At least half of the directors must have permanent residence in Thailand. According to the Company's Articles of Associations, the shareholder's meetings shall elect the directors per the following principles and methods:

(1) One shareholder has one vote for one share held.

(2) Each shareholder can use all of his/her eligible votes to elect only one or many director(s) but cannot split his/her votes erratically.

(3) An individual in receipt of the highest number of votes and those in order of descent shall be elected as Directors as per the required number. In case that two or more individuals receive an equal number of votes which exceed the available positions, the Chairman of the meeting shall make the final decision.

At every Annual General Shareholder's Meeting, one-third of the directors shall resign. In case that the number of directors cannot be equally divided into three parts, the number nearest to one-third shall resign. Those outgoing directors may be re-elected.

The authorized signatory comprises the joint signatures from any two directors and stamped with the Company's seal.

Appointment of the Audit Committee

The Board of Directors appoints at least 3 persons who are qualified per the SET's announcements to be the members of the Audit Committee with three-year term.

Remunerations for the Directors and Management

Financial remuneration

In 2019, the fee for 7 directors totaled 1.46 million Baht, paid for the meeting allowances in congruence with the Company's performance.

The fee for 2 Managements totaled 5.04 million Baht, paid for salary and bonus in congruence with the Company's performance.

In 2020, the fee for 7 directors totaled 5.5 million Baht, paid for the meeting allowances in congruence with the Company's performance.

The fee for 3 Managements totaled 7.71 million Baht, paid for salary and bonus in congruence with the Company's performance.

The details of remuneration for individual directors in 2020 are as follows:

Unit : Baht

Name	Position	Board of Directors	Audit Committee	Nomination & Remuneration Committee
1. Mr.Satja Janetumnugul	Chairman of the Board	965,000	-	-
2. Mr.Tawat Ungsuprasert[1]	Director	590,000	-	-
3. Mr.Supapong Krishnakan	Director	650,000	-	-
4. Mr.Suthud Khancharoensuk	Director Member of the Nomination & Remuneration Committee	680,000	-	30,000
5. Mr.Prasit Dheeraratbongot	Independent Director Chairman of the Audit Committee Chairman of the Nomination & Remuneration Committee	680,000	180,000	35,000
6. Mr.Chamnai Janchai	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	650,000	150,000	30,000
7. Ms.Panicha Pongsivapa	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	680,000	150,000	30,000
TOTAL		4,895,000	480,000	125,000

Note: [1] Appointed as director on July 16, 2020.

Other forms of remuneration

- In 2019, the Company's provident fund contribution for 2 Management (excluding Independent Directors) was 0.42 million Baht.
- In 2020, the Company's provident fund contribution for 3 Management (excluding Independent Directors) was 0.42 million Baht.

Corporate Governance

The Company perceives the importance to enforce the corporate governance practices in accordance with the Corporate Governance Policy across all levels of employees, the Management, and the Board of Directors. These practices are to ensure operating transparency, promote managerial integrity effectiveness,

and efficiency across the firm, for the benefits of shareholders, customers, investors, and the general public, which comprises 5 categories as follows:

1) Rights of Shareholders

The Company's Board of Directors perceives the significance of good corporate governance, the internationally standardized operation, the compliance with SET's regulations, the rights of shareholders and the promotion of their rights thereof. The Audit Committee was set up to supervise the business in various aspects so as to promote favorable corporate culture and corporate governance. This effort is a key factor encouraging the Company to achieve its desirable performances and targeted business objectives. As a result, the shareholders will reap the highest benefit out of this practice. In this regard, the Company aims that the Directors and the employees of all levels hold on to the following values:

- Perform each task with their best knowledge and capability, along with professional practices, honesty, and morality
- Formulate cooperative solidarity in workplace
- Hold firmly to rules and regulations and perform for the benefit of the Company, the country and the society as a whole
- Create mutual interactions and be readily responsive to any circumstances.

The firm has a policy to send the inviting letters for a meeting and accompanying documents to the shareholders at least 21 days earlier, in order to reach the minimum period determined by the law. Moreover, the company has a policy to treat all the shareholders equally. That is, a shareholder can vote independently to elect the board of directors, partake in resolution making, opining, and enquiring the meeting as per the meeting's agenda and proposed issue. Every shareholder has the right and equity to receive correct, well-rounded, and updated information, of which he/she can also check for its verity. The company has a policy to provide more alternatives for the shareholders by permitting an independent director to be entrusted by a shareholder, in the event the latter cannot attend the meeting.

2) Equitable Treatment of Shareholders

The firm has a policy to send the inviting letters for a meeting and accompanying documents to the shareholders at least 7 days earlier, in order to reach the minimum period determined by the law. Moreover, the company has a policy to treat all the shareholders equally. That is, a shareholder can vote independently to elect the board of directors, partake in resolution making, opining, and enquiring the meeting as per the meeting's agenda and proposed issue. Every shareholder has the right and equity to receive correct, well-rounded, and updated information, of which he/she can also check for its verity. The company has a policy to provide more alternatives for the shareholders by permitting an independent director to be entrusted by a shareholder, in the event the latter cannot attend the meeting.

Conflict of Interest

In the past years, the company's directors and management have been considering about the eradication of the interests' conflict with prudence, honesty, and independence under the frame of decent morality. This effort is to achieve the overall benefits of the company, transparency, and protection of personal interest through exploitation. The Company's directors, executives and all employees are not allowed to engage in any business that competes with the Company or execute any business transaction which involves themselves or related person/juristic person that may lead to conflict of interest and not to seek benefits for themselves and related parties by using inside information that has not been disclosed to the public. In case that connected transaction or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the exchange's regulations, and are reasonable and for the highest benefit of the Company.

3) Roles of Stakeholders

The company is attentive to the right of the beneficiaries in all groups, be they the internal beneficiaries like staffs and the Company's and its subsidiaries' executives, or the external beneficiaries like competitors, creditor, the governmental authority and other related agents. The company actually conducts its operation in compliance with the provisions of law and other relevant regulations in order to maintain the appropriate care of these beneficiaries. In 2020, the Company ensured that all stakeholders were properly treated each stakeholder as follows:

Shareholders	The Company values the rights of shareholders and rights stipulated by the law, such as the right to attend the shareholders' meetings; the right to vote at the meeting; the right to freely express opinions at the shareholders' meetings; the Company also gives shareholders the right, as the owners of the Company, to make suggested and comments on the Company's affairs to the independent.
Employees	The Company truly believes that its employees are the most valuable assets and also support employees to improve their knowledge and skill by providing skills trainings, knowledge sharing workshops and leaning opportunities to all employees for their self-development and career growth with the Company. The Employee Performance Assessment system integrates the employees' values with the corporate objective to ensure that the business success is their mutual benefits.
Customers	The Company is determined to provide customers with maximum benefit in terms of quality and price, to develop and maintain the sustainable relationship with customer, to commitment to the customers.
Partners	The Company is operates its business by upholds promises and committed to fair and equal treatment of its suppliers and business partners to establish mutual trust.
Competitors	The Company is legally competing with the competitors by adhering to the business fairness under the trade competition act. , and not take any action that violates the

	intellectual property or copyright of competitors, not use dishonest methods to discredit a competitor or no trade secret violations.
Creditors	The Company honestly and strictly adheres to loan agreement, pay attention to the importance of the creditors and strive to keep good relationship with them on the best interest of the Company.
Communities, Social and Environment	The Company perceives the corporate responsibility for the environment in the society and community and for natural resources conservation. The Company supports activities that promote quality of life and create happiness for communities, society and environment.

4) Disclosure and Transparency

Corporate Governance Policy

Board of Directors established Policy on corporate governance, by recognizing the importance of benefits to the business of the Company to be stable and sustainable growth. In setting the operating guidelines, the Company focused on internal control and internal audit. Especially, Board of Directors had evaluated the adequacy of the internal control system together annually since the year 2003. And oversight of management operations by the Board of Directors had conducted under the policy effectively. For the Company had complied with good corporate governance principles, according to the guidelines of the Stock Exchange of Thailand.

In addition, the Company had also disclosed complete information in accordance with the guidelines of the Stock Exchange of Thailand which was reported both in Thai and in English through the Company's website.

Report of the Board

The Board of Director is responsible for the Company's and its subsidiaries' financial statement and information as appearing in the annual report. They also oversee the effective internal control system to ensure that the accounting records be thorough, accurate, and adequate to maintain the property, and to be notified of possible weaknesses to assure that the financial statements are free of material.

Auditor's Fee

(1) Audit Fee

The Annual General Shareholder Meeting of 2020, appointed EY Office Limited with Mrs.Poonnard Paocharoen C.P.A. Registration No.5238 or Ms.Vissuta Jariyathanakorn C.P.A. Registration No.3853 or Mr.Termphong Opanaphan C.P.A. Registration No.4501, as auditor of the Company for the year 2020. The remuneration of the audit fee of the Company and its subsidiaries for the year 2020, THB 825,000 and THB 1,265,000 respectively.

(2) The audit fee excludes non-audit fee of THB 86,002

Dividend Policy

The Company has a policy to pay dividends to shareholders at the rate of not less than 50% of net profit after deduction of all reserves. Unless there is a necessity that it cannot be paid. The dividend payment will be considered many factors such as financial position, liquidity, business expansion and other factors that relevant in the management of the Company. The dividend payment must be approved by the shareholders as appropriate and approved by the Board of Directors.

Investor Relations

After being registered in the Stock Exchange of Thailand, the Company has a policy to nominate a person to be in charge of investor relations. This particular individual will make sure that the disclosure of general and financial information, as well as significant data affecting the price of the Company's stock, be accurate, complete, transparent, and thorough. Such information will be distributed to investors and the public via the following channels: The Stock Exchange of Thailand, List of annual data (Form 56-1) , Annual report (Form 56-2), electronic media (SCP Client), newspaper, magazine, Television, The Company website, shareholder journal, face-to-face interview, trip to meet domestic and international investors and meeting with stock analysts.

Procedures for Whistle-Blower

The Company has established channels for raising concerns or receiving complaints from the employees or the Company's stakeholders. The employees can send the complaints letter with indicating "Private and Strictly Confidential" to the Chairman of the Audit Committee, for the Company's stakeholders can directly send to the Chairman of the Audit Committee or via the Company's E-mail ir@rpcthai.com or The Company's address No. 86/2 Sammakorn Place, Ramkhamhaeng Road, Saphansoong, Bangkok 10240. The complaints will be investigated according to the Company's procedures and reported to the Board of Directors. All evidence and documents related to the complaints and names of the complainants will be kept confidential.

5) Board Responsibilities

Leadership and Vision

The company's board of directors is composed of well-versed, experienced directors who settle policies, vision, strategy, goal, mission, business plan, and the firm's budget. They also govern the management to operate the works effectively and efficiently as per the determined policy, within the boundary of law, the company's provisions, and the resolution of shareholders' meeting, with honesty, responsibility, and prudence; for the utmost economic value of the enterprise and supreme security of the shareholders. Besides, the company is highly attentive to an internal control system, internal auditing, appropriate method of risk management, including a checking system in order to enable the operation to be in compliance with the law, to make the utmost effectiveness and efficiency out of the internal control system. Moreover, the board of

directors has considered about the settlement and separation of duty and responsibility between the board of directors, the audit committee, the executive board, and the Managing Director.

New Director Orientations

The Company organizes newly appointed director orientations pursuant to the director development plan developed by the Nomination and Remuneration Committee so that the new directors have knowledge and understanding of the Company's historical background, including providing relevant information, e.g., the Annual Report, Form 56-1 and notify them of good practice as a director of the Company.

Business ethics

The Company has stood firmly on doing correct deeds in its business path. The directors, management, and all the staffs of the company have their own parts in doing the duty with honesty, under the law's boundary and their own responsibilities. They shall also exercise the prudent consideration in trading and treatment to others; abstaining from any conduct which will riskily lead to the Company's infamy or damage, though that action seems to be beneficial to the Company's business.

Therefore, the Company has a Code of Conducts for directors, executives and employees of the Company and its subsidiaries is determined to conduct business with transparency to ensure sustainable growth and long term value for our stakeholders, including internal and external corruption or briery, gifts as well as donations and contributions. It is also disclosed on the Company's website.

Overseeing the operations of its subsidiaries and associates

The Board of Directors has oversight mechanism that can control the direction of management and responsible of subsidiaries and associated companies to maintain the benefits of the Company's investment as follows:

1. Individuals are sent to represent the Company to be a director, an executive or authorized individual in such company in proportion to the shareholding. And it is approved by the Board of Directors.
2. The scope of authority and responsibility of directors and executives representing the Company are determined by the authority of each company.
3. There is the mechanism of governance has resulted in the disclosure of the financial position and results of operations, transactions between the Company and the connected persons, acquisition or disposition of assets or any other important transaction of such company is completely accurate. And also comply the criteria related to the disclosure of information and transactions similarly to the above-mentioned criteria of the Company.
4. Determine the appropriate and sufficient internal control system in its subsidiaries by testing the internal control system and monitoring by the Internal Audit Committee of the Company.

Anti-Corruption

The Company is aware of the importance of Anti-Corruption and emphasizes the management of business ethics; fairness, transparency and accountability; specifically in related processes or risk of corruption in all forms, either directly or indirectly according to good corporate governance in order to enhance stakeholders' trust and indoctrinate good awareness and establish good value for directors, managements and employees in all level of the Company for their acknowledgment and practice.

Anti-Corruption Policy

Directors, executives, and employees must perform their duties with honesty and without involving in all forms of corruption, whether it is direct or indirect. Uphold and abide by the policies and Code of Conduct strictly.

Related Practices

- Receiving or giving gifts, favors, other privileges

The operation of the Company includes auction or projects, procurement, coordination or activities related to the business of the Company with both public and private sectors. It must be treated with fairness, transparency and verification. Comply with the law, regulation and policy, the Company is aware of receiving or giving gifts, favors or benefits. These could pose a risk of corruption.

- Donation or support to public or private sectors

Donation or support to public or private sectors must be conducted with transparency and not contrary to morality, ethics, legally and adhere to the policies and procedures of such matters very seriously. This must be approved by the original affiliation before proceeding.

However, the donation or support to public or private sectors aforementioned, must not cause conflict of both personal and corporate interests. Not used as an excuse for corruption. Approval of donation or support to public or private sectors must follow the rules strictly. A report is prepared, together with documents for approval donation or support to public or private sectors, and propose to the management for consideration.

- Political participation

The Company operates as a politically neutral. No aid or political support to political parties or politicians in all its forms. It also does not encourage any director, executive, or employee to participate in any political activity on behalf of the Company. The Company is entitled to personal freedom under the law to participate in political activities. And it is not impersonating an employee, or any assets of the Company to take on political support or act in any manner which contributes to the misconception that the Company engages in or support any political.

So the expression and political opinion in the office or corporate premises of the Company are considered against the regulation of the Company.

- Complaints, found clues corruption

If corruption is found, it must be informed to the supervisor or through channels which are set up for complaints, clues, corruption or abuses. The Company has measures to protect the complainant, informant as required. Details are provided by the policy on notification of clues and protection of notifier. The Company provides channel to report clues and complaints through the Company secretary:

- By post to: RPCG Public Company Limited
  No. 86/2 Sammakorn Place, Ramkhamhaeng Road,
  Saphansoong, Bangkok 10240

- Risk assessment of corruption

The internal audit department is responsible for assessing the risks of corruption. By assessing, analysis, monitoring and control of risk at acceptable levels and report to the Audit Committee about the monitoring of the implementation of the policy against corruption.

- Raising awareness against corruption

The Company conducts internal communication to ensure that directors, executives and employees understand and recognize the importance of anti-corruption. Include policies and practices that are relevant through staff meetings, seminars and the Company media. Available to employees who perform duties related to the stakeholders of the Company to inform them.

- Penalties for offenses

Penalties for offenses shall be in accordance with the Company regulations and / or applicable laws.

The board of director's check and balance

The Company's board of directors consists of 7 persons, who are:

- Directors who are the executive – 1 person
- Directors who are not the executives – 3 persons
- Directors who are independent – 3 persons or 43% of the whole board.

Unification or separation of rank

The chairman of the board of directors will not be the same person with the firm's managing director, in order to give check and balance in administration. More than half of the Company's board of directors is consisted of a coalition of non-executive directors and the independent directors.

Remuneration for directors and management

The firm has clearly settled the policy on the directors and management's remuneration. However, the consideration of the directors' remuneration is under the approval of the shareholder's meeting, whereas the management's remuneration is under the approval of the board of directors. This consideration will be as high as that of the industry to maintain the highly-qualified directors and management with the firm.

The Board of Director's meeting

The Company has a policy to send the inviting letters for a meeting with accompanying documents to the directors' consideration at least 7 days earlier, in order to reach the minimum period determined by the law. In 2020, the board of directors had 7 meetings. The meetings are normally pre-scheduled for the entire year and informed to the entire Board. The Board of Directors shall meet with a pre-determined schedule or a special meeting that may be called by the Chairman if it necessary. To consider the significant matter, each Board meeting requires a quorum not less than half (1/2) of the total directors to participate. Each meeting will be recorded and the approved documents will be gathered for reference or future review or investigation.

Name	Position	Meetings in the 2020			
		Board of Director	Audit Committee	Nomination & Remuneration Committee	Shareholders Meeting
		7 Times	6 Times	1 Time	1 Time
1. Mr.Satja Janetumnugul	Chairman of the Board	7/7	-	-	1/1
2. Mr.Tawat Ungsuprasert[1]	Director	3/7	-	-	1/1
3. Mr.Supapong Krishnakan	Director	6/7	-	-	1/1
4. Mr.Suthud Khancharoensuk	Director / Member of the Nomination & Remuneration Committee	7/7	-	1/1	1/1
5. Mr.Prasit Dheeraratbongot	Independent Director Chairman of the Audit Committee Chairman of the Nomination & Remuneration Committee	7/7	6/6	1/1	1/1
6. Mr.Chamni Janchai	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	6/7	6/6	1/1	1/1
7. Ms.Panicha Pongsivapai	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	7/7	6/6	1/1	1/1

Note: [1] Appointed as director on July 16, 2020.

Self-evaluation of the Board of Directors

The Company has a policy to arrange an annual self-assessment for each director to allow them to consider and review their performances and identify all issues and obstacles in the past year. The assessed result will be used to increase the efficiency of the Board of Directors, hence conforms with good corporate governance.

The Company secretary shall propose the Board of Directors assessment forms to all members so they can assess their performances during the past year both collectively and individually. When complete the forms, they will send them back to the Company secretary who then collects the results of each member, summarizes and analyzes the performances of the Board of Directors during the year. The Company secretary will then submit the results to the Board of Directors for consideration in order to achieve the aforementioned objectives.

Directors Training

The Board of Directors continues to try and enhance their value by participation in activities, courses and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge. All the Company's Directors have attended important training courses that are available such as the Director Certification Program (DCP) or the Director Accreditation Program (DAP) held by the Thai Institute of Directors Association (IOD).

Details of Directors attended training courses for Directors

Name / COURSES:	Mr.Satja Janetumnugul	Mr.Supapong Krishnakan	Mr.Tawat Ungsuprasert	Mr.Suthud Khancharoensuk	Mr.Prasit Dheeraratbongkut	Mr.Chamni Janchai	Ms.Panicha Pongsivapai
DAP : Directors Accreditation Program	20/2004	15/2004	DAP	15/2004	-	30/2004	-
DCP : Directors Certification Program	-	-	-	-	DCP62	-	234/2017
Director Diploma Examination	-	-	-	-	-	-	58/2017
AACP : Advance Audit Committee Program	-	-	-	-	-	-	26/2017
RCP : Role of the Chairman Program	-	-	-	-	-	21/2009	-
BMD : Boards That Make a Difference	-	-	-	-	-	-	8/2018
FND : Finance for Non-Finance Director	-	-	-	-	-	-	-
Board Performance Evaluation	-	-	-	2/2007			-

The subcommittee

The board of directors has appointed the subcommittee board to support on corporate governance, as follows:

- The Audit committee with a 3-year term in office. The committee's body consists of 3 persons, all are the independent directors.
- The Nomination and Remuneration Committee with a 3-year term in office. The committee's body consists of 4 persons, all are not the Executive Board and committee's chairman must be the Independent director.

Internal control and audit system

The firm has clearly settled mission, duty, and operational authority of the operational staffs and executives in a form of writing, along with the use of the Company's property for beneficial purposes and the job segmentation of operational staffs, control staffs, and assessment staffs; in order to create check and balance.

The Company has an internal audit office that will do the checking to assure the efficiency and compliance of the firm's main operation and major financial activities with the law and provisions related to the Company. The internal audit office is independent, so it can do fully the check and balance. The internal audit office can directly report the audit result to the audit committee.

Control of the Use of Internal Information

The Company has informed all executives and management of each division about their duties to report the number of shares or securities of the Company that are held by them, their spouse and minor children as well as every change of securities holding occurring as a result of any purchase, sale, transfer or acknowledgement of transfer of securities to the Securities and Exchange Commission according to Clause 59 and Clause 275 of the Securities and the Stock Exchange Act B.E. 2535.

If any directors, executives or employees violates the Company's policy on the sale and purchase of securities by using internal information, those persons shall be punished or disciplined according to the Company's rules and regulations which include warning letter, pay cut, temporary forced leave without pay or employment termination. The level of disciplinary action shall depend on the degree of the violation.

Report of RPC's share held by Directors and Executives for the year 2020

Name	Amount of Ordinary Shares			
	As of 31 December 2019	Change during the year 2020	As of 31 December 2020	
			Amount	Shareholding (%)
Directors				
1. Mr.Satja Janetumnugul and Spouse	22,734,592	-	22,734,592	1.74
2. Mr.Supapong Krishnakan	1,791,092	-	1,791,092	0.14
3. Mr.Tawat Ungsuprasert and Spouse	48,539,238	-	48,539,238	3.72
4. Mr.Suthud Khancharoensuk and Spouse	10,833,356	-	10,833,356	0.83
5. Mr.Prasit Dheeraratbongkot	-	-	-	-
6. Mr.Chamni Janchai	-	-	-	-
7. Ms.Panicha Pongsivapai	-	-	-	-
Executives				
8. Mrs.Supannee Tanchaisrinakorn	-	-	-	-
9. Ms.Kallaya Klaithong	-	-	-	-

1. Human Resources

As of 31 December 2020, the Company and its subsidiaries had 723 employees, which can be broken down by function as follows:

Organization Structure As of 31 December 2019		Organization Structure As of 31 December 2020	
Function	Quantities	Function	Quantities
- Business & Finance	2	- Business & Finance	2
- Business Development	7	- Business Development	6
Subsidiaries	Quantities	Subsidiaries	Quantities
- PTEC	665	- PTEC	715
- SPG	12	- SPG	-
Total	686	Total	723

2. Remuneration

2.1 Financial Remuneration

Total remuneration to the Company's staff including salaries, overtime, fringe benefits, bonuses and provident fund contribution for the year 2019 and 2020 were 134.86 million Baht and 158.16 million Baht respectively and benefits on termination of employment.

3. Human Resource Development Policy

The Company's policy to promote the advancement of employees. The direction of the development staff. And employees at all levels. It was developed under the direction of such a system. And continued to function effectively in the current page. And are ready to take up higher in the future. With regard to the use of human resources for maximum benefit. And the merit system (Merit System) in salary and promotion. And promoted Based on skills, knowledge, abilities and potential of each employee's individual compound. Corporate Value consists of:

- Initiatives
- Accountability
- Synergy
- Sustainable

Internal Control System

The Board of Directors and the Executives give priority to continuous internal control system. It covers finance, operation, and compliance with law, regulations, and rules. It is crucial to ensure to reduce business risks. The Company provides appropriate, efficient, and effective risk management. Appropriate resource allocation protects and maintains properties. Risk management policy is defined clearly by assigning the audit committee which is comprised of the independent committee. The committee oversees internal control system, risk management system, and corporate governance. It maintains appropriateness and effectiveness. It assures that the Company complies with regulations and related laws. It prevents conflict of interest. It maintains properties, conducts related documentations to prevent fraud or misconduct.

KPMG Phoomchai Business Advisory Limited as the internal audit department of the Company, the internal audit unit which is independent from management report directly to the Audit Committee in the operation to be efficient and effective with constant monitoring and corrective action on important issues. For various departments of the Company and subsidiaries have appropriate internal control systems and independent as possible. The Company’s internal control system which divided into five sections as follows.

1. Organization and Environment

The Company has formulated its business goal and objectives on a clear, possible, and measurable basis. In this regard, it has modified the organizational structure to facilitate job efficiency and flexibility, as well as to correspond with incessantly changing business environments. Hence, the Company has set regulations and penalty rules to prevent the management and employees from engaging in a conflict of interest with the Company. In addition, the policy and operational rules regarding financial transactions, selling, purchasing, and managing were also framed on the basis of fairness to all parties concerned.

2. Risk management

The Company's executives have set up a risk policy and an organization to be in charge of risk management. In this aspect, the risk management committee was founded along with a risk coordinator in each work unit. In addition to providing constant training to the employees on knowledge about risk management, the Company also assigns a person in charge of risk in each work unit, sets a plan and a measure for risk management, evaluates potentially threatening risk factors, formulates a measure for risk reduction, and follows up on risk management procedures of every work unit. The risk management committee will subsequently report its performance to the Audit Committee to be continually forwarded to the Board of Directors. Moreover, the Company has organized training on this matter to employees.

3. Controlling of the Management

The Company has distinctly delineated the scope of authority and responsibility of both the management team and the employees of all levels. The approval scope of each management level is clearly and appropriately determined, and the operations of subsidiaries and affiliated companies are continuously and constantly supervised to comply with the existing legal requirements.

4. Information Technology and Communication System

The Company has utilized the ERP information technology system to efficiently manage purchasing, selling, accounting system, inventory, and permanent assets, so that the IT database be made efficient and handy for the executive's decision making. Moreover, additional developments have been brought in to advance the existing IT system, e.g. the systems for gas station management, close-circuit TV, and video conferencing. These developments aim prominently to facilitate work coordination and supervision, to cover extensive IT usage among employees, and to increase efficiency of communication channels between the Company and its subsidiaries and affiliated firms.

5. Monitoring System

The Board of Directors has conducted a thorough consideration and monitoring on the performance of the Management team. If any deviation from the preset goal is detected, the Board of Directors will have the Executives correct it immediately. In this regard, the Internal Control Committee will report directly to the Audit Committee in due time, especially when those deviations are critical. A report on correction process and progression should also be filed.

The Company's background and major development

RPCG Public Company Limited, formerly known as Rayong Purifier Public Company Limited, was established in 1995 by a joint venture between Thai businessmen with extensive experiences in the petroleum and the petrochemical businesses and Petro-Instruments Co., Ltd. The Company's main business is to refine Condensate Residual (CR), which is a by-product from the production process of PTT Global Chemical Public Company Limited (PTTGC) (formerly known as PTT Aromatics and Refining Public Company Limited (PTTAR)), into high quality petroleum and petrochemical products such as high-speed diesel oil, fuel oil, and petrochemical products for the wholesale and retail businesses. In addition, the Company is granted a fuel-trading license, according to Article 7 of Fuel Trade Act, B.E. 2543 (2000)

Since early 2012, the Company's oil refinery has been shut down as PTT Public Company Limited had broken the Condensate Selling Agreement, which is the Company's main raw material. This was considered as a breach of contract between PTT and the Company. The Company needed to cease the oil refinery operation indefinitely because the Company had lost the main revenue business and there were many operating expenses.

In 2015, the Company has improved business operation and restructure the business to suit the Holding Company environment, which main revenues came from energy business and the Company has discontinued oil refinery in Rayong Province permanently.

Summary of the Company's history and major developments in the past 3 years

2017-2018

- In May 2017, the Company received a copy of the arbitral award dated April 27, 2017. The arbitral tribunal have a decree let the Company pay amount of 1,555 million Baht plus interest at the rate of 9.375 per year, calculated from the capital amount 1,518 million Baht, counted from the next date of submission of the dispute (submitted the dispute on May 18, 2012) until the Company have paid to PTT.

  The Company would like to clarify that the Company disagree with the arbitral award of the arbitral tribunal. The Company consider that the arbitral award of the arbitral tribunal aforementioned, contradicted the provisions of the law and the Arbitration Act, and contradicted to the contract dispute. The Company disagree with the arbitral award. Therefore, the Company will have the right by law in filing a petition to the Civil Court to revoke of the Arbitration award.
- In November 2017, the Company has approved Pure Thai Energy Company Limited ("PTEC"), has signed the cooperation contracts with ESSO (Thailand) Public Company Limited ("ESSO") for oil contracts and the use of the Esso trademark rights. After this, gasoline service stations of PTEC will be service station under the Esso trademark, but still remain the business operation of gasoline service station by PTEC.
- The Company has follow up on operating results to ensure that the Company is proceeding in its policy in year 2017 and 2018.

2019

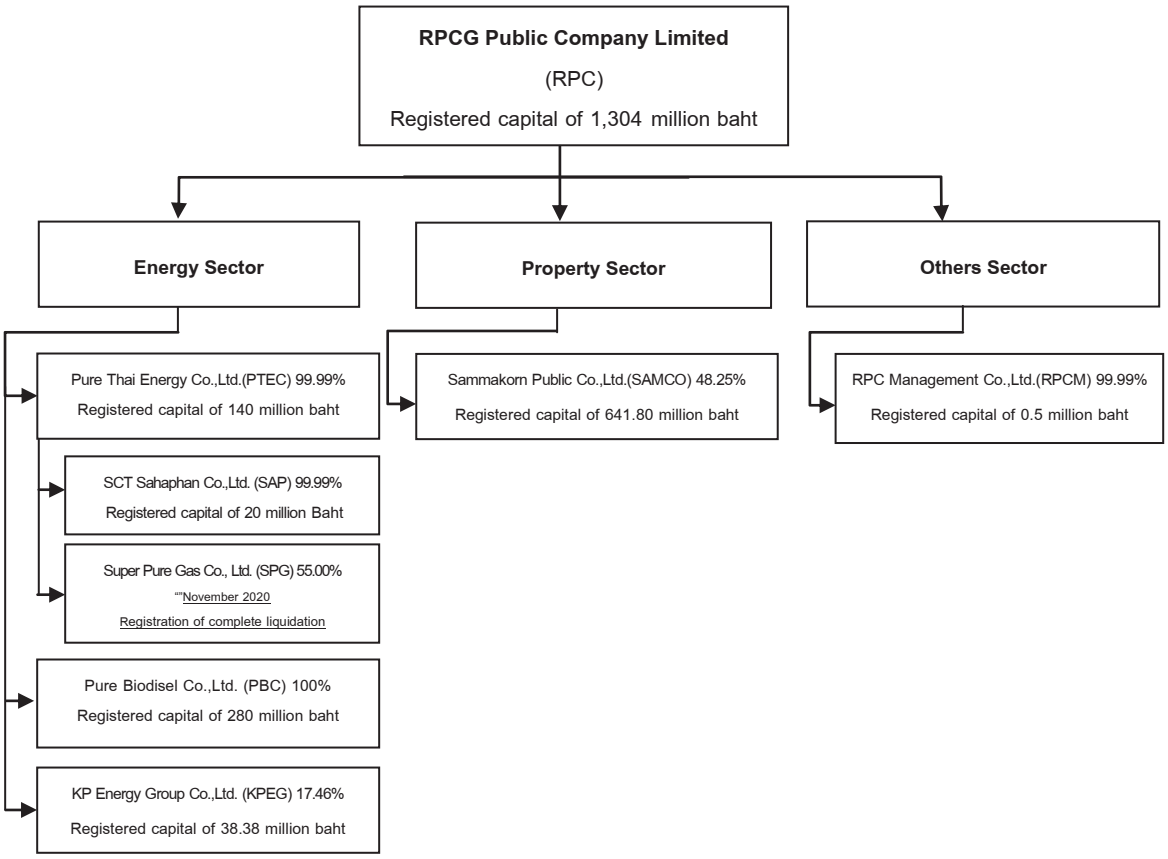
- In March, the Civil Black Case No.Por. 3492/2560 and Black Case No.Por 3789/2560, that the revocation of the decision of the Arbitral Tribunal requiring the Company to pay the final price of condensate residue (CR) with interest and dismissing PTT's request, which PTT exercised its right to appeal against the Civil Court's judgment to the Supreme Court in August 2019
- In September, the Civil Black Case No.Por.3016/2559 and the Civil Black Case No.Por 6000/2559 in, the Civil Court issued the judgment in accordance with the arbitral award to order PTT to pay damages for the unlawful termination of the agreement with RPC in the amount of 390 million Baht per annum starting from February 1, 2012 until the date on which the arbitral tribunal rendered the arbitration award (March 25, 2016), together with 7.5 percent interest per annum on such amount of damages calculated on the date on which the arbitral tribunal rendered the arbitration award until PTT makes payment in full to the Company.
- In October, the Company has approved the Company to sell the Company's ordinary shares of Thai Public Port Company Limited ("TPP") to Siam LNG Company Limited, 30% of the total registered capital total amount of 1,000 million Baht.
- In December, The case is Black Number 117/2559, the Arbitral Tribunal issued its verdict PTT compensates the Company for damages during the year 2006, amounting to 26,700,000 Baht including interest at the rate of 7.5% per annum from the date of 13 September 2016 onwards until the payment is made to the Company, and compensate the Company for damages during the year 2010, in the amount of 37,275,922.32 Baht with interest from 9 November 2011 onwards until payment is made to the Company.

2020

- In August, The Company has approved the dissolution of Super Pure Gas Company Limited (“SPG”), which is a subsidiary of the Company indirectly holds shares via Pure Thai Energy Company Limited, a subsidiary of the Company in proportion of 55 percent, because SPG has accumulated losses in business operations, SPG registered the dissolution with the Department of Business Development, Ministry of Commerce on July 13, 2020. The dissolution of SPG does not affect the business of the company at all.
- In November, The Company has approved the establishment of a subsidiary Company (RPCG-JV 1 Company Limited) to support the expansion of the Company’s project development

As of December 31, 2020, the Company has registered capital of THB 1,304,664,125 and paid-up capital of THB 1,304,664,125. The holding structure in its subsidiaries and associated companies are as follows:

Business Structure of RPCG Group



Overview of Business Operation for the Group

RPCG Public Company Limited (RPC)

Previously, the Company is engaged in the distillation of condensate residue (CR), a by-product from the production process of PTT Global Chemical Public Company Limited (PTTGC) (formerly known as PTT Aromatics and Refining Public Company Limited (PTTAR)), to produce high quality petroleum and petrochemical products, e.g. high-speed diesel, fuel oil and other petrochemical products. RPC's refinery has a maximum capacity of 17,000 barrels per day or 80 million liters per month. Moreover, RPC also procures unleaded gasoline 91, gasohol 95, gasohol 91, high-speed diesel, and E85 from other refineries to satisfy the increased consumers demand. Besides, RPC also operates one oil depot in Rayong Province to expedite the purchasing and delivery process. Since early 2012, the Company's oil refinery has been shut down as PTT Public Company Limited had broken the Condensate Selling Agreement, which is the Company's main raw material. The Company needed to cease the oil refinery operation indefinitely because the Company had lost the main revenue business and there were many operating expenses. According to the resolution of AGM 2015, held on April 20, 2015 has approved the discontinued oil refinery in Rayong Province permanent.

The Company has improved business operation and restructure the business to suit the Holding Company environment, which main revenues came from energy business are as follows.

Core Company

1. Pure Thai Energy Company Limited (PTEC)

PTEC is a subsidiary which held by RPC 99.99% of shares, the registered capital of PTEC is 140 million Baht, divided into ordinary shares of 1,400,000 shares at par value of 100 Baht per share. All shares are fully paid-up. PTEC engages in retail distribution business of high-speed diesel, Gasohol 95, Gasohol 91, Gasohol E20, Premium Diesel, Premium Gasohol 95 and high-speed diesel B20. On November 6, 2017, Pure Thai Energy Company Limited ("PTEC"), has signed the cooperation contracts with ESSO (Thailand) Public Company Limited ("ESSO") for oil contracts and the use of the Esso trademark rights. After this, PTEC will be service station under the Esso trademark, but still remain the business operation of gasoline service station by PTEC. As at 31 December, 2020, PTEC continue to be the operator of 67 gasoline service stations under the Esso trademark.

Subsidiaries

1. SCT Sahaphan Co., Ltd. (SAP)

SAP is a subsidiary which is held 99.99% by PTEC. The registered capital of SAP is 20 million Baht at par value of 100 Baht per share which divided into 200,000 shares. The nature of the business is selling equipment, including repair and maintenance services and construction to petroleum service stations.

2. Super Pure Gas Co., Ltd. (SPG)

SPG is a subsidiary which is held 55% by PTEC. The registered capital of SPG is 34 million Baht. The nature of the business is selling LPG. SPG has already registered the dissolution and the liquidation completion on November 27, 2020.

3. Pure Biodiesel Limited (PBC)

PBC is a subsidiary which is held 100% by RPC. The registered capital of PBC is 280 million Baht, at par value of 100 Baht per share which divided into 2,800,000 shares. The objectives of PBC are: 1) to produce biodiesel (B100) from domestic palm oil which its production capacity of 300,000 liters per day or 100,000 tons per year for blending B100 into diesel fuel, referred to as Diesel B3 and Diesel B5 which are the renewable energies according to the government's policy, and (2) to produce glycerin with production capacity of 10,000 tons per year, for usage as a raw materials in cosmetics and medical supplies. PBC obtains a BOI Promotion Certificate by which it receives an 8-year corporate income tax exemption. Present, PBC has stopped the production for indefinite period since February 2012.

4. RPC Management Co., Ltd. (RPCM)

RPCM is a subsidiary which is held 99.99% by RPC. The registered capital of RPCM is 500,000 Baht, divided into 5,000 ordinary shares at par value of 100 Baht per share, and all shares are fully paid up. RPCM engages in the business as an oil wholesale trader for trading all kinds of fuel products with major and minor dealers in nationwide such as, high-speed diesel, Gasohol 91, Gasohol 95. RPCM has stopped all trading transactions. In 2012 RPCM changed it's the business operation to supporting the systems management service.

Associated Companies

1. Sammakorn Public Company Limited (SAMCO)

SAMCO is an associated company which is held 48.25% by the Company. The registered capital of SAMCO is 641.80 million Baht which divided into ordinary shares of 641.80 shares at par value of 1 Baht per share. SAMCO engages in property development business with major focus in single-detached house projects and Condominium in Bangkok and metropolitan. SAMCO is actively involved in the property developed continuously as at 31 December 2019, there are eight (8) projects, namely Sammakorn-Rangsit Khlong 7 (prime-7), Sammakorn-Rangsit Khlong 7 (Zone-4), Sammakorn Chaiyapruk-Changwatana, Sammakorn Avenue-Ramintra-WongWaen, Sammakorn Avenue-Chaiyapruk-WongWaen, Chaiyapruk-WongWaen 2, Sammakorn Avenue-Suvarnabhumi and Sammakorn Office Park.

2. KP Energy Group Company Limited (KPEG)

KPEG is an associated company that the Company hold 17.46% stake. Its registered capital is THB 38.38 million and engages in a Very Small Power Producer (VSPP)

Revenue Structure

The revenue structure of the Company and its subsidiaries as of December 31, 2020 are as follows:

Sales revenue of the Company and its Subsidiaries

Products	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic						
High-Speed Diesel	2,166.78	66.39	2,858.61	66.77	2,931.96	70.38
Gasohol	1,030.24	31.56	1,378.87	32.21	1,205.63	28.94
Other Products	26.79	0.82	24.24	0.56	11.27	0.27
Total Domestic Sale Values	3,223.81	98.77	4,261.72	99.54	4,148.86	99.59
Service Income	40.07	1.23	19.76	0.46	17.27	0.41
Grand Total	3,263.88	100.00	4,281.48	100.00	4,166.13	100.00

Sales volumes of the Company and its subsidiary firms

Products	2018		2019		2020	
	Million Liter	%	Million Liter	%	Million Liter	%
Domestic						
High-Speed Diesel	81.16	66.9	114.81	67.59	142.61	70.80
Gasohol	38.35	31.62	53.76	31.65	58.49	29.04
Other Products	1.79	1.48	1.29	0.76	0.34	0.16
Total Domestic Sale Volumes	121.30	100.00	169.86	100.00	201.44	100.00

Risk Factors

The Company considered a significant risk factor which may affect its business in order to manage its risks efficiently and effectively. So the Company has considered about Risk Management and Internal Control. The Company has increased its focus on Risk Management and Monitoring of Risk Management Process so that implementation consistent with Good Corporate Governance Policy.

Nevertheless, the Company has originates its risk evaluation process on the current global status, at this moment some other risks might not yet be mentioned due to the uncontrollable external sources which might affect the Company in the future.

1) Risks from fluctuation of refined oil prices

The Company deals directly with refined oil and various refined oil sellers, thus, the possibility of the fluctuation of refined oil prices are according to the following factors;

- Global economic and politic unrest, specifically, the members of Middle East countries; the main producers of natural gas and crude oil
- Global and regional level of demand and supply.
- Government regulations; national level and global level
- Weather condition

Due to the fact that all mentioned factors are caused by the uncontrollable external sources, and the selling price depends on the fluctuation of refined oil prices. The effect on financial status and the operation results might also affect the selling quantity and the value of the inventories.

Nevertheless, the Company manages the situation in the positive manner by utilizing great skills from the experienced group of employees regularly analyzes the situation and keeps close attention to the refined oil prices. In addition, the specializations in managing and acquiring refined oil in fair deals as well as the good management in price positioning in the market are achieved excellently. Furthermore, the main purpose of the refined oil inventories are assigned specifically for trading purpose for each part of the country, and the arbitrate trading in form of large quantity of refined oil inventories are not the policy of the Company. Furthermore, the Company does not have a significant effect on the fluctuation of refined oil prices due to the majority of consumers are regular buyers who purchase daily.

2) Risks from government intervention in market prices

The possibility caused by the government intervention in national refined oil price structure, especially, during the peak of the fluctuation of refined oil prices and petroleum price in global market. The intervention from the government may affect the operations, financial statuses and the Company operating results.

Although, the Company measures that there are some risk from government intervention, but market prices may not have the effect on the Company. The reason behind this is the intervention policy is only applied temporary. The government shall adjust the price to consumers and vendors for the petroleum retail

price to stay at the same purchasing rate from the refinery or other suppliers including the marketing expenditures. In addition, when the tax rate, marketing expenditures and other contributed capital are unchanged the petroleum retail price will be adjusted to stay at the same rate at the refinery in order to aid the consumers and vendors during the increase of petroleum price in the global market.

3) Risks from man-made disasters and natural disasters

As the Company involvement is mainly in the petroleum business, specifically, its subsidiaries as petroleum service stations all around the country. Therefore, the probability of various types of disasters is high. Although, the natural disasters such as conflagration, flood, and etc. are unavoidable and unpreventable, the Company is well aware and well prepared for any circumstances in order to prevent the cause loss of lives and damage to properties and businesses.

The Company acknowledges the prevention for these types of risk by applying for the all risks insurance which focuses primary on the production assets which can be filed the claim when the accidents or disasters occurred. Furthermore, the Company also recognizes the importance of the emergency training for its employees by conducting the training regularly in order to be prepared for the unexpected disasters as a contingency plan.

Risk from promulgation of Personal Information Protection Act

According to the Personal Data Protection Act, B.E. 2562 (2019), declared in the Government Gazette on 27 May 2019, defining the rules, procedures, and conditions for personal data protection comprehensively. It was scheduled to take effect on 27 May 2020. However, due to the fact that this law is quite detailed and complicated in order to effectively protect personal information, while many government and private sectors are not ready to fully comply yet, therefore the Royal Decree has been declared to postpone its enforcement until 27 May 2021. This will affect all operations related to personal information, whether it is employees, partners, and customers. If the data is stored under the responsibility of the Company, it is necessary to request permission to store the data with employees, partners, customers, or the owner of that personal data every time.

In the meanwhile, the Company has appointed a working group to oversee and prepare various plans to support the enforcement of the said law and establishing personal data protection policies in order to be a guideline for RPCG Group operations, including determining various measures regarding the purpose and conditions for using the information, notifying and requesting consent, collection, use and disclosure of information to be as required by law.

Risks from lawsuit cases

This risks arise from the dispute of the Black Case No. 114/2552, the dispute of the Black Case No. 78/2555 of The Thai Arbitration Institute, the civil case of black case index no. 3162/2553 of the Civil Court

which the event occurred from PTT Public Company Limited (PTT) notified to terminate the Condensate Residue Purchase Agreement (CR) and completely stopped to supply the Condensate Residue (CR) as raw materials, The dispute of the Black Case No. 114/2552, the Company received an arbitration award dated 25 March 2016, pursuant to which the arbitral tribunal rendered an award by a majority vote to order PTT to pay damages for the unlawful termination of the agreement with the Company in the amount of Baht 390 million per annum starting from 1 February 2012 until the date on which the arbitral tribunal rendered the arbitration award, together with 7.5% interest per annum on such amount of damages calculated on the date on which the arbitral tribunal rendered the arbitration award until PTT makes payment in full to the Company. On June 2016 PTT petitioned the court to revoke the award (Black Case No. Por.3016/2559). On December 2016, the Company filed a petition with the Civil Court to seek enforcement of the above arbitration award (Black Case No. Por.6000/2559). Later, in September 2019, the Civil Court issued a verdict, PTT compensates the Company for damages in accordance with the above arbitral award, which PTT has the right to appeal judgment of the Court of First Instance to the Supreme Court following the law.

As for the dispute, the Black Case No. 78/2555, on 27 April 2017, the Arbitral Tribunal has a ruling that the Company must pay for raw materials for condensate residue. The final installment in the amount of 1,555 million Baht with interest rate of 9.375 percent per annum, calculated from the principal amount of 1,518 million Baht, counting from the date of submission of the dispute (May 18, 2012) until payment is made to PTT. The Company disagreed with the said ruling. And on 25 July 2017, the Company exercised the legal right to file a request for the Civil Court to withdraw the award of the Arbitral Tribunal. The case is Black Case Number Por. 3492/2560. Later, in September 2017, PTT submitted a petition to the Civil Court requesting the enforcement of the arbitral award. The case is Black Case Number Por. 3789/2560. The Company therefore filed an objection to the enforcement request of PTT, and in March 2019, the Civil Court issued an order revoking the Arbitral Tribunal's decision and dismissing PTT's request, which PTT exercised its right to appeal against the Civil Court's judgment to the Supreme Court in August 2019.

The commercial dispute cases currently being considered by the Court, are not yet determined. It depends on the future judicial process.

Risks of the future business

The risks of future business has arisen from PTT Public Company Limited (PTT) who is the only one supplier in distribution of raw materials, failed to perform the obligations under the Agreement without default in performances by the Company. The Purchase Agreement is made on a long-term basis with no predetermined end date, and does not specify the period of termination (Evergreen Basis). This issues caused the Company filed the case to Arbitration and Civil Court, respectively. During the arbitration hearing, PTT Public Company Limited (PTT) stopped to supply the raw materials to the Company since the date February 1, 2012 onwards, which it is considered in default under Clause 15.5 specified that even if the dispute between the parties has not been resolved, PTT Public Company Limited (PTT) as the party, has obligated to perform its obligations

under the Agreement until the final arbitration award will be made by the Arbitrators. These issues have caused the Company to stop its production for the indefinite period and lost the main income.

To compensate for loss of the main income, the Company is preparing feasibility studies of any projects, whether fuel business and other businesses. At present, the Company has invested in real estate project.

Related Transactions

Related transactions of RPCG Public Company Limited and its subsidiaries with the connected persons in 2019 and 2020 are as follows:

Related transactions of the Company with Petro-Instruments Corp.,Ltd. ("PICO")

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2019	2020
the Company received services management and services in rental vehicles	■ Mr.Satja Janetumnugul, Director and holding 1.1865% and Mr.Suthud Khancharoensuk, Director and holding 0.0001%, are directors of PICO and holding 18%	0.19	0.18

Related transactions of the Company and its subsidiary with Pure Sammakorn Development Co., Ltd.

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2019	2020
the Company paid for rental fee for office and other expenses	■ Mr.Satja Janetumnugul Director is a director of Sammakorn PCL., and Sammakorn PCL., which hold shares 100%	0.42	0.22
Pure Thai Energy Co., Ltd. (subsidiary) paid for land lease, rental fee for office and other expenses		3.58	0.72

Related transactions of the Company and its subsidiary with Sammakorn Public Company Limited

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2019	2020
the Company received dividend income	■ Mr.Satja Janetumnugul Director, is a Director of Sammakorn PCL. and the Company is major shareholder of Sammakorn PCL. holding 48.25%.	21.68	27.87
the Company received interest income		4.77	11.18
Pure Thai Energy Co., Ltd. (subsidiary) sells fuel		0.18	0.18
Pure Thai Energy Co., Ltd. (subsidiary) paid for other expenses		1.52	1.10

Related transactions of the Company with Thai Public Port Co., Ltd.

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2019	2020
the Company received dividend income	■ Mr.Satja Janetumnugul Director, is a Director of Thai Public Port Co.,Ltd., which hold 30% by the Company.** ** At the ended of 2019 and 2020, the Company has no longer hold the shares of Thai Public Port Co., Ltd.**	31.50	-

Management Discussion Analysis and Business Performance

	31 Dec. 2020		31 Dec. 2019		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	4,149	97.30	4,262	90.91	(113)	(2.65)
Total revenue	4,264	100.00	4,688	100.00	(424)	(9.04)
Cost of Sales	3,812	89.40	4,011	85.56	(199)	(4.96)
Selling & Administrative expenses	390	9.15	308	6.57	82	26.62
Share of profit from investments in associates	19	0.45	24	0.51	(5)	(20.83)
Profit equity holders of the Company	44	1.03	381	8.13	(337)	(88.45)

Revenue

For the year 2020 RPCG Public Company (the "Company") has total revenue of 4,264 million Baht decreased 424 million Baht or equivalent to a 9.04% from the previous year, total revenue equals to 4,688 million Baht. Most of the revenue is from the sale of oil through Pure Thai Energy Co., Ltd. (PTEC) service station, which is the core company of the Company, amounting to 4,149 million baht, decreased 113 million Baht or equivalent to a 2.65%, compare to 4,262 million Baht from the year 2019. Sales volume increased from the previous year by 18.59% due to the expansion of the gas station branches from the previous year, mainly from the sale of diesel products and in 2020, the Company has a lower capital gain compared to 2019. In 2019, the Company had a profit from the sale of investments in associates amount 368 million Baht while in the year 2020 there was no such profit.

Cost of Sales and Expenses

For the year 2020, the Cost of Sales of 3,812 million Baht, decreased by 199 million Baht or equivalent to a 4.96%, compare to 4,011 million Baht from the year 2019 by varying income from oil sales.

In the year 2020, the Company has selling and administrative expenses of 390 million Baht, increased by 82 million Baht or equivalent to a 26.62%, compared to 308 million Baht of the same period last year. The increase was due to selling expense, employee expense, rental of gas stations and in the year 2019, and acknowledge of the profit share from investments in associated companies was decreased by 5 million Baht, compared to the year 2019.

Profit (loss) attributable to equity holders of the Company

In the year 2020, the Company had profit equity holders of the Company of 44 million Baht, decreased by 337 million Baht compared to the previous year net loss of 381 million Baht. Although the Company had a gross profit of 86 million Baht. There was a decrease in operating loss of 3 million Baht, but the Company had an increase in sales and administrative expenses of 83 million Baht. The recognition of profit sharing from investments in associates decreased by 5 million Baht, including in the previous year the Company had a profit from selling investments in associates amount 368 million Baht.

The Board of Directors' Responsibility for Financial Statement's Report

The Board of Directors is responsible for the financial statement and information of RPCG Public Company Limited and its subsidiaries as appeared in the annual report. The financial statements was prepared in accordance with Thai Financial Reporting Standards using appropriate accounting policies with consistent practices. The judgment thereof was exercised cautiously with the best applicable estimates and adequate disclosure of important information in the financial statements remarks.

The Board of Directors has provided and maintained the efficient internal control system, to assure that the accounting records be thorough, accurate, and adequate to keep all assets, and to be notified of possible weaknesses to assure that the financial statements are free of material misstatements.

In this aspect, the Board of Directors has authorized the Audit Committee comprising non-executive committees to supervise the quality of financial statement, and the internal control system. Their opinion thereof appears in the report of Audit Committee.

The Board of Directors perceived that the Company's overall internal control system is in the acceptable and reliable level as appearing in the financial statements of the Company and its subsidiaries as of 31 December 2020.

Mr. Satja Janetumnugul

Chairman of the Board of Directors

The Audit Committee's Report

The Audit Committee (the "Committee") performed its duties in accordance with the scope of duties and responsibilities set forth in the Audit Committee Charter, which complies with the regulations of The Stock Exchange of Thailand and authorized by the Board of Directors (the "Board").

For the accounting period of 2020, the Committee has performed its duties independently. The Audit Committee convened 6 meetings, including one meeting between the Committee and the auditors without the presence of the Managements representative to consider the system of internal controls and the 2020 external audit plan of the Company and its subsidiaries as appropriate to discuss the following issues:

1. Financial Statements : The Audit Committee has reviewed the quarterly and annual financial statements 2020 of the Company and its subsidiaries collaborate with management and auditors by inquiring and listening to the clarification in regard to accuracy complete details of financial statements and sufficiency in disclosing information. The Audit Committee agreed with the auditor that the said financial statements were correct as they should be emphasized in material matters according to accounting standards. And the disclosure of important information adequately in the notes to the financial statements and the auditor reviews the financial statements unconditionally. There is an emphasis on significant uncertainties regarding operations, cause from the

Company has trade disputes and lawsuits with PTT Public Company Limited, the main raw material supplier of the Company which is in the process of justice and the outcome of the said dispute and lawsuit cannot be determined yet.

In the year 2020, the Company and its subsidiaries adopted financial reporting standards and interpretations of financial reporting standards revised (revised 2019) and several new versions have been adopted. The versions that are material to the separate and consolidated financial statements of the Company and its subsidiaries, namely, Financial Reporting Standard No. 16 regarding lease agreements which replaces TAS 17 on lease agreements. The cumulative effect of adopting this financial reporting standard for the first time was recognized. It is adjusted to assets and liabilities as of January1, 2020 without any impact on shareholders' equity and does not restate the prior year's financial statements as presented for comparison.

In addition, the Company and its subsidiaries have adopted accounting guidelines for temporary relief measures for additional options in accounting to cope with the impact of the coronavirus disease 2019 epidemic situation (COVID-19), in order to mitigate some impacts from the compliance with certain financial reporting standards and to provide clarity in accounting practices during a time when there is still uncertainty about the situation.

2. Related Transactions: The Audit Committee considered the disclosure of Related Transactions and other transactions that may cause a conflict of interest, which the external auditor had expressed an opinion that the Company's transactions with related companies are disclosed in the Financial Statements and recorded in the notes to the Financial Statements. The Committee agreed with the opinion of the external auditor. Furthermore, the Committee expressed that the transactions were of sound business practices and for the best interest of the Company; and the disclosures were accurate, adequate, and in compliance with related laws and the regulations of the Stock Exchange of Thailand.

3. Internal control and risk management systems: The Audit Committee considered quarterly internal audit reports and progress, according to the approved plan as well as giving suggestions to KPMG Phoomchai Business Advisory Company Limited, the internal audit department of the Company, directly to the Audit Committee in the operation to be efficient and effective with constant monitoring and corrective action on important issues. For various departments of the Company and subsidiaries have appropriate internal control systems including reviewing policies, guidelines for risk management in accordance with the current situation of the Company in both the litigation and future business operations. The Audit Committee is of the opinion that the Company's internal control and risk management is adequate, effective and independent as possible.

In addition, under the epidemic situation of COVID-19, the Company and its subsidiaries announced measures to prevent infection and spreading. By informing all employees at the head office and gas service station personnel to ensure the safety of employees and reduce the risk of such infection which may affect the Company's operating results and its subsidiaries.

4. Compliance with legal requirement: The Audit Committee has considered the compliance with the Securities and Exchange Act. Rules and regulations of the Securities and Exchange Commission, and the Stock

Exchange of Thailand, and laws related to the Company's business and subsidiaries. The Audit Committee is of the opinion that the Company has complied with relevant laws and did not find any significant issues.

This situation of the COVID-19 outbreak as a result, the Company considered postponing the holding of the Annual General Meeting of Shareholders for the year 2020, originally scheduled to be on July 16, 2020. However, the Securities and Exchange Commission ("SEC") has announced a guideline for listed companies that have been impacted by the situation of the COVID-19 outbreak causing them to postpone the holding of the annual general meeting of shareholders. And as a result, cannot be appointed auditor. The Company can appoint an auditor approved by the SEC to review the financial statements for the first quarter of 2020 of the Company and its subsidiaries first, in order to be able to disclose information and submit financial statements to the SEC Office on time.

5. Selection and appointment of auditors: The Audit Committee considered the performance in the past year, including knowledge, experience, credibility and sufficient resources along with evaluating the independence and quality of the auditors during the past year. For the auditor's remuneration considered the scope of responsibilities of the auditor, compensation of other office auditors deems appropriate therefore proposing to the Board of Directors for approval at the shareholders' meeting by selecting EY Office Limited as the Company's auditor for the year 2020.

6. Good Corporate Governance: The Company recognized the importance of and continued to operate within the Good Corporate Governance principles. The Audit Committee ensured that the Company accurately and adequately disclosed relevant information and promoted good corporate governance, transparency, and ethics; thus creating confidence among of shareholders, investors, employees and other parties. The Committee also reviewed the method of reporting the interest of the Company's directors and management in accordance with the Securities and Exchange Act.

In summary, the Committee has performed duties as described in the Audit Committee Charter which was approved by the Board. Furthermore, the Committee considered that the Company recognized the importance of good corporate governance which resulted in adequate and effective system of internal controls without any defects; appropriate and effective risk management process; and the Company's Financial Statement and information disclosure were accurate, completed, and in accordance with generally accepted accounting principles. The Company accurately and completely disclosed information concerning related transactions that might lead to conflict of interest; and adhered to related laws, rules, regulations, and other related requirements.

Please be informed accordingly.

On behalf of the Audit Committee

(Mr.Prasit Dheeraratbongkot)
Chairman of the Audit Committee
RPCG Public Company Limited

Details of the Directors, Executive, Controlling Persons and the Company Secretary

As of December 31, 2020

Name-Surname Position	Education / Training	Shareholding in the Company (%)[1]	Relationship	Working Experience		
				During	Position	Company
1) Mr. Satja Janetumnugul Age 66 years ▪ Chairman of the Board (Authorized Signature)	- B.Engineering, King Mongkut's University of Technology Thonburi Thai Institute of Directors Association (IOD) - DAP: Directors Accreditation Program 20/2004	22,734,592 shares / 1.74%	-	Listed company :		2 Companies
				1995-Present 2012-Present	Director / Chairman of the Board Director	RPCG Public Company Limited Sammakorn Public Company Limited
				Holding a position of Director in related company		-None-
				Non listed company :		4 Companies
				2001-Present 2001-Present 2012-Present 1998-Present 2012-2020 2015-2019 2007-2009,2014 2006-2010	Director Director Director Chairman of the Board Director Director Director Director	Pure Thai Energy Co., Ltd. RPC Management Co., Ltd. SCT Sahaphan Co, Ltd. Petro-Instruments Corp.,Ltd. Super Pure Gas Co., Ltd. Thai Public Port Co., Ltd. Pure Biodiesel Co., Ltd Pure Sammakorn Development Co., Ltd.

Name-Surname Position	Education / Training	Shareholding in the Company (%)[1]	Relationship	Working Experience		
				During	Position	Company
2) Mr.Tawat Ungsuprasert Age 74 years ▪ Director (Authorized Signature)	- B.Sc. (Chemistry), Chulalongkorn University Thai Institute of Directors Association (IOD) - DAP: Directors Accreditation Program	48,539,238 shares / 3.72%	-	Listed company :		2 Companies
				2020-Present 2013-Present	Director Director	RPCG Public Company Limited Sammakorn Public Company Limited
				Holding a position of Director in related company		-None-
				Non listed company :		-None-
				1999-2013 1999-2013 2012-2013 2012-2013	Director Director Director Director	RPCG Public Company Limited (formerly:Rayong Purifier PLC.) Sherwood Chemical PLC. Pure Thai Energy Co., Ltd., RPC Management Co., Ltd.
3) Mr.Supapong Krishnakan Age 64 years ▪ Director (Authorized Signature)	- M.S.in Chemical Engineering & Process Control Computer University of California, Davis, California, USA - M.S.c. Economics / Advance Engineering & Economics California State Polytechnic University, Pomona, California, USA - B.S. in Chemical Engineering, Chulalongkorn University, Bangkok, Thailand Thai Institute of Directors Association (IOD) - DAP: Directors Accreditation Program 15/2004	1,791,092 shares / 0.14%	-	Listed company :		1 Company
				1995-Present	Director	RPCG Public Company Limited
				Holding a position of Director in related company		-None-
				Non listed company :		3 Companies
				2008-Present 2017-Present 1998-Present 2014-2015 2006-2014 2012-2014 2008-2013	Director Director Director Director Director Director Director	RPC Management Co., Ltd. Pure Biodiesel Co., Ltd. Honest and Efficient Co. ,Ltd. Thai Public Port Co., Ltd. Pure Sammakorn Development Co., Ltd. SCT Sahaphan Co, Ltd. Pure Thai Energy Co., Ltd

Name-Surname Position	Education / Training	Shareholding in the Company (%)[1]	Relationship	Working Experience		
				During	Position	Company
4) Mr.Suthud Khancharoensuk Age 62 years ▪ Director ▪ Member of the Nomination and Remuneration Committee (Authorized Signature)	- MBA : Thammasat University - B.Sc., Chulongkorn University **Thai Institute of Directors Association (IOD)** - DAP: Directors Accreditation Program15/2004 - Board Performance Evaluation 2/2007	10,833,356 shares / 0.83%	Mr.Satja Jantumnugul's brother-in-law	Listed company :		2 Companies
				1996-Present	Director / Member of the Nomination & Remuneration Committee	RPCG Public Company Limited
				2013-Present	Independent Director / Member of the Audit Committee	LEASE IT Public Company Limited
				Holding a position of Director in related company		-None-
				Non listed company :		1 Company
				1991-Present	Director	Petro-Instruments Corp.Ltd.
				2007-2014	Director	Pure Thai Energy Co., Ltd.
				2012-2014	Director	Pure Biodiesel Co., Ltd
				2012-2014	Director	RPC Management Co., Ltd.
				2012-2014	Director	SCT Sahaphan Co, Ltd.,
5) Mr.Prasit Dheeraratbongkot Age 65 years ▪ Independent Director ▪ Chairman of the Audit Committee ▪ Chairman of the Nomination and Remuneration Committee	- B.ENG (EE) Chulalongkorn University **Thai Institute of Directors Association (IOD)** - DCP: Director Certification Program (DCP62)	-	-	Listed company :		2 Companies
				2015-Present	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination & Remuneration Committee	RPCG Public Company Limited
				2008-Present	Director /Member of the Audit Committee	Karmarts Public Company Limited
				Holding a position of Director in related company		-None-
				Non listed company :		1 Company
				1994-Present	Managing Director	Pure Green Company Limited
				2002-2013	Director	Vinyltec Company Limited
				1999-2016	Advisor	H.M.Private Development Projects
				1998-2017	Advisor	Siam Rajathanee Company Ltd.

Name-Surname Position	Education / Training	Shareholding in the Company (%)[1]	Relationship	Working Experience		
				During	Position	Company
6) Mr.Chamni Janchai Age 64 years ▪ Independent Director ▪ Member of the Audit Committee ▪ Member of the Nomination and Remuneration Committee	- Graduate Diploma in Management of Public Economy King Prajadhipok's Institute - MBA, Thammasat University - B. Account, Thammasat University Thai Institute of Directors Association (IOD) - DAP: Directors Accreditation Program 30/2004 - Role of the Chairman Program 21/2009	-	-	Listed company :		3 Companies
				2016-Present	Independent Director / Member of the Audit Committee / Member of the Nomination & Remuneration Committee	RPCG Public Company Limited
				1999-Present	Independent Director / Chairman of the Audit Committee	Sino-Thai Engineering and Construction Plc.
				1999-Present	Independent Director	STP&I Public Company Limited
				Holding a position of Director in related company		-None-
				Non listed company :		-None-
				2003-2019	President	CJM Consult Co., Ltd
				2015-2018	Director / Chairman of the Executive Committee	BMP Energy Public Company Limited
				2015-2018	Director	Chumporn Biofuel Co., Ltd
				2015-2017	Director	Betong Biofuel Co., Ltd
				2015-2017	Director	Betong Green Power Co., Ltd
				2009-2015	Chairman of the Director	Max Metal Corporation Plc.
				1999-2015	President	CJ Morgan Co., Ltd.
7) Ms. Panicha Pongsivapai Age 50 years ▪ Independent Director ▪ Member of the Audit Committee ▪ Member of the Nomination and Remuneration Committee	- Master of Science, Finance, University of Colorado at Denver - B.B.A, Management, Faculty of Commerce and Accountancy, Chulalongkorn University Thai Institute of Directors Association (IOD) - DCP: Director Certification Program 234/2017 - AACP: Advanced Audit Committee Program 26/2017 - Director Diploma Examination 58/2017 - BMD: Boards That Make a Difference 8/2018	-	-	Listed company :		2 Companies
				2016-Present	Independent Director / Member of the Audit Committee / Member of the Nomination & Remuneration Committee	RPCG Public Company Limited
				June2014-Present	Executive Director	United Foods Public Co., Ltd.
				2005-2014	Senior Vice President, Investment Banking Group	Bualuang Securities Public Company Limited
				Holding a position of Director in related company		-None-
				Non listed company :		1 Company
				2018-Present	Deputy Managing Director	Inside Out Design Co., Ltd.

Name-Surname Position	Education / Training	Shareholding in the Company (%)[1]	Relationship	Working Experience		
				During	Position	Company
8) Mrs.Supannee Tanchaisrinakorn Age 54 years ▪ General Manager – Finance & Administration Function ▪ The Company Secretary	- MBA,Finance, Ramkhamhaeng Universtiy - Bachelor of Accounting, Ramkhamhaeng University **Thai Listed Companies Associated** -Fundamental Practice for Corporate Secretary (FPCS) 18/2008 - Strategic Financial Leadership Program (SFLP) : 2017 **Thai Institute of Directors Association (IOD)** - Effective Minutes Taking (EMT) 39/2017	-	-	Listed company :		2 Companies
				2012-Present	GM-Finance & Administration Function	RPCG Public Company Limited
				2014-Present	GM-Finance & Administration Function	Sammakorn Public Company Limited
				Holding a position of Director in related company		-None-
				Non listed company :		4 Companies
				2018-Present	Director	Sammakorn Plus Co.,Ltd.
				2015-Present	Director	Pure Sammakorn Development Co.,Ltd.
				2014-Present	Director	RPC Management Co., Ltd.
				2016-Present	Director	Pro Cube Ventures Co. Ltd
				2014-2020	Director	Super Pure Gas Co., Ltd..
				2015-2019	Director	Thai Public Port Co., Ltd.
				Listed company :		1 Company
				2017-Present	GM-Business Development Function	RPCG Public Company Limited
				2016-2017	GM-Asset Management Office	
9) Ms.Kallaya Klaithong Age 52 years • General Manager – Business Development Function	- Master of Engineering, Chulalongkorn University - Bachelor of Science (Chemical Engineering) Chulalongkorn University	-	-	Holding a position of Director in related company		-None-
				Non listed company :		2 Companies
				Dec.2018-Present	Director	Pure Thai Energy Co., Ltd.
				2017-Present	Director	Pure Biodisel Co., Ltd.
				2015-2019	Director	Thai Public Port Co., Ltd.
				2008-2012	Director	RPC Management Co., Ltd.

Note:

[1] Including shareholding portion of spouse and minor child.

RPCG Public Company Limited and Its Subsidiaries

Financial Statements for the year ended
31 December 2020
and
Independent Auditor's Report

Building a better working world

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Independent Auditor's Report

To the Shareholders of RPCG Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of RPCG Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of income, 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 RPCG 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 RPCG Public Company Limited and its subsidiaries and of RPCG Public Company Limited as at 31 December 2020, 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* as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Notes 1.2, 21 and 38.5 of the consolidated financial statements, since the year 2009 the Company has been involved in a significant commercial disputes and outstanding litigations with its major raw material supplier, who stopped delivering raw materials to the Company in February 2012. This forced the Company to cease production, since it has been unable to find new suppliers of these raw materials, while some of its subsidiaries that operate in a related business have also had to cease operations. On 20 April 2015, the 2015 Annual General Meeting of the shareholders passed a resolution to permanently discontinue the refinery business in Rayong province. The Group has therefore suffered operating losses from refinery business in the years since the cessation of production in 2012. Even though some significant uncertainties that may impact the ability of the Group to continue as a going concern have currently eased as a result of the management's plans to improve the efficiency of the gasoline retail sales business and to operate investment and holding company business as discussed in Note 1.2 to the financial statements, as at 31 December 2020, the Group has current liabilities in excess of its current assets by Baht 482 million (2019: Baht 406 million). Current liabilities include liabilities under the commercial disputes and outstanding litigations with its major raw material supplier, as discussed above. At present, there remains uncertainty regarding the outcomes of the commercial disputes and outstanding litigations, cannot be concluded at this time and depends on future judicial proceedings. These events indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern, if the outcomes of the litigation not be in favour of the Group. My opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was 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 this matter.

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 this matter. 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 matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, key audit matter and how audit procedures respond for such matter is described below.

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Adoption of new financial reporting standard - TFRS 16 Leases

As discussed in Note 3 a) to the consolidated financial statements, the Group adopted TFRS 16 Leases with effect from 1 January 2020. The Group has elected not to restate comparative information as permitted by the transition provisions contained within TFRS 16. Upon transition to TFRS 16, the Group recognised right-of-use assets and lease liabilities of Baht 603 million and Baht 457 million, respectively, in the statement of financial position as at 1 January 2020.
The calculations of right-of-use assets and lease liabilities reflected in the consolidated financial statements are based on a large number of leases held by the Group, which individually have a variety of terms. In addition, management's judgement is required when determining the incremental borrowing rate (IBR) and option to extend the lease period. There is therefore a risk that the lease data which underpin the TFRS 16 calculations are incomplete or inaccurate.

The audit procedures I performed on the adoption of new financial reporting standard - TFRS 16 Leases are as follows.

- Gained an understanding of the Group's TFRS 16 transition approach.
- Considered the completeness of the lease data by testing the reconciliation of the Group's lease liabilities to operating lease commitments disclosed in the 2019 financial statements and by reviewing other related contracts as part of the consideration.
- Verified the accuracy of the underlying lease data by agreeing samples of leases to original contracts and recalculated the right-of-use assets and lease liabilities.
- Assessed the incremental borrowing rate (IBR) applied in determining lease liabilities.
- Determined if the disclosure made in the consolidated financial statements pertaining to leases, including disclosures relating to the transition to TFRS 16, were in compliance with TFRSs.

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.

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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 fairly 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.

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- 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.
- 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.

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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 matter. I describe this matter 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.

Poonnard Paocharoen
Certified Public Accountant (Thailand) No. 5238

EY Office Limited
Bangkok: 24 February 2021

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RPCG Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	7	117,361,957	104,251,416	8,341,355	6,632,348
Other current financial assets	8	1,143,556,769	-	1,143,556,769	-
Current investments	8	-	435,065,710	-	420,558,189
Trade and other receivables	9, 10	25,262,759	34,895,006	4,133,628	4,368,282
Receivable compensation for damages	21	97,730,463	-	97,730,463	-
Notes receivable	15	-	600,000,000	-	600,000,000
Inventories	11	64,015,934	68,571,766	-	-
Short-term loans to related parties	10	-	200,000,000	-	200,000,000
Current portion of long-term loans to unrelated party	12	538,250	491,844	-	-
Other current assets	13	18,002,409	49,332,300	10,425,812	9,917,292
Total current assets		1,466,468,541	1,492,608,042	1,264,188,027	1,241,476,111
Non-current assets					
Pledged deposits at banks	14	141,451,000	152,951,000	49,240,000	49,240,000
Long-term loans to related parties	10	-	-	80,000,000	145,000,000
Long-term loans to unrelated party	12	386,759	925,009	-	-
Other non-current financial assets	17	-	-	-	-
Investments in associates	15	1,190,085,713	1,214,079,487	785,801,800	785,801,800
Investments in subsidiaries	16	-	-	321,193,928	321,193,928
Other long-term investment	17	-	-	-	-
Investment properties	18	146,936,000	-	146,936,000	-
Property, plant and equipment	19	1,082,225,764	1,004,074,036	344,577,189	353,964,377
Right-of-use assets	26	569,191,909	-	-	-
Intangible assets	20	5,774,152	2,821,001	2,508,937	2,368
Deferred tax assets	33	19,015,514	19,312,802	-	-
Other non-current assets	21	23,683,747	176,431,163	850,007	27,530,657
Total non-current assets		3,178,750,558	2,570,594,498	1,731,107,861	1,682,733,130
Total assets		4,645,219,099	4,063,202,540	2,995,295,888	2,924,209,241

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

RPCG Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	*10, 22*	1,867,897,946	1,846,819,476	1,535,854,980	1,521,628,121
Short-term loans from unrelated parties	*23*	100,000	300,000	-	-
Current portion of lease liabilities	*26*	20,164,798	-	-	-
Current portion of advances received for renovation of gasoline stations	*24*	47,321,749	37,097,796	-	-
Other current liabilities	*25*	12,976,907	14,378,697	198,516	169,321
Total current liabilities		1,948,461,400	1,898,595,969	1,536,053,496	1,521,797,442
Non-current liabilities					
Deferred tax liabilities	*33*	51,578,932	51,578,932	38,818,295	38,818,295
Lease liabilities - net of current portion	*26*	458,317,420	-	-	-
Provision for long-term employee benefits	*27*	18,308,799	16,434,304	3,745,543	3,197,000
Advances received for renovation of gasoline stations	*24*	419,638,258	363,922,486	-	-
Provision for decommissioning costs		408,024	393,125	-	-
Total non-current liabilities		948,251,433	432,328,847	42,563,838	42,015,295
Total liabilities		2,896,712,833	2,330,924,816	1,578,617,334	1,563,812,737

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

RPCG Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
1,304,664,125 ordinary shares of Baht 1 each		1,304,664,125	1,304,664,125	1,304,664,125	1,304,664,125
Issued and paid-up					
1,304,664,125 ordinary shares of Baht 1 each		1,304,664,125	1,304,664,125	1,304,664,125	1,304,664,125
Premium on ordinary shares	*28*	-	335,966,599	-	335,966,599
Retained earnings	*28*				
Appropriated		-	80,304,817	-	80,304,817
Unappropriated (deficit)		249,729,953	(210,928,455)	(43,258,750)	(515,812,216)
Other components of shareholders' equity		194,112,188	209,159,542	155,273,179	155,273,179
Equity attributable to owners of the Company		1,748,506,266	1,719,166,628	1,416,678,554	1,360,396,504
Non-controlling interests of the subsidiary		-	13,111,096	-	-
Total shareholders' equity		1,748,506,266	1,732,277,724	1,416,678,554	1,360,396,504
Total liabilities and shareholders' equity		4,645,219,099	4,063,202,540	2,995,295,888	2,924,209,241

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

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Directors

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RPCG Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Continuing operation					
Revenues					
Sales		4,148,859,123	4,261,723,063	-	-
Service income		17,271,668	19,760,061	-	-
Dividend income	*15*	-	-	27,872,884	53,178,909
Interest income		12,820,256	6,958,759	20,191,308	27,033,190
Other income	*30*	85,500,410	399,863,072	74,770,628	211,506,084
Total revenues		4,264,451,457	4,688,304,955	122,834,820	291,718,183
Expenses					
Cost of sales		3,812,330,888	4,010,868,284	-	-
Cost of services		439,200	2,890,909	-	-
Selling and distribution expenses		90,415,870	81,426,927	-	-
Administrative expenses		299,147,721	226,203,487	56,954,968	37,516,854
Total expenses		4,202,333,679	4,321,389,607	56,954,968	37,516,854
Profit from operating activities		62,117,778	366,915,348	65,879,852	254,201,329
Share of profit from investments in associates	*15*	18,926,463	23,784,476	-	-
Finance cost	*31*	(33,149,627)	(5,693,798)	(1,410,411)	(4,147,181)
Profit before income tax		47,894,614	385,006,026	64,469,441	250,054,148
Income tax revenue (expense)	*33*	(1,659,723)	17,749	-	-
Profit for the year from continuing operation		46,234,891	385,023,775	64,469,441	250,054,148
Discontinued operation					
Loss for the year from discontinued operation	*34*	(8,125,199)	(4,712,316)	(8,125,199)	(4,712,316)
Profit for the year		38,109,692	380,311,459	56,344,242	245,341,832
Profit (loss) attributable to:					
Equity holders of the Company		44,333,029	380,825,439	56,344,242	245,341,832
Non-controlling interests of the subsidiaries		(6,223,337)	(513,980)		
		38,109,692	380,311,459		
Basic earnings per share	*35*				
Profit (loss) attributable to equity holders of the Company		0.03	0.29	0.04	0.19
Weighted average number of ordinary shares (shares)		1,304,664,125	1,304,664,125	1,304,664,125	1,304,664,125

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

RPCG Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit for the year		38,109,692	380,311,459	56,344,242	245,341,832
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss) - net of income tax	*27, 33*	53,963	(1,400,948)	(62,192)	(258,853)
Changes in revaluation of asets - net of income tax	*29, 33*	-	6,880,000	-	5,200,000
Share of other comprehensive income of associate	*15*	(15,047,354)	(536,229)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(14,993,391)	4,942,823	(62,192)	4,941,147
Other comprehensive income for the year		(14,993,391)	4,942,823	(62,192)	4,941,147
Total comprehensive income for the year		23,116,301	385,254,282	56,282,050	250,282,979
Total comprehensive income attributable to:					
Equity holders of the Company		29,339,638	385,768,262	56,282,050	250,282,979
Non-controlling interests of the subsidiaries		(6,223,337)	(513,980)		
		23,116,301	385,254,282		

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

RPCG Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
			Retained earnings		Other components of shareholders' equity					
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated (deficit)	Revaluation surplus on assets	Share of other comprehensive income of associate	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2019	1,304,664,125	335,966,599	80,304,817	(590,352,946)	199,435,728	3,380,043	202,815,771	1,333,398,366	13,625,076	1,347,023,442
Profit (loss) for the year	-	-	-	380,825,439	-	-	-	380,825,439	(513,980)	380,311,459
Other comprehensive income for the year	-	-	-	(1,400,948)	6,880,000	(536,229)	6,343,771	4,942,823	-	4,942,823
Total comprehensive income for the year	-	-	-	379,424,491	6,880,000	(536,229)	6,343,771	385,768,262	(513,980)	385,254,282
Balance as at 31 December 2019	1,304,664,125	335,966,599	80,304,817	(210,928,455)	206,315,728	2,843,814	209,159,542	1,719,166,628	13,111,096	1,732,277,724
Balance as at 1 January 2020	1,304,664,125	335,966,599	80,304,817	(210,928,455)	206,315,728	2,843,814	209,159,542	1,719,166,628	13,111,096	1,732,277,724
Transfer of statutory reserve and premium on ordinary shares to compensate the deficits	-	(335,966,599)	(80,304,817)	416,271,416	-	-	-	-	-	-
Profit (loss) for the year	-	-	-	44,333,029	-	-	-	44,333,029	(6,223,337)	38,109,692
Other comprehensive income for the year	-	-	-	53,963	-	(15,047,354)	(15,047,354)	(14,993,391)	-	(14,993,391)
Total comprehensive income for the year	-	-	-	44,386,992	-	(15,047,354)	(15,047,354)	29,339,638	(6,223,337)	23,116,301
Decrease in non-controlling interest of the subsidiary from dissolution of the subsidiary	-	-	-	-	-	-	-	-	(6,887,759)	(6,887,759)
Balance as at 31 December 2020	1,304,664,125	-	-	249,729,953	206,315,728	(12,203,540)	194,112,188	1,748,506,266	-	1,748,506,266

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

RPCG Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements						
			Retained earnings		Other components of shareholders' equity		
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated (deficit)	Revaluation surplus on assets	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2019	1,304,664,125	335,966,599	80,304,817	(760,895,195)	150,073,179	150,073,179	1,110,113,525
Profit for the year	-	-	-	245,341,832	-	-	245,341,832
Other comprehensive income for the year	-	-	-	(258,853)	5,200,000	5,200,000	4,941,147
Total comprehensive income for the year	-	-	-	245,082,979	5,200,000	5,200,000	250,282,979
Balance as at 31 December 2019	1,304,664,125	335,966,599	80,304,817	(515,812,216)	155,273,179	155,273,179	1,360,396,504
Balance as at 1 January 2020	1,304,664,125	335,966,599	80,304,817	(515,812,216)	155,273,179	155,273,179	1,360,396,504
Transfer of statutory reserve and premium on ordinary shares to compensate the deficits	-	(335,966,599)	(80,304,817)	416,271,416	-	-	-
Profit for the year	-	-	-	56,344,242	-	-	56,344,242
Other comprehensive income for the year	-	-	-	(62,192)	-	-	(62,192)
Total comprehensive income for the year	-	-	-	56,282,050	-	-	56,282,050
Balance as at 31 December 2020	1,304,664,125	-	-	(43,258,750)	155,273,179	155,273,179	1,416,678,554

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

RPCG Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax from continuing operation	47,894,614	385,006,026	64,469,441	250,054,148
Loss before tax from discontinued operation	(8,125,199)	(4,712,316)	(8,125,199)	(4,712,316)
Profit before tax	39,769,415	380,293,710	56,344,242	245,341,832
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	146,527,576	55,996,365	9,351,384	4,555,446
Amortisation of advances received for renovation of gasoline stations	(42,540,275)	(32,524,826)	-	-
Allowance for doubtful debts (reversal)	910,704	(167,249)	-	-
Reduction of cost of inventories to net realisable value (reversal)	(2,900,860)	2,150,068	-	-
(Gain) loss on sales of investment unit in mutual funds	2,659,637	(7,426,097)	2,356,591	(7,148,951)
(Gain) loss on the change in value of investment unit in mutual funds	(639,956)	1,456,646	(722,170)	1,509,884
(Gain) loss on sales of buildings and equipment	11,618,529	(1,521,005)	133,938	(1,630,396)
Loss on impairment of buildings and equipment (reversal)	(117,779)	1,489,712	(117,779)	1,489,712
Loss on write-off of intangible assets	80	-	-	-
Compensation for damages and interest income	(71,018,882)	-	(71,018,882)	-
Provisions for long-term employee benefits	2,011,496	2,600,019	486,351	545,476
Provision for decommissioning costs	14,899	14,356	-	-
Loss on impairment of investment in subsidiary	-	-	-	1,245,055
Gain on sales of investment in associate	-	(367,856,330)	-	(199,887,495)
Dividend income from associates	-	-	(27,872,884)	(53,178,909)
Interest income	(12,820,257)	(6,958,759)	(20,191,308)	(27,033,190)
Interest expense	2,814,553	4,450,613	1,410,411	4,147,181
Interest expense from lease liabilities	30,335,074	-	-	-
Gain on lease modification	(298,474)	-	-	-
Share of profit from investments in associates	(18,926,463)	(23,784,476)	-	-
Gain (loss) from operating activities before changes in operating assets and liabilities	87,399,017	8,212,747	(49,840,106)	(30,044,355)
Operating assets (increase) decrease				
Trade and other receivables	8,343,383	4,199,915	132,339	(323,966)
Inventories	7,456,692	(8,847,213)	-	-
Other current assets	1,031,105	(7,787,448)	(508,520)	(3,674,711)
Other non-current assets	(968,119)	(6,056,662)	-	-

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

RPCG Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Operating liabilities increase (decrease)				
Trade and other payables	30,404,336	39,646,683	14,226,859	848,972
Cash paid for employee benefits	(54,000)	-	-	-
Other current liabilities	(1,401,790)	4,224,503	29,195	(19,764)
Cash flows from (used in) operating activities	132,210,624	33,592,525	(35,960,233)	(33,213,824)
Cash paid for interest expense	(2,814,553)	(4,452,122)	(1,410,411)	(4,147,181)
Cash paid for interest expense from lease liablities	(18,837,695)	-	-	-
Cash received from income tax refunded	4,944,693	494,684	268,734	-
Cash paid for income tax	(4,610,272)	(7,534,303)	(299,665)	(343,801)
Net cash flows from (used in) operating activities	110,892,797	22,100,784	(37,401,575)	(37,704,806)
Cash flows from investing activities				
(Increase) decrease in fixed deposit	10,000,000	(10,000,000)	-	-
(Increase) decrease in pledged deposits at banks	11,500,000	10,370,000	-	(40,000,000)
Interest received	13,198,416	6,900,363	20,293,623	26,938,897
Dividend received from associates	27,872,884	53,178,909	27,872,884	53,178,909
Cash paid for purchases of investment units in mutual funds	(1,657,200,000)	(1,465,510,000)	(1,587,000,000)	(906,000,000)
Proceeds from sales of investment units in mutual funds	936,689,260	1,231,060,882	862,366,999	660,696,296
(Increase) decrease in short-term loans to related party	200,000,000	(100,000,000)	200,000,000	(100,000,000)
Decrease in long-term loans to related party	-	-	65,000,000	-
Decrease in long-term loans to unrelated party	491,844	449,439	-	-
Proceeds from sales of investment in associate	-	348,999,995	-	348,999,995
Proceed from note receivables	600,000,000	-	600,000,000	-
Acquisition of investment properties	(146,936,000)	-	(146,936,000)	-
Acquisitions of buildings and equipment	(161,143,444)	(166,799,360)	(8,869)	(3,319,021)
Acquisitions of intangible assets	(3,397,694)	(1,059,912)	(2,508,900)	-
Proceeds from sales of buildings and equipment	584,908	1,945,271	30,845	1,764,256
Cash paid for right-of-use assets	(7,323,663)	-	-	-
Cash received from advances received for renovation of gasoline stations	108,480,000	144,000,000	-	-
Net cash flows from (used in) investing activities	(67,183,489)	53,535,587	39,110,582	42,259,332
Cash flows from financing activities				
Decrease in bank overdrafts	-	(17,940,916)	-	-
Decrease in short-term loans from unrelated parties	(200,000)	(500,000)	-	-
Cash paid for lease liabilities	(23,511,008)	(110,983)	-	(110,983)
Decrease in non-controlling interests of the subsidiary from dissoution of the subsidiary	(6,887,759)	-	-	-
Net cash flows used in financing activities	(30,598,767)	(18,551,899)	-	(110,983)
Net increase in cash and cash equivalents	13,110,541	57,084,472	1,709,007	4,443,543
Cash and cash equivalents at beginning of year	104,251,416	47,166,944	6,632,348	2,188,805
Cash and cash equivalents at end of year	117,361,957	104,251,416	8,341,355	6,632,348

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

RPCG Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Supplemental cash flows information:				
Non-cash transactions				
Transfer of non-current assets to receivable compensation for damages	26,711,581	-	26,711,581	-
Notes receivable from sales of investment in associate	-	600,000,000	-	600,000,000
Right-of-use assets	34,239,387	-		-
Actuarial gain (loss)	83,001	(1,686,471)	(62,192)	(258,853)
Surplus on revaluation of assets	-	8,600,000	-	6,500,000
Share of other comprehensive income of associate	(15,047,354)	(536,229)	-	-

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

RPCG Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2020

1. General information

1.1 Corporate information

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

The Company's major shareholder is Petro-Instruments Co., Ltd., which as at 31 December 2020 and 2019 held 19.72% of the issued and paid-up capital of the Company.

1.2 Fundamental accounting assumptions

As discussed in Note 38.5 to the financial statements, since the year 2009 the Company has been involved in significant commercial disputes and outstanding litigations with its major raw material supplier, who stopped delivering raw materials to the Company in February 2012. This forced the Company to cease production, since it has been unable to find new suppliers of these raw materials, while some of its subsidiaries that operate in a related business have also had to cease operations. On 20 April 2015, the 2015 Annual General Meeting of the shareholders approved a resolution to permanently discontinue the refinery business in Rayong province. The Group has therefore suffered operating losses from refinery business in the years since the cessation of production in 2012. Later, in March 2016, an arbitral tribunal rendered an award by a majority vote whereby the major supplier (litigant) was to pay damages for the unlawful termination of its agreement with the Company, and the Company was to receive certain compensation for damages, the litigant filed a petition with the Civil Court to revoke the arbitration award and the Company filed a petition with the Civil Court to seek enforcement of that award. In September 2019, the Civil Court ordered the litigant to pay damages to the Company in accordance with the arbitral award and the Company has filed the enforcement request according to the judgement of the Civil Court. However, the litigant disagreed with the judgement and exercised its legal right to file an appeal with the Supreme Court in March 2020. Even though some significant uncertainties that may impact the ability of the Group to continue as a going concern have currently eased as a result of the management's plans

to improve the efficiency of the gasoline retail sales business and to operate investment and holding company business, as at 31 December 2020, the Group has current liabilities in excess of its current assets by Baht 482 million (2019: Baht 406 million). Current liabilities include liabilities under the commercial disputes and outstanding litigations with its major raw material supplier. In April 2017, the arbitral tribunal rendered an award to order the Company to make a final payment for condensate residue to the major supplier. However, the Company exercised its legal right to filed a petition with the Civil Court to revoke the arbitration award. Later, in March 2019, the Civil Court ordered the revocation of the arbitration award. However, the supplier exercised its legal right to file an appeal with the Supreme Court in August 2019. At present, there remains uncertainty regarding the outcomes of the commercial disputes and outstanding litigations, cannot be concluded at this time and depends on future judicial proceedings. These events indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern, if the outcomes of the litigation not be in favour to the Group.

1.3 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of RPCG Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries").

Company's name	Nature of business	Place of incorporation	Percentage of Shareholding	
			2020	2019
			%	%
Pure Biodiesel Co., Ltd.*	Manufacture and distribution of biodiesel (B100) and crude glycerin	Thailand	100	100
Pure Thai Energy Co., Ltd. and its subsidiaries	Trading of fuel oil	Thailand	100	100
RPC Management Co., Ltd.*	Systems management	Thailand	100	100
Subsidiaries directly held by Pure Thai Energy Co., Ltd.				
SCT Sahapan Co., Ltd.	Distribution and maintenance of gasoline station equipment	Thailand	100	100
Super Pure Gas Co., Ltd.	Registered its liquidation	Thailand	-	55

* Business suspended as at 31 December 2020 and 2019

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

f) 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 income statement and within equity in the consolidated statement of financial position.

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

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on reclassification in the Group's financial statements whereby current investments are reclassified as other current financial assets and other long-term investment is reclassified as other non-current financial assets, without an impact on shareholders' equity.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to the assets and liabilities as at 1 January 2020, without an impact on shareholders' equity, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, fair value measurement of investment units in mutual fund and not to account for any reduction in lease payments by lessors resulting from the COVID-19 Pandemic as a lease modification.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets, provisions and contingent liabilities. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of change in accounting policy due to the adoption of new financial reporting standard

As described in Note 3 a) to the financial statements, during the current year, the Group has adopted TFRS 16. The cumulative effect of initially applying this standard is recognised as an adjustment to assets and liabilities as at 1 January 2020, without an impact on shareholders' equity, and the comparative information was not restated.

The impacts of changes in accounting policy on the assets and liabilities at the beginning of 2020 in the consolidated financial statements due to the adoption of TFRS 16, without an impact on the separate financial statements, are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statement		
	31 December 2019	The impacts of TFRS 16	1 January 2020
Statement of financial position			
Assets			
Current assets			
Other current assets	49,332	(30,299)	19,033
Non-current assets			
Right-of-use assets	-	602,807	602,807
Other non-current assets	176,431	(125,279)	51,152
Liabilities			
Current liabilities			
Trade and other payables	1,846,819	(9,326)	1,837,493
Current portion of lease liabilities	-	14,112	14,112
Non-current liabilities			
Lease liabilities - net of current portion	-	442,443	442,443

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020.

	(Unit: Thousand Baht)
	Consolidated financial statements
Operating lease and service commitments as at 31 December 2019	786,948
Less: Short-term leases and leases of low-value assets	(846)
Less: Contracts reassessed as service agreements	(62)
Less: Research and development agreement	(7,350)
Less: Deferred interest expenses	(322,135)
Lease liabilities as at 1 January 2020	456,555
Weighted average incremental borrowing rate (percent per annum)	6.62
Comprise of:	
Current lease liabilities	14,112
Non-current lease liabilities	442,443
	456,555

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)
	Consolidated financial statements
Land and land improvement	599,147
Buildings and building improvement	3,660
Total right-of-use assets	602,807

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

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

Revenues from construction services

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

Rendering of services

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

Interest income

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

Finance cost

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

Dividends

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

5.2 Cash and cash equivalents

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

5.3 Inventories

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

5.4 Investments

a) Investments in associates are accounted for in the consolidated financial statements using the equity method.

b) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

5.5 Investment properties

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

5.6 Property, plant and equipment and depreciation

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

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

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

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on assets" in other components of shareholders' equity. However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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

5.7 Intangible assets and amortisation

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

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

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

5.8 Leases

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

The Group as a lessee

Accounting policies adopted since 1 January 2020

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

Right-of-use assets

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

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

Land and land improvement	1 - 30	years
Buildings and building improvement	2	years
Motor vehicles	5	years

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated overthe useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

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

5.9 Related party transactions

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

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

5.10 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.12 Impairment of non-financial assets

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

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

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

5.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

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

5.13 Advances received for renovation of gasoline stations

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

5.14 Provisions

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

5.15 Free products

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

5.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.17 Financial instruments

Accounting policies adopted since 1 January 2020

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

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

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Impairment of financial assets

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

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

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

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

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

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

b) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.18 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

6. Significant accounting judgements and estimates

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

Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

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

Allowance for expected credit losses of trade receivables

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

Property, plant and equipment and depreciation

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

The Group measures land, factory buildings, machinery and factory equipment at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the orderly liquidation value approach for factory buildings, machinery and factory equipment. The valuation involves certain assumptions and estimates as described in Note 19 to the financial statements.

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

Deferred tax assets

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

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

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

Litigation

The Group had outstanding litigation and several commercial disputes. The management has used judgement to assess of the results of the litigation and believes that there will be no additional loss incurred from that recorded as at 31 December 2020. A summary of outstanding litigation and commercial deputies are discussed in Note 38.5 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	13,632	12,223	60	60
Bank deposits	95,449	85,456	-	-
Cash at banks attributable to discontinued operations	8,281	6,572	8,281	6,572
Total	117,362	104,251	8,341	6,632

As at 31 December 2020, bank deposits carried interests between 0.05% and 0.50% per annum (2019: between 0.10% and 1.40% per annum).

8. Current investments / Other current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Debt instruments at amortised cost				
Deposit in fixed-term bank account - maturing within 1 year	-	10,000	-	-
Total debt instruments at amortised cost	-	10,000	-	-
Financial assets at FVTPL				
Investment units in mutual funds	1,143,557	425,066	1,143,557	420,558
Total financial assets at FVTPL	1,143,557	425,066	1,143,557	420,558
Total current investments / other current financial assets	1,143,557	435,066	1,143,557	420,558

As at 31 December 2020, there is no bank deposit in fixed account (2019: bank deposit in fixed account carried interest at a rate of 1.10% per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - related parties				
Aged on the basis of due dates				
Past due				
Not over 3 months	11	32	-	-
Total trade receivables - related parties	11	32	-	-
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Past due				
Not over 3 months	21,956	26,690	-	-
3 - 6 months	32	592	-	-
6 - 12 months	3	100	-	-
Over 12 months	10,447	12,233	-	-
Total	32,438	39,615	-	-
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(9,735)	(11,404)	-	-
Total trade receivables - unrelated parties, net	22,703	28,211	-	-
Total trade receivables - net	22,714	28,243	-	-
Other receivables				
Accrued income - related parties	-	1,151	3,837	4,189
Accrued income - unrelated parties	503	1,187	258	141
Others	3,345	9,976	39	38
Total	3,848	12,314	4,134	4,368
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(1,299)	(5,662)	-	-
Total other receivables - net	2,549	6,652	4,134	4,368
Total trade and other receivables - net	25,263	34,895	4,134	4,368

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
1 January 2020	17,066	-
Provision for expected credit losses	970	-
Amount written off	(6,942)	-
Amount recovered	(60)	-
31 December 2020	11,034	-

Trade and other receivables with a contractual amount of Baht 6.9 million written off during 2020 are still subject to enforcement activity.

10. Related party transactions

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Transactions with subsidiaries				
(Eliminated from the consolidated financial statements)				
Management fee	-	-	720	-
Interest income	-	-	8,450	21,960
Other income - other services	-	-	2,022	2,862
Other expenses	-	-	320	-
Transactions with associates				
Sales	177	183	-	-
Dividend income	27,873	53,179	27,873	53,179
Interest income	11,178	4,767	11,178	4,767
Land rental expense	715	841	-	-
Office rental expense	219	2,451	219	208
Other expenses	1,098	2,222	-	209
Transactions with related parties				
Other expenses	179	193	179	193

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

Transactions	Transfer pricing policy
Sales	The selling price is set out based on the market price.
Dividend income	As declared
Interest income	2.92% - 5.00% per annum
Other income	The price is set out based on the market price.
Land and office rental expenses	Rental expenses are set out based on the market price.
Other expenses	The price is set out based on the market price.
Management fee	Contract price

Significant agreement with related party

Guarantee agreement

In 2016, a subsidiary entered into an agreement with its subsidiary to guarantee bank credit facility of its subsidiary totaling Baht 10 million. The guarantee is effective as long as the underlying obligations have not been discharged by the subsidiary. No guarantee fee was charged for the guarantee.

As at 31 December 2020 and 2019, the balances of the accounts between the Group and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other receivables - related parties (Note 9)				
Trade receivables - related parties				
Associate	11	32	-	-
Total trade receivables - related parties	11	32	-	-
Other receivables - related parties				
Subsidiaries	-	-	3,837	3,038
Associate	-	1,151	-	1,151
Total other receivables - related parties	-	1,151	3,837	4,189
Short-term loans to related parties				
Subsidiaries	-	-	319,188	319,188
Associate	-	200,000	-	200,000
Total short-term loans to related parties	-	200,000	319,188	519,188
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	-	-	(319,188)	(319,188)
Total short-term loans to related parties, net	-	200,000	-	200,000

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Long-term loans to related parties				
Subsidiary	-	-	80,000	145,000
Related company	4,500	4,500	4,500	4,500
Total long-term loans to related parties	4,500	4,500	84,500	149,500
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(4,500)	(4,500)	(4,500)	(4,500)
Total long-term loans to related parties, net	-	-	80,000	145,000
Other payables - related parties (Note 22)				
Associates	99	104	-	8
Related companies	14	15	14	15
Total other payables - related parties	113	119	14	23
Lease liabilities - related party (Note 26.1 b)				
Related company	7,241	-	-	-
Total lease liabilities - related party	7,241	-	-	-
Less: Portion due within one year	(265)	-	-	-
Lease liabilities - related party, net of current portion	6,976	-	-	-

Loans to related parties

As at 31 December 2020 and 2019, the balances of loans between the Group and those companies and the movements in loans are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Short-term loans				
Sammakorn Plc.	200,000	400,000	(600,000)	-
Total	200,000	400,000	(600,000)	-
Long-term loan				
KP Energy Group Co., Ltd.	4,500	-	-	4,500
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(4,500)	-	-	(4,500)
Net	-	-	-	-

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Short-term loans				
Pure Biodiesel Co., Ltd.	319,188	-	-	319,188
Sammakorn Plc.	200,000	400,000	(600,000)	-
Total	519,188	400,000	(600,000)	319,188
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(319,188)	-	-	(319,188)
Net	200,000	400,000	(600,000)	-
Long-term loans				
Pure Thai Energy Co., Ltd.	145,000	-	(65,000)	80,000
KP Energy Group Co., Ltd.	4,500	-	-	4,500
Total	149,500	-	(65,000)	84,500
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(4,500)	-	-	(4,500)
Net	145,000	-	(65,000)	80,000

As at 31 December 2020, loans to subsidiaries totaling Baht 399 million (2019: loans to subsidiaries and associate totaling Baht 664 million) are in the form of short-term promissory notes carrying interest at rates of 2.92% - 3.50% per annum (2019: 2.92% - 5.00% per annum). Short-term loans to Pure Biodiesel Co., Ltd. were guaranteed by the mortgage of land, building, machinery and oil depots. However, the Company reclassified loans of Baht 80 million (2019: Baht 145 million) to Pure Thai Energy Co., Ltd. as long-term loans since the Company will not call the loans within one year.

The Company set aside allowance for expected credit losses for the loans to Pure Biodiesel Co., Ltd. (PBC) for the whole amount, as the Company expects that the assets of the subsidiary will not be sufficient to repay the loans. On 1 October 2013, the Company ceased recognising the interest income on the loans to PBC. However, during the year 2020, PBC paid interest expenses to the Company amounting to Baht 5 million (2019: Baht 18 million) since it has rental income from the lease of land, building, machinery and oil depots.

The loan to KP Energy Group Co., Ltd. (KPEG) was unsecured loan carrying interest at a rate of 5.00% per annum. The Company set aside allowance for expected credit losses for the full amount as the Company expects that the assets of KPEG will not be sufficient to repay the loan. On 1 January 2015, the Company ceased recognising the interest income on the loan to this company.

Management benefit expenses

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	17,050	11,723	13,748	8,116
Post-employment benefits	1,307	859	796	270
Total	18,357	12,582	14,544	8,386

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	78,518	85,975	(14,502)	(17,403)	64,016	68,572
Supplies	2,776	2,776	(2,776)	(2,776)	-	-
Total	81,294	88,751	(17,278)	(20,179)	64,016	68,572

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	7,055	7,055	(7,055)	(7,055)	-	-
Supplies	2,776	2,776	(2,776)	(2,776)	-	-
Total	9,831	9,831	(9,831)	(9,831)	-	-

During the year 2020, the Group reversed the write-down of cost of inventories by Baht 2.9 million and reduced the amount of inventories recognised as expenses during the year (2019: reduced cost of inventories by Baht 2.2 million to reflect the net realisable value which was included in cost of sales.) (separate financial statements: nil).

12. Long-term loans to unrelated parties

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Long-term loans to unrelated parties	6,071	6,563	5,146	5,146
Less: Allowance for expected credit losses (2019: Allowance for doubtful debts)	(5,146)	(5,146)	(5,146)	(5,146)
Long-term loans to unrelated parties, net	925	1,417	-	-
Less: Current portion	(538)	(492)	-	-
Non-current portion	387	925	-	-

13. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Value added tax refundable	9,485	10,669	9,437	9,163
Prepaid rental and fees for land utilisation	-	30,299	-	-
Others	8,517	8,364	989	754
Total	18,002	49,332	10,426	9,917

14. Pledged deposits at banks

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

15. Investments in associates

15.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements Carrying amounts based on equity method		Separate financial statements Carrying amounts based on cost method	
			2020	2019	2020	2019	2020	2019
			(%)	(%)				
Sammakorn Plc.	Real estate development	Thailand	48.25	48.25	1,190,086	1,214,079	785,802	785,802
Total					1,190,086	1,214,079	785,802	785,802

15.2 Share of comprehensive income and dividend received

During the years, the Company has 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 years		Share of other comprehensive income from investments in associates during the years		Dividend received during the years	
	2020	2019	2020	2019	2020	2019
Thai Public Port Co., Ltd.	-	(14,234)	-	-	-	31,500
Sammakorn Plc.	18,927	38,018	(15,047)	(536)	27,873	21,679
Total	18,927	23,784	(15,047)	(536)	27,873	53,179

Thai Public Port Co., Ltd.

On 16 October 2019, the Board of Directors Meeting No. 5/2019 passed a resolution approving the Company's sale of 31.5 million ordinary shares of Thai Public Port Company Limited (TPP), representing 30% shareholding, to an unrelated company at a price of Baht 31.75 per shares, totaling Baht 1,000 million. The Company received cash payment amounting to Baht 200 million and the remaining amount of Baht 800 million was received in form of avaled notes receivable by a commercial bank with a term of 1 year from the date of ownership transfer. Later, on 15 October 2020, the Company has received the whole amount.

15.3 Fair value of investment in listed associate

As at 31 December 2020, fair value of investment in Sammakorn Plc., an associate that is listed company on the Stock Exchange of Thailand, was Baht 375 million (2019: Baht 508 million).

15.4 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	Thai Public Port Co., Ltd.		Sammakorn Plc.	
	2020	2019	2020	2019
Current assets	-	-	1,859	2,629
Non-current assets	-	-	3,586	2,911
Current liabilities	-	-	(865)	(1,419)
Non-current liabilities	-	-	(2,070)	(1,609)
Net assets	-	-	2,510	2,512
Shareholding percentage (%)	-	-	48.25	48.25
Share of net assets	-	-	1,211	1,212
Eliminations	-	-	(21)	2
Carrying amounts of associate based on equity method	-	-	1,190	1,214

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December			
	Thai Public Port Co., Ltd.		Sammakorn Plc.	
	2020	2019*	2020	2019
Revenue	-	151	1,701	2,302
Profit (loss)	-	(47)	39	192
Other comprehensive income	-	-	(31)	(1)
Total comprehensive income	-	(47)	8	191

*For the period from 1 January 2019 to 16 October 2019

16. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost	
	2020	2019	2020	2019	2020	2019
			%	%		
Pure Biodiesel Co., Ltd. *	280,000	280,000	100	100	279,999	279,999
Pure Thai Energy Co., Ltd. and its subsidiaries	140,000	140,000	100	100	140,000	140,000
RPC Management Co., Ltd. *	500	500	100	100	956	956
Total investments in subsidiaries					420,955	420,955
Less: Allowance for impairment					(99,761)	(99,761)
Investments in subsidiaries - net					321,194	321,194

* Business suspended as at 31 December 2020 and 2019

During the years 2020 and 2019, the Company had no dividend received from its subsidiaries.

During the year 2020, the Company did not set up allowance for impairment of investment in Pure Biodiesel Co., Ltd. (2019: set up allowance for impairment of investment amounting to Baht 1.2 million).

On 1 July 2020, the Extraordinary General Meeting of the Shareholders of Super Pure Gas Company Limited (SPG) No. 1/2020 approved the dissolution of SPG, a subsidiary of Pure Thai Energy Company Limited (PTEC). On 13 July 2020, SPG registered its dissolution with the Ministry of Commerce. Later, on 26 November 2020, PTEC has received cash proceeds from SPG amounting to Baht 8.4 million. Then SPG registered its liquidation on 27 November 2020.

17. Other non-current financial assets / Other long-term investment

The Company has an investment in 6,702 ordinary shares (representing 17.46% shareholding) of KP Energy Group, which is principally engaged in the production and distribution of electricity. As at 31 December 2020 and 2019, fair value of such investment was zero because of continuous operating losses and capital deficit.

During the years 2020 and 2019, the Company had no dividend received from such investment.

18. Investment properties

The net book value of investment properties which are land held for rent as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2020	2019
Cost	146,936	-
Less: Allowance for impairment	-	-
Net book value	146,936	-

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2020	2019
Net book value at beginning of year	-	-
Additions	146,936	-
Net book value at end of year	146,936	-

The fair value of the above investment properties, as at 31 December 2020, is close to the fair value as of the acquisition date in November 2020.

19. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Operating assets	573,795	480,686	6,045	7,260
Ceased using assets	972,435	987,510	579,530	587,820
Total property, plant and equipment	1,546,230	1,468,196	585,575	595,080
Less: Allowance for impairment	(464,004)	(464,122)	(240,998)	(241,116)
Property, plant and equipment - net	1,082,226	1,004,074	344,577	353,964

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis	Cost basis					
	Land	Office buildings and office building improvements	Gas station equipment	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Operating assets							
Cost/revalued amount							
1 January 2019	7,350	320,971	95,648	102,887	25,741	27,802	580,399
Additions	-	-	55	391	3,156	163,197	166,799
Disposals/write-off	-	(3,486)	(634)	(3,176)	(10,772)	-	(18,068)
Transfers	-	56,874	16,822	18,102	-	(91,798)	-
31 December 2019	7,350	374,359	111,891	118,204	18,125	99,201	729,130
Additions	-	-	92	231	-	160,820	161,143
Disposals/write-off	-	(25,782)	(16,167)	(8,905)	-	-	(50,854)
Transfers	-	110,983	30,376	21,506	-	(162,865)	-
31 December 2020	7,350	459,560	126,192	131,036	18,125	97,156	839,419
Accumulated depreciation							
1 January 2019	-	119,692	26,904	49,999	24,245	-	220,840
Depreciation for the year	-	26,419	8,797	9,486	546	-	45,248
Depreciation on disposals/write-off	-	(3,370)	(624)	(3,012)	(10,638)	-	(17,644)
31 December 2019	-	142,741	35,077	56,473	14,153	-	248,444
Depreciation for the year	-	31,637	12,330	11,316	713	-	55,996
Depreciation on disposals/write-off	-	(18,343)	(12,995)	(7,478)	-	-	(38,816)
31 December 2020	-	156,035	34,412	60,311	14,866	-	265,624
Net book value							
31 December 2019	7,350	231,618	76,814	61,731	3,972	99,201	480,686
31 December 2020	7,350	303,525	91,780	70,725	3,259	97,156	573,795
Depreciation for the years							
2019 (included in administrative expenses)							45,248
2020 (included in administrative expenses)							55,996

(Unit: Thousand Baht)

	Consolidated financial statements			
	Revaluation basis			
	Land	Factory buildings and factory building improvements	Machinery and factory equipment	Total
Ceased using assets				
Revalued amount				
1 January 2019	383,229	175,768	1,491,691	2,050,688
Revaluations	8,600	-	-	8,600
31 December 2019	391,829	175,768	1,491,691	2,059,288
Disposals	-	-	(470)	(470)
31 December 2020	391,829	175,768	1,491,221	2,058,818
Accumulated depreciation				
1 January 2019	-	111,928	949,823	1,061,751
Depreciation for the year	-	559	9,468	10,027
31 December 2019	-	112,487	959,291	1,071,778
Depreciation for the year	-	1,101	13,809	14,910
Depreciation on disposals	-	-	(305)	(305)
31 December 2020	-	113,588	972,795	1,086,383
Allowance for impairment loss				
1 January 2019	-	46,187	416,445	462,632
Increase during the year	-	-	1,490	1,490
31 December 2019	-	46,187	417,935	464,122
Reversal of impairment due to disposals	-	-	(118)	(118)
31 December 2020	-	46,187	417,817	464,004
Net book value				
31 December 2019	391,829	17,094	114,465	523,388
31 December 2020	391,829	15,993	100,609	508,431
Depreciation for the years				
2019 (included in administrative expenses)				10,027
2020 (included in administrative expenses)				14,910

(Unit: Thousand Baht)

	Separate financial statements			
	Cost basis			
	Office buildings and office building improvements	Office furniture, fixture and equipment	Motor vehicles	Total
Operating assets				
Cost				
1 January 2019	8,679	17,170	12,861	38,710
Additions	-	163	3,156	3,319
Disposals	-	-	(10,771)	(10,771)
31 December 2019	8,679	17,333	5,246	31,258
Additions	-	9	-	9
Disposals	-	(223)	-	(223)
31 December 2020	8,679	17,119	5,246	31,044
Accumulated depreciation				
1 January 2019	3,843	16,991	12,788	33,622
Depreciation for the year	526	105	382	1,013
Depreciation on disposals	-	-	(10,637)	(10,637)
31 December 2019	4,369	17,096	2,533	23,998
Depreciation for the year	526	98	600	1,224
Depreciation on disposals	-	(223)	-	(223)
31 December 2020	4,895	16,971	3,133	24,999
Net book value				
31 December 2019	4,310	237	2,713	7,260
31 December 2020	3,784	148	2,113	6,045
Depreciation for the years				
2019 (included in administrative expenses)				1,013
2020 (included in administrative expenses)				1,224

(Unit: Thousand Baht)

	Separate financial statements			
	Revaluation basis			
	Land	Factory buildings and factory building improvements	Machinery and factory equipment	Total
Ceased using assets				
Revalued amount				
1 January 2019	293,361	108,094	950,561	1,352,016
Revaluations	6,500	-	-	6,500
31 December 2019	299,861	108,094	950,561	1,358,516
Disposals	-	-	(470)	(470)
31 December 2020	299,861	108,094	950,091	1,358,046
Accumulated depreciation				
1 January 2019	-	78,813	688,659	767,472
Depreciation for the year	-	403	2,821	3,224
31 December 2019	-	79,216	691,480	770,696
Depreciation for the year	-	924	7,201	8,125
Depreciation on disposals	-	-	(305)	(305)
31 December 2020	-	80,140	698,376	778,516
Allowance for impairment loss				
1 January 2019	-	18,482	221,144	239,626
Increase during the year	-	-	1,490	1,490
31 December 2019	-	18,482	222,634	241,116
Reversal of impairment due to disposals	-	-	(118)	(118)
31 December 2020	-	18,482	222,516	240,998
Net book value				
31 December 2019	299,861	10,396	36,447	346,704
31 December 2020	299,861	9,472	29,199	338,532
Depreciation for the years				
2019 (included in administrative expenses)				3,224
2020 (included in administrative expenses)				8,125

During the year 2019, the Group arranged for an independent professional valuer to appraise the value of certain refinery assets on an asset-by-asset basis. The revaluation was concluded on 31 December 2019 and the basis of the revaluation was as follows.

a) Land was revalued using the market approach. The fair value of the land was at the average of Baht 9 million per rai.

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

The reappraised value of the land was Baht 8.6 million (separate financial statements: Baht 6.5 million) higher than the value per the previous revaluation conducted in 2018. The Group recognised the increase in asset values in shareholders' equity under the heading of "Revaluation surplus on assets".

In addition, the reappraised values of the buildings and equipment were Baht 1.5 million lower than their net book values as presented in the consolidated financial statements (separate financial statements: Baht 1.5 million). The Group recognised the loss on impairment of assets in the income statement for the same amount.

The Group did not arrange for an independent professional valuer to appraise the value of assets in 2020 because the Group expects that there are no significant changes in the recoverable amount of assets.

Had the land, factory buildings, machinery and factory equipment been carried in the financial statements on a historical cost basis, their net book values as of 31 December 2020 and 2019 would have been as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Land	141,286	141,286	105,770	105,770
Factory buildings and improvements	15,442	16,905	9,472	10,396
Machinery and factory equipment	100,972	114,428	29,199	36,647

A subsidiary has mortgaged land, buildings, machinery and oil depots with a total book value as at 31 December 2020 of Baht 101 million (2019: Baht 102 million), as collateral to secure short-term loans received from the Company, as discussed in Note 10 to the financial statements.

As at 31 December 2020, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 159 million (2019: Baht 161 million) in the consolidated financial statements and Baht 20 million (2019: Baht 20 million) in the separate financial statements.

20. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer software under installation	Computer software	Total
Cost			
1 January 2019	-	26,842	26,842
Additions	-	1,060	1,060
31 December 2019	-	27,902	27,902
Additions	2,509	889	3,398
31 December 2020	2,509	28,791	31,300
Accumulated amortisation			
1 January 2019	-	24,360	24,360
Amortisation for the year	-	721	721
31 December 2019	-	25,081	25,081
Amortisation for the year	-	445	445
31 December 2020	-	25,526	25,526
Net book value			
31 December 2019	-	2,821	2,821
31 December 2020	2,509	3,265	5,774
Amortisation for the years			
2019 (included in administrative expenses)			721
2020 (included in administrative expenses)			445

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software under installation	Computer software	Total
Cost			
1 January 2019	-	19,738	19,738
31 December 2019	-	19,738	19,738
Additions	2,509	-	2,509
31 December 2020	2,509	19,738	22,247
Accumulated amortisation			
1 January 2019	-	19,417	19,417
Amortisation for the year	-	319	319
31 December 2019	-	19,736	19,736
Amortisation for the year	-	2	2
31 December 2020	-	19,738	19,738
Net book value			
31 December 2019	-	2	2
31 December 2020	2,509	-	2,509
Amortisation for the years			
2019 (included in administrative expenses)			319
2020 (included in administrative expenses)			2

21. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
The compensation for damages	-	26,711	-	26,711
Withholding tax awaiting refund	20,886	21,423	643	613
Prepaid rental and fees for land utilisation	-	125,279	-	-
Deposits	2,798	3,018	207	207
Total	23,684	176,431	850	27,531

The compensation for damages is the compensation receivable because, in the third quarter of 2006, a raw material supplier delivered raw materials of a quality different to that specified in the relevant purchase agreement. Therefore, the Company had additional cost for product improvement and compensation amounting to Baht 136.5 million. Based on the negotiation with the supplier, the Company will receive compensation of Baht 52.7 million. The partial balance of Baht 26.0 million was paid by a credit note in November 2006 and the supplier will inform the Company of the method in payment for the remaining Baht 26.7 million later.

On 2 October - 20 November 2010, the supplier delivered raw materials of a quality difference to that specified in the relevant purchase agreement again. As a result, the Company had additional cost of raw materials quality improvement and other damages totaling Baht 52.9 million. The Company requested the compensation to the supplier but could not negotiable. Therefore, on 9 November 2016, the Company filed a dispute to the Arbitration Office (Dispute Black Case No. 117/2559), requesting the supplier to pay the compensation of raw materials quality improvement which the supplier sent raw materials different from purchase agreement in 2006 and during October and November 2010 amounting to Baht 26.7 million and Baht 52.9 million, respectively, plus interest 7.5% per annum. The total compensation is Baht 116.7 million. Subsequently, in January 2020, the Company received a copy of an arbitration award dated 26 December 2019, whereby the Arbitral Tribunal had unanimously resolved to order (Dispose Red Case No.199/2562) the supplier to compensate the Company for damages suffered during the years 2006 and 2010, amounting to Baht 26.7 million and Baht 37.3 million, respectively, and to pay interest at a rate of 7.5% per annum from 13 September 2016 and 9 November 2011, respectively, until the supplier makes full payment to the Company. Later, on 1 April 2020, the supplier filed a petition with the Civil Court to revoke the award (Black Case No. Por.1819/2563). Then, the Company has submitted a statement of objection such revocation on 25 June 2020. On 2 July 2020, the Company filed a petition with the Civil Court to seek enforcement of the above arbitration award (Black Case No. Por.3367/2563). The Civil Court has ordered the combination of Black Case No. Por.1819/2563 with Black Case No. Por.3367/2563. Subsequently, on 30 December 2020, the Company entered into a compromise agreement with the supplier at the Civil Court. The supplier agrees to pay the compensatory damages and interest to the Company totaling Baht 97.7 million. The Company received the compensatory damages on 29 January 2021.

As at 31 December 2020, the Company reclassified compensation for damages from other non-current assets to current assets under the heading "Receivable compensation for damages" and recorded receivable compensation for damages totaling Baht 97.7 million, and recognised additional Baht 71 million the compensation for damages and interest income in 2020.

22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables - unrelated parties	1,802,309	1,780,924	1,518,109	1,518,109
Other payables - related parties	113	119	14	23
Other payables - unrelated parties	23,374	35,450	2,138	1,464
Accrued expenses	37,308	28,031	15,594	2,032
Retention payables	4,794	2,295	-	-
Total	1,867,898	1,846,819	1,535,855	1,521,628

Trade payables - unrelated parties include liabilities under the commercial dispute and outstanding litigation with its major raw material supplier. Therefore, the Company has exercised lien over the last payment for condensate residue, amounting to Baht 1,518 million, as discussed in Note 38.5 to the financial statements.

23. Short-term loans from unrelated parties

As at 31 December 2020, these represented promissory notes which the subsidiary issued to individuals. The loans carried interest at the rate of 0.31% per annum (2019: 1.30% - 1.55% per annum) and are repayable within one year.

24. Advances received for renovation of gasoline stations

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Advances received for renovation of gasoline stations at beginning of year	401,020	289,545
Increase during the year	108,480	144,000
Less: Amortisation for the year	(42,540)	(32,525)
Advances received for renovation of gasoline stations at end of year	466,960	401,020
Less: Current portion	(47,322)	(37,098)
Advances received for renovation of gasoline stations, net of current portion	419,638	363,922

25. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Advances received from customers	8,061	8,758	-	-
Others	4,916	5,621	199	169
Total	12,977	14,379	199	169

26. Leases

26.1 The Group as a lessee

A subsidiary has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 5 - 30 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land and land improvement	Buildings and building improvement	Motor vehicles	Total
1 January 2020	599,147	3,660	-	602,807
Additions	40,577	-	1,392	41,969
Adjustment due to lease modification	215	(104)	-	111
Difference from rental reduction	(444)	(74)	-	(518)
Depreciation for the year	(73,455)	(1,722)	-	(75,177)
31 December 2020	566,040	1,760	1,392	569,192

b) Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	2019
Lease payments	796,501	-
Less: Deferred interest expenses	(318,019)	-
Total	478,482	-
Less: Portion due within one year	(20,165)	-
Lease liabilities - net of current portion	458,317	-

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

	(Unit: Thousand Baht)
	For the year ended 31 December 2020
	Consolidated financial statements
Depreciation expense of right-of-use assets	75,177
Interest expense on lease liabilities	30,335
Expense relating to short-term or low-value assets leases	2,579
Expense relating to variable lease payments	11,740

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

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 56.7 million, including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 34.2 million.

26.2 Group as a lessor

During the year 2020, the Company acquired land that is currently leased which are operating leases. The Company classified such land as the investment properties as discussed in Note 18 to the financial statements. The remaining leased periods at the acquisition date are 4 and 6 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2020 as follows:

	(Unit: Thousand Baht) Consolidated / Separate financial statements
Within 1 year	2,878
Over 1 and up to 5 years	11,937
Over 5 years	2,520
Total	17,335

During 2020, the Group has rental income in the consolidated and separate financial statements amounting to Baht 0.3 million.

27. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2020 and 2019, which represents compensation payable to employees after they retire from the company, was as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provisions for long-term employee benefits at beginning of year	16,434	12,148	3,197	2,393
Included in profit or loss:				
Current service cost	1,730	1,801	412	482
Interest cost	479	422	75	63
Past service cost	-	2,346	-	-
Reversal of provision for long-term employee benefits	(197)	(1,969)	-	-
Benefits paid during the year	(54)	-	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	8	-	-	-
Financial assumptions changes	1,073	1,686	336	259
Experience adjustments	(1,164)	-	(274)	-
Provisions for long-term employee benefits at end of year	18,309	16,434	3,746	3,197

The Group expects to pay Baht 0.8 million of long-term employee benefits during the next year (separate financial statements: nil) (2019: Baht 0.30 million, separate financial statements: nil).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is approximately 3 - 15 years (separate financial statements: 8 years) (2019: 9 - 14 years, separate financial statements: 9 years).

Key actuarial assumptions used for the valuation are as follows.

(Unit: % per annum)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	0.63 - 1.71	1.55 - 2.18	1.28	1.55
Future salary increase rate	3.00 - 5.00	3.00 - 5.00	5.00	5.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Rate increase	Rate decrease	Rate increase	Rate decrease
Increase or decrease 0.5% in discount rate	(916)	984	(138)	145
Increase or decrease 1% in future salary increase rate	1,852	(1,640)	258	(239)

(Unit: Thousand Baht)

	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Rate increase	Rate decrease	Rate increase	Rate decrease
Increase or decrease 0.5% in discount rate	(880)	913	(133)	89
Increase or decrease 1% in future salary increase rate	1,931	(1,669)	257	(234)

28. Statutory reserve / Premium on ordinary shares

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

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

On 16 July 2020, the 2020 Annual General Meeting of the Shareholders of the Company approved a resolution to transfer of statutory reserve in the amount of Baht 80.3 million and premium on ordinary shares in the amount of Baht 336.0 million to compensate the deficits of the Company. The Company recorded such transactions in July 2020.

29. Revaluation surplus

This represents surplus arising from revaluation of land. Movements in the revaluation surplus account, net of income tax, during the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Balance - beginning of year	206,316	199,436	155,273	150,073
Add: Revaluation of assets during the year	-	8,600	-	6,500
Less: Effect of income tax from revaluation	-	(1,720)	-	(1,300)
Balance - end of year	206,316	206,316	155,273	155,273

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

30. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Management fee income	-	1,080	720	-
Rental income	9,440	19,666	253	-
Gain on sales of equipment and intangible assets	-	1,521	-	1,630
Gain on sales of investment in associate	-	367,856	-	199,887
Compensation for damages and interest income	71,019	-	71,019	-
Other income	5,041	9,740	2,779	9,989
Total	85,500	399,863	74,771	211,506

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

31. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest expenses on borrowings	2,815	5,694	1,410	4,147
Interest expenses on lease liabilities	30,335	-	-	-
Total	33,150	5,694	1,410	4,147

32. Expenses by nature

Significant expenses classified by nature are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Salaries, wages and other employee benefits	160,011	132,259	18,989	11,572
Long-term employee benefits	1,957	2,600	486	545
Depreciation and amortisation	146,528	55,996	9,351	4,555
Changes in finished goods	7,457	(8,847)	-	-
Cost of merchandise inventories and services	3,805,313	4,022,606	-	-
Loss on impairment of buildings and equipment (reversal)	(118)	1,490	(118)	1,490
Loss on impairment of investment in subsidiary	-	-	-	1,245
Bad debts and allowance for doubtful debts (reversal)	1,182	(80)	-	-

33. Income tax

Income tax (revenue) expense for the years ended 31 December 2020 and 2019 are made up as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	1,391	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	269	(18)	-	-
Income tax (revenue) expense reported in the income statement	1,660	(18)	-	-

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax on actuarial gain (loss)	29	(285)	-	-
Deferred tax on gain from revaluation of land	-	1,720	-	1,300
Total	29	1,435	-	1,300

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before tax				
From continuing operation	47,895	385,006	64,469	250,054
From discontinued operation	(8,125)	(4,712)	(8,125)	(4,712)
Total accounting profit before tax	39,770	380,294	56,344	245,342
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	7,954	76,059	11,269	49,068
Utilisation of previously unrecognised deferred tax assets on temporary differences	(24)	(27,800)	(24)	(30,200)
Deferred tax assets which were not recognised during the year as future taxable profits may not be sufficient	(1,309)	(2,811)	(8,897)	(6,987)
Effects of non-deductible expenses				
- Allowance for impairment on investment in subsidiary	-	-	-	249
- Other non-deductible expenses	(2,991)	(5,151)	1,191	294
Effects of:				
- Income not subject to tax	(5,725)	(14,081)	(5,726)	(14,176)
- Write-off bad debt	(1,356)	-	-	-
- Others	3,746	2,160	2,187	1,752
Effect of elimination entries on the consolidated financial statements	1,365	(28,394)	-	-
Income tax (revenue) expense reported in the income statement	1,660	(18)	-	-

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Deferred tax assets				
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	2,119	3,325	-	-
Allowance for diminution in value of inventories	1,463	2,043	-	-
Provision for long-term employee benefits	2,913	2,647	-	-
Unused tax loss	626	9,392	-	-
Lease	9,432	-	-	-
Others	2,463	1,906	-	-
Total	19,016	19,313	-	-
Deferred tax liabilities				
Revaluation surplus on land	51,579	51,579	38,818	38,818
Total	51,579	51,579	38,818	38,818

As at 31 December 2020, the Group has deductible temporary differences and unused tax losses totaling Baht 1,030 million (2019: Baht 1,083 million) per the consolidated financial statements and Baht 766 million (2019: Baht 805 million) per the separate financial statements. No deferred tax assets have been recognised on these amounts as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. The unused tax losses amounting to Baht 262 million per the consolidated financial statements and Baht 80 million per the separate financial statements will expire by 2025.

34. Discontinued operation

Details of discontinued operations for the years ended 31 December 2020 and 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2020	2019
Revenues	-	-
Expenses		
Administrative expenses	(8,125)	(4,712)
Total expenses	(8,125)	(4,712)
Loss for the year from discontinued operation	(8,125)	(4,712)

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2020	2019
		(Unit: Baht)
Earnings per share:		
Loss per share for the year from discontinued operation	(0.0062)	(0.0036)
		(Unit: Thousand shares)
Weighted average number of ordinary shares	1,304,664	1,304,664

The net cash flows incurred by discontinued operation for 2020 and 2019 are as follows.

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2020	2019
Operating activities	-	-
Investing activities	31	-
Financing activities	-	-
Net cash flows from discontinued operation	31	-

35. Basic earnings per share

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

36. Segment information

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

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

1) Energy segment: Fuel and gas retailing through a network of gas stations, distribution and maintenance of gas station equipment and rental of oil depot and port business.

2) Real estate segment: Real estate development for sale and for rent.

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

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

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

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

For the years 2020 and 2019, the Group has no major customer with revenue of 10% or more of an entity's revenues.

The following tables present revenues and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2020 and 2019.

(Unit: Million Baht)

	For the years ended 31 December							
	Energy segment		Real estate segment		Adjustments and eliminations		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
Sales and service income from external customers	4,166	4,281	-	-	-	-	4,166	4,281
Interest income	13	7	-	-	-	-	13	7
Other income	86	400	-	-	-	-	86	400
Total revenues	4,265	4,688	-	-	-	-	4,265	4,688
Expenses								
Cost of sales and services	3,813	4,014	-	-	-	-	3,813	4,014
Depreciation and amortisation	147	56	-	-	-	-	147	56
Selling and distribution expenses	91	81	-	-	-	-	91	81
Administrative expenses	152	170	-	-	-	-	152	170
Total expenses	4,203	4,321	-	-	-	-	4,203	4,321
Profit from operating activities	62	367	-	-	-	-	62	367
Share of profit (loss) from investments in associates	-	(14)	19	38	-	-	19	24
Finance cost	(33)	(6)	-	-	-	-	(33)	(6)
Profit before income tax	29	347	19	38	-	-	48	385
Tax income expense	(2)	-	-	-	-	-	(2)	-
Profit for the year from continuing operation	27	347	19	38	-	-	46	385
Loss for the year from discontinued operation	(8)	(5)	-	-	-	-	(8)	(5)
Profit for the year	19	342	19	38	-	-	38	380

37. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company or its subsidiaries and employees contributed to the fund monthly at the rates of 5% - 10% of basic salary. The fund, which is managed by Aberdeen Standard Asset Management (Thailand) Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years 2020 amounting to Baht 3.1 million (2019: Baht 2.9 million) were recognised as expenses.

38. Commitments and contingent liabilities

38.1 Capital commitments

As at 31 December 2020, the Group had capital commitments totaling Baht 3.0 million in respect of the construction of gas stations and the installation of computer software (2019: A subsidiary had capital commitments totaling Baht 23.1 million in respect of the construction of gas stations) (separate financial statements: capital commitments in respect of the installation of computer software were Baht 1.3 million (2019: nil)).

38.2 Research and development agreement commitment

The Company entered into a research and development agreement together with the Company's major shareholder and a university. The Company agreed to support the budget as a cost of conducting the research project under this agreement, totaling Baht 10 million. The agreement has a period of 3 years, commencing from 15 May 2017 to 14 May 2020 and extended the period of the project to 30 September 2021. As at 31 December 2020, the Company has future minimum payments required under such agreement of Baht 3.5 million (2019: Baht 7.4 million).

38.3 Long-term purchase and sale commitments

a) In November 2007, a subsidiary (Pure Biodiesel Co., Ltd.) (PBC) entered into an agreement with Global Power Synergy Co., Ltd. (GPSC) to purchase steam in a quantity and at a price stipulated in the agreement, which is for a period of 15 years commencing from the facility commercial operation date or 1 October 2008. The agreement can be extended for another 5 years.

   On 26 December 2011, the subsidiary entered into a memorandum with GPSC, whereby GPSC will construct a pipe rack and bridge to install a steam pipeline, with a construction price of Baht 58 million, and will compensate the subsidiary an amount of Baht 23 million, for the impact of its inability to supply steam as agreed. This is treated as part of the delay penalty and deducted from construction cost. The construction cost and all interest are to be paid to GPSC on a monthly basis,

beginning on the first of the 37th month and to be completed within 72 months after the date GPSC commences supplying steam. The construction cost carries interest at a rate equal to MLR of a bank.

In March 2017, GPSC sent a letter notifying of the cancellation of steam purchase agreement and the memorandum regarding installation of a steam pipeline, on the grounds that PBC had breached certain conditions of the agreement, and its claim of certain damages from PBC. PBC subsequently sent a letter refusing to pay the damages.

b) On 6 October 2017, a meeting of the Company's Board of Directors passed a resolution granting approval for a subsidiary running a retail and gasoline service station business to change from operating its service stations under the "Pure" brand to operating them under the "Esso" brand, in order to improve efficiency and the strength of its gasoline retail sales business and to support future business expansion.

As at 31 December 2020, the subsidiary has signed up to gasoline trading agreements with Esso (Thailand) Public Company Limited and was granted the right to use the "Esso" trademark at 68 gasoline stations (2019: 66 gasoline stations) for at least 10 years from the date that each station is opened under the "Esso" trademark. The subsidiary continues to be the operator of these gasoline stations. Under the agreements, the subsidiary has to order fuel in quantities and at prices as specified in the agreements throughout the contractual period.

38.4 Guarantees

a) As at 31 December 2020, there were outstanding bank guarantees of Baht 182 million (2019: Baht 227 million) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 180 million (2019: Baht 225 million) to guarantee payments due to creditors and Baht 2 million (2019: Baht 2 million) to guarantee electricity use, among others.

b) As at 31 December 2020 and 2019, a subsidiary has guaranteed bank credit facilities of its subsidiary amounting to Baht 10 million.

38.5 Litigation and commercial dispute

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

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

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

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

on 16 December 2016, the Company filed a petition with the Civil Court to seek enforcement of the above arbitration award (Black Case No. Por.6000/2559). The Civil Court has ordered the combination of Black Case No. Por.6000/2559 with Black Case No. Por.3016/2559. In September 2019, the Civil Court ordered PTT to pay damages to the Company in accordance with the arbitral award and dismissed the petition of PTT. The Company has filed a petition for enforcement in accordance with the judgement of the Civil Court. However, PTT disagreed with the judgement and file an appeal with the Supreme Court in March 2020. The Company has filed a response to the appeal with the Supreme Court, and the case is currently being considered by the supreme Court.

In May 2017, the Company received a copy of an arbitration award (Black Dispute No. 78/2555) dated 27 April 2017, pursuant to which the arbitral tribunal rendered an award to order the Company to make a final payment for condensate residue to PTT of Baht 1,555 million, together with interest at 9.375% per annum on principal of Baht 1,518 million, from the date on which the dispute was submitted to arbitration (18 May 2012) until the Company makes payment in full to PTT. However, the Company does not agree with the arbitration award. On 25 July 2017, the Company exercised its legal right to filed a petition with the Civil Court to revoke the award (Black Case No. Por.3492/2560). Later, in September 2017, the Company received a copy of a petition filed by PTT with the Civil Court seeking to enforce the award (Black Case No. Por.3789/2560). The Civil Court has ordered the combination of Black Case No. Por.3789/2560 with Black Case No. Por. 3492/2560. In March 2019, the Civil Court ordered the revocation of the arbitration award and dismissed the petition of PTT. However, PTT disagreed with the judgement and file an appeal with the Supreme Court in August 2019. The Company has filed a response to the appeal with the Supreme Court, and the case is currently being considered by the Supreme Court.

39. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets that were measured or disclosed at fair value using level 2 of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Assets measured at fair value				
Financial assets measured at FVTPL				
Investment in investment units in mutual funds	1,144	435	1,144	421
Investment properties	147	-	147	-
Property, plant and equipment	516	531	339	347

40. Financial instruments

40.1 Financial risk management objectives and policies

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

Credit risk

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

Trade receivables

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

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

Financial instruments and cash deposits

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

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

Interest rate risk

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

As at 31 December 2020 and 2019,significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2020					
	Fixed interest rates		Floating			
	Within 1 year	Over 1 year	interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial assets						
Cash and cash equivalents	-	-	99	18	117	0.05 - 0.50
Other current financial assets	-	-	-	1,144	1,144	-
Trade and other receivables	-	-	-	25	25	-
Receivable compensation for damages	-	-	-	98	98	-
Pledged deposits at banks	141	-	-	-	141	0.20 - 0.65
Long-term loans to unrelated parties	1	-	-	-	1	9.05
	142	-	99	1,285	1,526	
Financial liabilities						
Trade and other payables	-	-	-	1,868	1,868	-
Lease liabilities*	20	458	-	-	478	3.31 - 6.62
	20	458	-	1,868	2,346	

* Lease liabilities generally have lease terms between 5 - 30 years.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2019					
	Fixed interest rates		Floating			
	Within 1 year	1-5 years	interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial assets						
Cash and cash equivalents	-	-	87	17	104	0.10 - 1.40
Current investments	10	-	-	425	435	1.10
Trade and other receivables	-	-	-	35	35	-
Notes receivable	-	-	-	600	600	-
Short-term loans to related party	200	-	-	-	200	5.00
Pledged deposits at banks	153	-	-	-	153	0.22 - 1.40
Long-term loans to unrelated parties	-	1	-	-	1	9.05
	363	1	87	1,077	1,528	
Financial liabilities						
Trade and other payables	-	-	-	1,847	1,847	-
	-	-	-	1,847	1,847	

(Unit: Million Baht)

	Separate financial statements as at 31 December 2020					
	Fixed interest rates		Floating			
	Within 1 year	1-5 years	interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial assets						
Cash and cash equivalents	-	-	5	3	8	0.05 - 0.30
Other current financial assets	-	-	-	1,144	1,144	-
Trade and other receivables	-	-	-	4	4	-
Receivable compensation for damages	-	-	-	98	98	-
Pledged deposits at banks	49	-	-	-	49	0.20 - 0.30
Long-term loans to related party	-	80	-	-	80	2.92
	49	80	5	1,249	1,383	
Financial liabilities						
Trade and other payables	-	-	-	1,536	1,536	-
	-	-	-	1,536	1,536	

(Unit: Million Baht)

	Separate financial statements as at 31 December 2019					
	Fixed interest rates		Floating			
	Within 1 year	1-5 years	interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial assets						
Cash and cash equivalents	-	-	4	3	7	0.10 - 1.40
Current investments	-	-	-	421	421	-
Trade and other receivables	-	-	-	4	4	-
Notes receivable	-	-	-	600	600	-
Short-term loans to related party	200	-	-	-	200	5.00
Pledged deposits at banks	49	-	-	-	49	0.90 - 1.40
Long-term loans to related party	-	145	-	-	145	2.92 - 2.95
	249	145	4	1,028	1,426	
Financial liabilities						
Trade and other payables	-	-	-	1,522	1,522	-
	-	-	-	1,522	1,522	

Liquidity risk

The Group regularly monitors the risk of a shortage of liquidity and has a policy to manage the cash inflow and outflow to be sufficient for its operations. Most of the Group financial liabilities are due for payment within 1 year (except for liabilities under disputes as described in note 38.5). In addition, lease liabilities due within 1 year amounted Baht 51 million, within 2 - 5 years Baht 205 million and over 5 years Baht 540 million.

40.2 Fair values of financial instruments

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

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

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

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

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

41. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.66:1 (2019: 1.35:1) and the Company's was 1.11:1 (2019: 1.15:1).

42. Events after the reporting period

The meeting of the Company's Board of Directors held on 12 November 2020 passed a resolution approving the incorporation of a new company named "RPCG-JV 1 Company Limited", in which the Company holds 99.99% of the shares. This company is engaged in the business of real estate developments and has a registered share capital of Baht 300 million (3,000,000 ordinary shares at a par value of Baht 100 each).

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

43. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2021.