

Tipco Asphalt Public Company Limited and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2020

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Tipco Asphalt Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Tipco Asphalt Public Company Limited and its subsidiaries as at 30 September 2020, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Tipco Asphalt Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

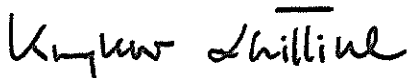
Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Emphasis of matter

I draw attention to Notes 1.1 and 1.2 to the interim consolidated financial statements as follows.

- 1.1) The COVID-19 pandemic has impacted several sectors on a greater scale resulting to an overall global economic slowdown, and also fluctuations in global oil prices. The Group's management assessed the impact of those situations on overall operations and noted that they had an effect on the value of inventories and derivative on price hedging contracts. The Group's management already recognised the impact of this allowance for diminution in value of inventories and the fair value of derivatives to the interim consolidated financial statements. However, the fluctuations in oil prices was contingent upon measures for COVID-19 pandemic control implemented by each country and the length of the pandemic.
- 1.2) Compliance with the US State Department's request that the Company wind down its crude oil procurement from Venezuela, in order to avoid a potential US sanction.

My conclusion is not modified in respect of these matters.



Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 3 November 2020

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		2,537,026	1,999,417	1,306,819	977,613
Trade and other receivables	3, 4	5,117,782	5,233,998	4,684,417	4,920,328
Short-term loans to related parties	4	-	-	138,000	13,000
Inventories	5	4,916,987	7,466,935	4,211,304	6,608,238
Derivative - price hedging contracts	2, 17	205,346	165,058	205,346	165,058
Other current assets		292,655	296,904	40,376	37,336
Total current assets		13,069,796	15,162,312	10,586,262	12,721,573
Non-current assets					
Investments in subsidiaries		-	-	7,717,240	7,717,240
Investments in joint ventures		133,087	112,624	67,553	67,553
Investments in associates		614,403	606,402	243,447	243,447
Long-term loans to related parties	4	-	-	1,383,122	1,479,030
Investment properties		256,933	256,933	94,342	94,342
Property, plant and equipment	6	8,480,950	8,285,712	968,099	984,241
Right-of-use assets	2	570,167	-	114,720	-
Goodwill		146,294	146,294	-	-
Intangible assets		164,196	195,513	51,418	71,616
Leasehold rights	2	-	287,084	-	2,507
Deferred tax assets - net		154,562	189,312	64,358	172,751
Other non-current assets		15,848	19,717	4,572	3,983
Total non-current assets		10,536,440	10,099,591	10,708,871	10,836,710
Total assets		23,606,236	25,261,903	21,295,133	23,558,283

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



Tipco Asphalt Public Company Limited and its subsidiaries

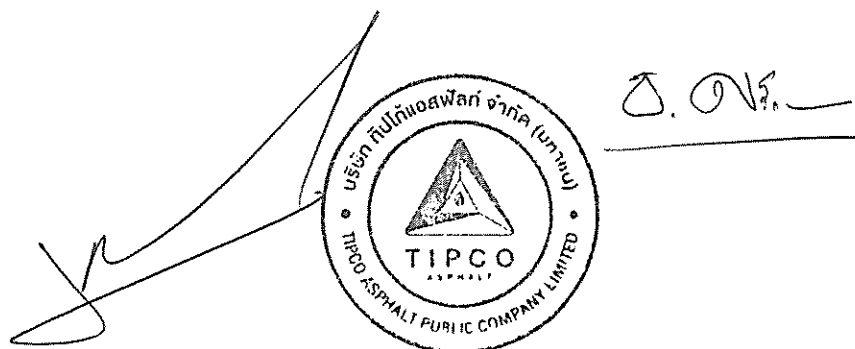
Statement of financial position (continued)

As at 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		4,969,178	4,013,131	4,707,506	3,716,103
Trade and other payables	4, 7	2,731,060	6,316,115	4,029,054	7,088,061
Short-term loan from related party	4	-	-	-	160,000
Income tax payable		499,372	390,758	332,141	334,928
Current portion of liabilities					
Long-term loan from financial institutions	8	42,010	37,611	-	-
Lease liabilities	2	55,158	-	26,027	-
Derivative - price hedging contracts	2, 17	41,220	580,800	41,220	580,800
Other current liabilities		110,796	134,093	48,121	10,320
Total current liabilities		8,448,794	11,472,508	9,184,069	11,890,212
Non-current liabilities					
Long-term loan from related party	4	6,839	6,343	-	-
Long-term liabilities - net of current portion					
Long-term loan from financial institutions	8	7,002	36,701	-	-
Lease liabilities	2	229,934	-	104,635	-
Derivative - price hedging contracts	2, 17	13,030	-	13,030	-
Provision for long-term employee benefits		181,816	167,693	126,039	119,182
Total non-current liabilities		438,621	210,737	243,704	119,182
Total liabilities		8,887,415	11,683,245	9,427,773	12,009,394

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2020

(Unit: Thousand Baht except earnings per share expressed in Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit or loss:					
Revenues					
Sales and service income		8,575,967	9,449,307	7,536,778	8,703,225
Other income					
Dividend income from subsidiary		-	-	-	61,367
Gain on exchange		102,133	134,083	75,235	142,222
Others		23,057	53,513	38,017	55,592
Total revenues		8,701,157	9,636,903	7,650,030	8,962,406
Expenses					
Cost of sales and services		6,062,138	8,523,565	5,676,745	8,127,292
Gain from price hedging contracts	17	(10,809)	(140,366)	(10,809)	(140,366)
Reversal of reduction of cost of inventory to net realisable value	5	(41,841)	(9,413)	(3,690)	(5,214)
		6,009,488	8,373,786	5,662,246	7,981,712
Selling expenses		43,400	43,906	30,333	26,869
Administrative expenses		318,372	291,305	193,696	170,635
Other expenses					
Damages and expenses from a fire at a subsidiary - net	18	-	67,971	-	-
Total expenses		6,371,260	8,776,968	5,886,275	8,179,216
Profit from operating activities		2,329,897	859,935	1,763,755	783,190
Share of profit from investments in joint ventures		755	5,437	-	-
Share of profit from investments in associates		10,031	13,825	-	-
Finance cost		(31,609)	(45,982)	(21,686)	(30,797)
Reversal of (record) impairment loss on financial assets-					
- allowance for doubtful accounts		(12,262)	15,805	15,533	5,003
Profit before income tax		2,296,812	849,020	1,757,602	757,396
Income tax	10	(433,342)	(130,787)	(356,085)	(104,209)
Profit for the period		1,863,470	718,233	1,401,517	653,187

Other comprehensive income:*Other comprehensive income to be reclassified**to profit or loss in subsequent periods:*

Exchange differences on translation of

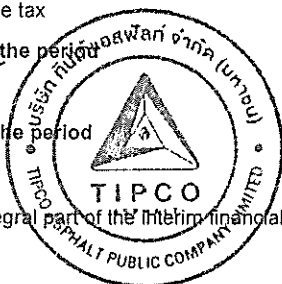
financial statements in foreign currencies

Change in fair value of hedging instruments

of cash flow hedges - net of income tax

Other comprehensive income for the period

Total comprehensive income for the period



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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

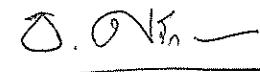
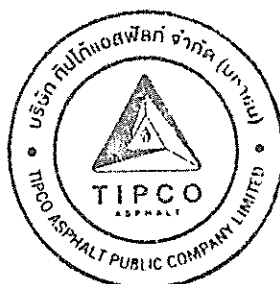
Statement of comprehensive income (continued)

For the three-month period ended 30 September 2020

(Unit: Thousand Baht except earnings per share expressed in Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit attributable to:					
Equity holders of the Company		1,862,393	712,081	<u>1,401,517</u>	<u>653,187</u>
Non-controlling interests of the subsidiaries		<u>1,077</u>	<u>6,152</u>		
		<u>1,863,470</u>	<u>718,233</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		2,180,239	685,404	<u>1,548,799</u>	<u>656,810</u>
Non-controlling interests of the subsidiaries		<u>9,587</u>	<u>1,145</u>		
		<u>2,189,826</u>	<u>686,549</u>		
Earnings per share (Baht)					
	11				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>1.18</u>	<u>0.45</u>	<u>0.89</u>	<u>0.41</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>1.18</u>	<u>0.45</u>	<u>0.89</u>	<u>0.41</u>

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht except earnings per share expressed in Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit or loss:					
Revenues					
Sales and service income		20,228,754	27,324,526	18,047,443	24,828,604
Other income					
Dividend income from subsidiaries		-	-	166,500	284,867
Dividend income from associates		-	-	57,728	41,750
Gain on exchange		70,197	341,850	42,115	346,856
Others		81,220	97,048	119,250	125,394
Total revenues		<u>20,380,171</u>	<u>27,763,424</u>	<u>18,433,036</u>	<u>25,627,471</u>
Expenses					
Cost of sales and services		16,954,131	25,027,729	16,168,152	23,761,440
Gain from price hedging contracts	17	(1,160,236)	(72,550)	(1,170,958)	(68,443)
Reduction of cost of inventories to net realisable value (reversal)	5	17,867	(790,701)	(5,379)	(918,575)
		15,811,762	24,164,478	14,991,815	22,774,422
Selling expenses		126,687	125,559	89,026	74,181
Administrative expenses		851,205	807,114	502,727	472,688
Other expenses					
Damages and expenses from a fire at a subsidiary					
(insurance claim) - net	18	64,235	(211,747)	-	-
Total expenses		<u>16,853,889</u>	<u>24,885,404</u>	<u>15,583,568</u>	<u>23,321,291</u>
Profit from operating activities		<u>3,526,282</u>	<u>2,878,020</u>	<u>2,849,468</u>	<u>2,306,180</u>
Share of profit from investments in joint ventures		12,283	20,439	-	-
Share of profit from investments in associates		63,336	78,386	-	-
Finance cost		(101,018)	(159,618)	(68,481)	(106,022)
Reversal of (record) impairment loss on financial assets					
- allowance for doubtful accounts		(55,802)	763	2,658	3,691
Profit before income tax		<u>3,445,081</u>	<u>2,817,990</u>	<u>2,783,645</u>	<u>2,203,849</u>
Income tax	10	(654,563)	(320,112)	(507,727)	(245,246)
Profit for the period		<u>2,790,518</u>	<u>2,497,878</u>	<u>2,275,918</u>	<u>1,958,603</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		325,319	(405,401)	-	-
Change in fair value of hedging instruments of cash flow hedges - net of income tax	10, 17	241,712	(404,286)	241,712	(404,286)
Other comprehensive income for the period		<u>567,031</u>	<u>(809,687)</u>	<u>241,712</u>	<u>(404,286)</u>
Total comprehensive income for the period		<u>3,357,549</u>	<u>1,688,191</u>	<u>2,517,630</u>	<u>1,554,317</u>

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

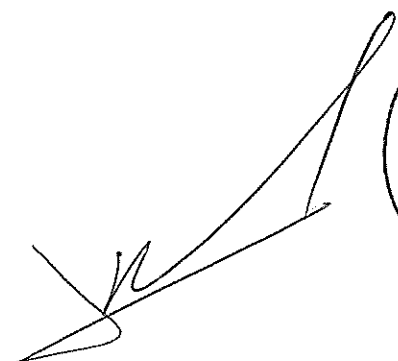

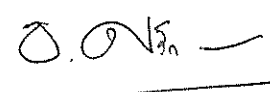
(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the nine-month period ended 30 September 2020

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit (loss) attributable to:					
Equity holders of the Company		2,797,550	2,482,645	2,275,918	1,958,603
Non-controlling interests of the subsidiaries		(7,032)	15,233		
		<u>2,790,518</u>	<u>2,497,878</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		3,354,694	1,686,574	2,517,630	1,554,317
Non-controlling interests of the subsidiaries		2,855	1,617		
		<u>3,357,549</u>	<u>1,688,191</u>		
Earnings per share (Baht)	11				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>1.77</u>	<u>1.58</u>	<u>1.44</u>	<u>1.24</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>1.77</u>	<u>1.57</u>	<u>1.44</u>	<u>1.24</u>

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

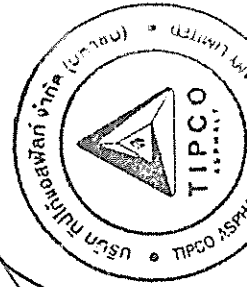
  

Consolidated financial statements

{Unit: Thousand Baht}

	Equity attributable to owners of the Company												
	Issued and paid-up share capital	Premium on share capital	Share subscription	at price lower than book value	Change in the Company's interest in subsidiaries which did not result in a loss of control	Capital reserve for share-based payment transactions	Retained earnings		Other components of equity				
							Appropriated	Unappropriated	Other comprehensive income			Equity attributable to non-controlling interests of the subsidiaries	
									Change in fair value of hedging instruments of cash flow hedges	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company		
Balance as at 1 January 2019	1,573,822	1,118,474	8,074	6,238	(570,311)	174,753	172,123	10,163,249	(664,278)	399,997	12,382,141	154,960	12,537,101
Profit for the period	-	-	-	-	-	-	-	2,482,645	-	-	2,482,645	15,233	2,497,878
Other comprehensive income for the period	-	-	-	-	-	-	-	-	(391,785)	(404,286)	(796,071)	(13,616)	(809,887)
Total comprehensive income for the period	-	-	-	-	-	-	-	2,482,645	(391,785)	(404,286)	1,686,574	1,617	1,688,191
The warrant holders exercised warrants	2,549	18,843	(4,710)	-	-	-	-	-	-	-	16,682	-	16,682
Increase in share capital of subsidiary	-	-	-	-	-	-	-	-	-	-	-	7,992	7,992
Dividend paid (Note 13)	-	-	-	-	-	-	-	(1,102,907)	-	-	(1,102,907)	-	(1,102,907)
Balance as at 30 September 2019	1,576,371	1,137,317	3,364	6,238	(570,311)	174,753	172,123	11,542,987	(1,056,063)	(4,289)	12,982,490	184,569	13,147,059
Balance as at 1 January 2020	1,576,763	1,140,288	2,571	6,238	(570,311)	174,753	172,123	12,183,030	(1,120,598)	(157,631)	13,407,226	171,432	13,578,658
Cumulative effect of change in new accounting policy (Note 2)	-	-	-	-	-	-	-	(20,305)	-	-	(20,305)	-	(20,305)
Balance as at 1 January 2020 - as restated	1,576,763	1,140,288	2,571	6,238	(570,311)	174,753	172,123	12,162,725	(1,120,598)	(157,631)	13,386,921	171,432	13,558,353
Profit (loss) for the period	-	-	-	-	-	-	-	2,797,550	-	-	2,797,550	(7,032)	2,790,518
Other comprehensive income for the period	-	-	-	-	-	-	-	-	315,432	241,712	557,144	9,887	567,031
Total comprehensive income for the period	-	-	-	-	-	-	-	2,797,550	315,432	241,712	3,354,694	2,855	3,357,549
The warrant holders exercised warrants (Note 12)	1,559	12,100	(2,571)	-	-	-	-	-	-	-	11,128	-	11,128
Dividend paid (Note 13)	-	-	-	-	-	-	-	(2,208,209)	-	-	(2,208,209)	-	(2,208,209)
Balance as at 30 September 2020	1,578,362	1,152,388	-	6,238	(570,311)	174,753	172,123	12,752,666	(805,166)	84,081	14,544,534	174,287	14,718,821

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



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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

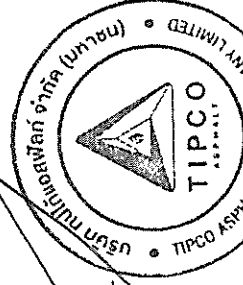
Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Separate financial statements									
	Other components of equity									
	Other comprehensive income									
	Change in fair value of									
	hedging instruments of cash flow hedges									
Issued and paid-up share capital	Premium on share capital	Share subscription	Capital reserve for share-based payment transactions	Appropriated statutory reserve	Unappropriated	Retained earnings	Change in fair value of hedging instruments of cash flow hedges	Total other components of shareholders' equity	Total shareholders' equity	
Balance as at 1 January 2019	1,573,822	1,118,474	8,074	174,753	172,123	7,259,324	399,997	399,997	10,706,567	
Profit for the period	-	-	-	-	-	1,958,603	-	-	1,958,603	
Other comprehensive income for the period	-	-	-	-	-	-	(404,286)	(404,286)	(404,286)	
Total comprehensive income for the period	-	-	-	-	-	1,958,603	(404,286)	(404,286)	1,554,317	
The warrant holders exercised warrants	2,549	18,843	(4,710)	-	-	-	-	-	16,682	
Dividend paid (Note 13)	-	-	-	-	-	(1,102,907)	-	-	(1,102,907)	
Balance as at 30 June 2019	1,576,371	1,137,317	3,364	174,753	172,123	8,115,020	(4,289)	(4,289)	11,174,659	
Balance as at 1 January 2020	1,576,763	1,140,288	2,571	174,753	172,123	8,640,022	(157,631)	(157,631)	11,548,889	
Cumulative effect of change in new accounting policy (Note 2)	-	-	-	-	-	(2,078)	-	-	(2,078)	
Balance as at 1 January 2020 - as restated	1,576,763	1,140,288	2,571	174,753	172,123	8,637,944	(157,631)	(157,631)	11,546,811	
Profit for the period	-	-	-	-	-	2,275,918	-	-	2,275,918	
Other comprehensive income for the period	-	-	-	-	-	-	241,712	241,712	241,712	
Total comprehensive income for the period	-	-	-	-	-	2,275,918	241,712	241,712	2,517,630	
The warrant holders exercised warrants (Note 12)	1,599	12,100	(2,571)	-	-	-	-	-	11,128	
Dividend paid (Note 13)	-	-	-	-	-	(2,208,209)	-	-	(2,208,209)	
Balance as at 30 September 2020	1,578,362	1,152,388	-	174,753	172,123	8,705,653	84,081	84,081	11,867,360	

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



D. N. K.

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities:				
Profit before income tax	3,445,081	2,817,990	2,783,645	2,203,849
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	735,914	593,739	188,494	149,740
Written off withholding tax	-	49	-	-
Written off inventories	-	198	-	-
Impairment loss on financial assets - allowance for doubtful accounts (reversal)	55,802	(763)	(2,658)	(3,691)
Reduction of cost of inventories to net realisable value (reversal)	17,867	(790,701)	(5,379)	(918,575)
Allowance for impairment loss on equipment	-	2,388	-	-
Dividend income from subsidiaries	-	-	(166,500)	(284,867)
Dividend income from associate	-	-	(57,728)	(41,750)
Unrealised gain on exchange	(21,650)	(100,262)	(74,511)	(47,575)
Gain on sales of equipment	(15,482)	(18,974)	(13,895)	(13,883)
Share of profit from investments in joint ventures	(12,283)	(20,439)	-	-
Share of profit from investments in associates	(63,336)	(78,386)	-	-
Provision for long-term employee benefits	18,599	37,821	8,829	21,509
Change in fair value of forward exchange contracts	15,378	(14,945)	21,114	(3,581)
Change in fair value of price hedging contracts	(264,698)	39,039	(264,698)	39,039
Interest expenses	90,134	140,975	64,492	100,931
Profit from operating activities before changes in operating assets and liabilities	4,001,326	2,607,729	2,481,205	1,201,146
(Increase) decrease in operating assets				
Trade and other receivables	44,680	(719,253)	242,777	(546,817)
Inventories	2,532,002	(20,968)	2,402,312	(4,382)
Other current assets	(68,868)	(50,936)	(53,999)	(38,436)
Other non-current assets	4,825	(28)	384	(140)
Increase (decrease) in operating liabilities				
Trade and other payables	(3,558,774)	3,141,284	(3,006,268)	3,399,643
Other current liabilities	(37,508)	(20,195)	18,246	(41,272)
Other non-current liabilities	(2,150)	-	(1,972)	-
Cash flows from operating activities	2,915,513	4,937,633	2,082,685	3,969,742
Cash paid for interest expenses	(85,734)	(141,112)	(62,050)	(103,445)
Cash paid for corporate income tax	(561,926)	(276,546)	(462,030)	(154,534)
Net cash flows from operating activities	2,267,853	4,519,975	1,558,605	3,711,763

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

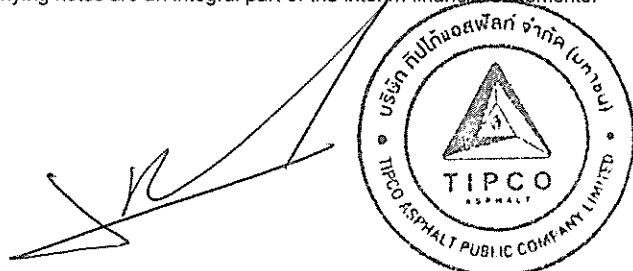
Cash flow statement (continued)

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities:				
Cash paid for investment in subsidiary	-	-	-	(54,985)
Dividend received from subsidiaries	-	-	166,500	284,867
Dividend received from associates	57,728	41,750	57,728	41,750
Increase in short-term loan to related party	-	-	(15,000)	-
Decrease in long-term loan to related party	-	-	-	9,540
Acquisition and cash paid to settle payables from purchases of equipment	(524,205)	(585,597)	(68,625)	(146,781)
Cash paid for acquisitions of computer software	(3,552)	(6,728)	(505)	(5,616)
Proceeds from sales of equipment	19,217	79,760	14,986	16,017
Net cash flows from (used in) investing activities	(450,812)	(470,815)	155,084	144,792
Cash flows from financing activities:				
Cash receipts from shares subscription of subsidiary	-	17,951	-	-
Increase (decrease) in short-term loans from financial institutions	959,403	(2,239,054)	991,402	(2,270,291)
Increase (decrease) in short-term loans from related party	-	-	(160,000)	55,000
Cash paid under lease liabilities	(49,121)	(127)	(19,269)	-
Repayment of long-term loans	(28,893)	(122,348)	-	-
Cash receipts from increase in capital	11,128	13,318	11,128	13,318
Cash receipts from shares subscription	-	3,364	-	3,364
Dividend paid to shareholders	(2,207,744)	(1,104,273)	(2,207,744)	(1,104,273)
Net cash flows used in financing activities	(1,315,227)	(3,431,169)	(1,384,483)	(3,302,882)
Exchange differences on translation of financial statements in foreign currencies	35,795	(94,491)	-	-
Net increase in cash and cash equivalents	537,609	523,500	329,206	553,673
Cash and cash equivalents at beginning of period	1,999,417	1,103,711	977,613	269,949
Cash and cash equivalents at end of period	2,537,026	1,627,211	1,306,819	823,622
Supplemental cash flows information				
Non-cash transactions:				
Acquisitions of equipment for which cash has not been paid	9,925	87,091	-	-
Increase of equipment from lease agreement	17,907	-	17,907	-

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



Tipco Asphalt Public Company Limited and its subsidiaries

Notes to the interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2020

1. General information

1.1 Coronavirus disease 2019 pandemic

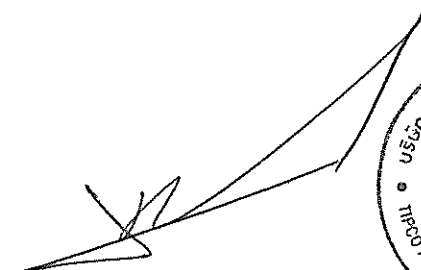

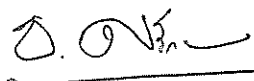
The COVID-19 pandemic has impacted several sectors on a greater scale resulting to an overall global economic slowdown, and also fluctuations in global oil prices. The Group's management assessed the impact of those situations on overall operations and noted that they had an effect on the value of inventories and derivative on price hedging contracts. The Group's management already recognised the impact of this allowance for diminution in value of inventories and the fair value of derivatives to the interim consolidated financial statements. Nevertheless, the Group's management will continuously monitor ongoing relevant developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

1.2 Winding down of crude oil procurement from Venezuela

In January 2019, the United States announced and imposed sanction on a Venezuelan oil company that has been the key source of crude oil that the Company used as a raw material for the production of about half of all asphalt products volume sold each year. The Company approached two law firms to seek advice on the implication of this sanction in respect of its crude oil purchases and payments. Both law firms opined that the transactions were not in violation of any applicable laws related to the sanction. The Company therefore continued to operate business as usual.

In September 2020, the US State Department requested the Company to wind down crude oil procurement from Venezuela. In order to avoid a potential US sanction, the Company decided to comply with the request and informed the US State Department in writing that the Company would cease purchasing crude oil from this source, effective by the end of November 2020.

The Company notified the Stock Exchange of Thailand of these facts on 11 September 2020 and 15 September 2020, together with the Company's plans to mitigate the risk arising from the disruption of its normal source of crude supply by considering plans to procure non-Venezuelan crude oil from other sources or to procure asphalt from other sources.

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.4 Basis of consolidation

The interim consolidated financial statements include the financial statements of Tipco Asphalt Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019.

1.5 New financial reporting standards

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

During the period, 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:

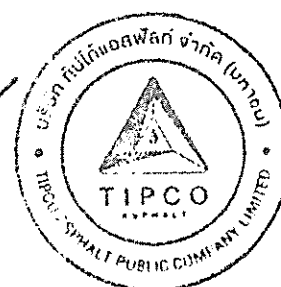
Financial reporting standards:

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 Group'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 impact of the adoption of these standards on the Group's financial statements is recognition of credit losses. The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim consolidated financial statements.

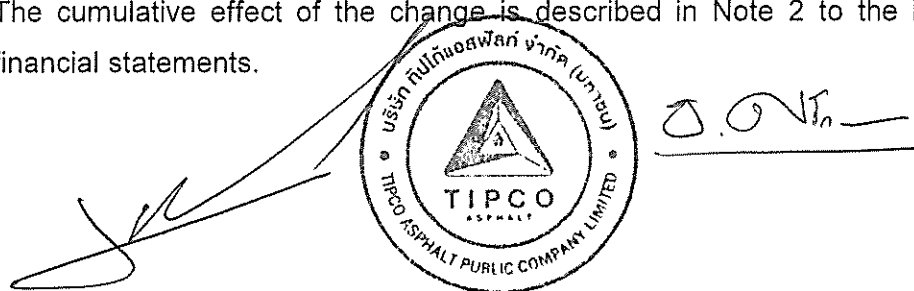
TFRS 16 Leases

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 adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim consolidated 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.

1.6. Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

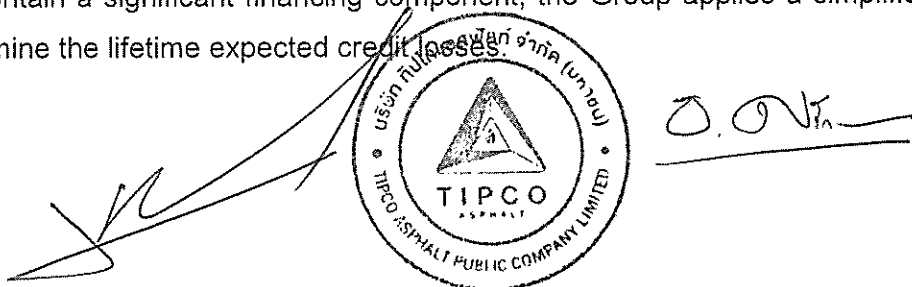
Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied to the derivative contracts.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.



Hedge Accounting

If hedge accounting criterias are met, recognition is as follows:

For cash flow hedges, a change in fair value of the effective portion of the hedging instrument is recognised in other comprehensive income, while a change in fair value of the ineffective portion of the hedging instruments is recognised in profit or loss.

1.6.2 Leases

Right-of-use assets

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

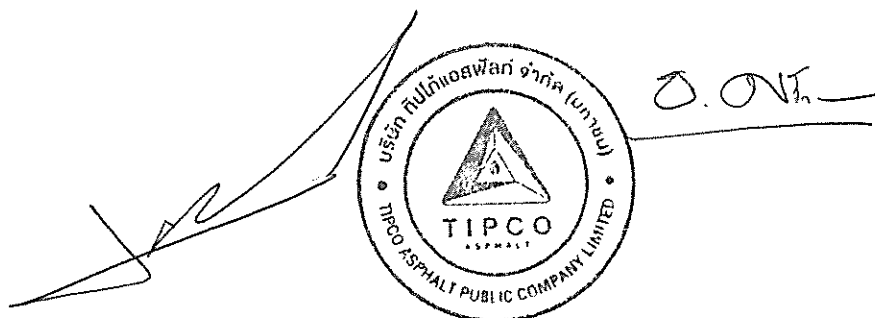
Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.



A handwritten signature is written over a circular stamp. The stamp contains the text "บริษัท ทีพีซีแอสฟัลท์ จำกัด (มหาชน)" at the top, "TPCO ASPHALT" in the center, and "TPCO ASPHALT PUBLIC COMPANY LIMITED" at the bottom. To the right of the stamp, the signature "D. ON" is written.

(Unaudited but reviewed)

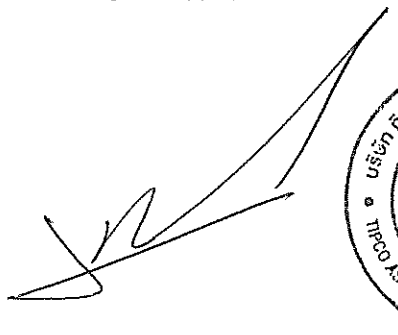

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the interim consolidated financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the balance of retained earnings as at 1 January 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			
	TFRSs related to			
	31 December	financial		1 January
	2019	instruments	TFRS 16	2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	5,233,998	(26,703)	-	5,207,295
Non-current assets				
Right-of-use assets	-	-	569,006	569,006
Leasehold rights	287,084	-	(287,084)	-
Deferred tax assets - net	189,312	6,398	-	195,710
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	45,947	45,947
Non-current liabilities				
Lease liabilities, net of current portion	-	-	235,975	235,975
Shareholders' equity				
Retained earnings - unappropriated	12,183,030	(20,305)	-	12,162,725

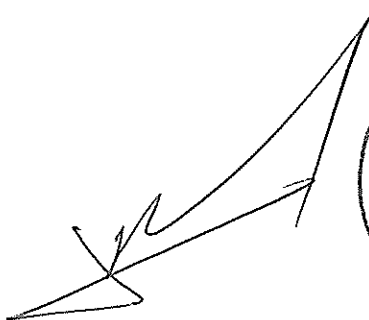


(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			
	TFRSs related to			
	31 December	financial		1 January
	2019	instruments	TFRS 16	2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	4,920,328	(2,598)	-	4,917,730
Non-current assets				
Right-of-use assets	-	-	125,514	125,514
Leasehold rights	2,507	-	(2,507)	-
Deferred tax assets - net	172,751	520	-	173,271
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	19,670	19,670
Non-current liabilities				
Lease liabilities, net of current portion	-	-	103,337	103,337
Shareholders' equity				
Retained earnings - unappropriated	8,640,022	(2,078)	-	8,637,944

2.1 Financial instruments


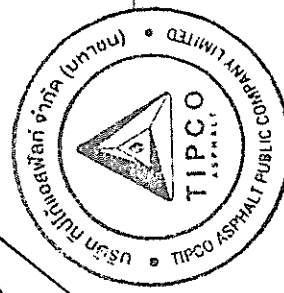
The impact of the recognition of an allowance for expected credit losses on financial assets on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments amounted to Baht 20 million (the Company only: Baht 2 million).

(Unaudited but reviewed)

As at 1 January 2020, the Group classified and measured financial assets and financial liabilities in accordance with TFRS 9 at amortised cost, except for financial assets and financial liabilities as follows:

		(Unit: Thousand Baht)			
		Consolidated financial statements/Separate financial statements			
		Classification and measurement in accordance with TFRS 9			
	Carrying amounts under the former basis	Fair value through profit or loss		Fair value through other comprehensive income	
					Total
Financial assets as at 1 January 2020					
Derivative - price hedging contracts	165,058	165,058	-	-	165,058
Financial liabilities as at 1 January 2020					
Derivative - price hedging contracts	580,800	383,761	197,039	-	580,800

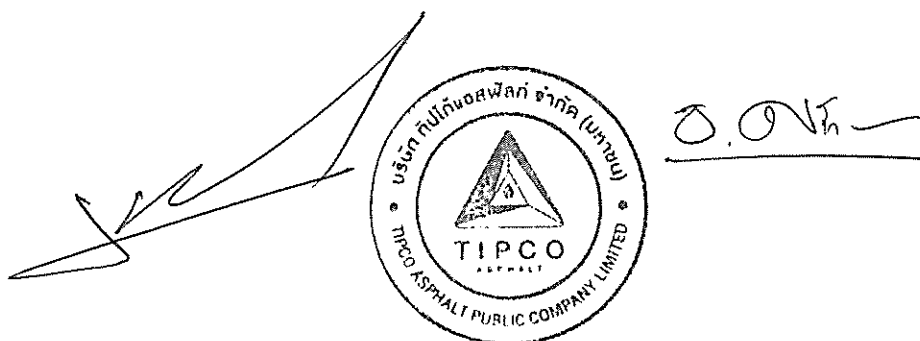
2.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	257,783	131,317
Less: Short-term leases and leases of low-value assets	(14,699)	(12,306)
Add: Option to extend lease term	157,454	77,072
Less: Contracts reassessed as service agreements	(73,723)	(63,753)
Add: Others	16,683	1,305
Less: Deferred interest expenses	(61,576)	(10,628)
Lease liabilities as at 1 January 2020	<u>281,922</u>	<u>123,007</u>
Comprise of:		
Current lease liabilities	45,947	19,670
Non-current lease liabilities	235,975	103,337

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Land and buildings	490,512	100,496
Machinery and equipment	49,734	-
Motor vehicles	28,760	25,018
Total right-of-use assets	<u>569,006</u>	<u>125,514</u>



The image shows a handwritten signature and a circular official stamp. The stamp contains the text 'บริษัท ทีพีซีแอสฟัลท์ จำกัด (มหาชน)' (TPCO Asphalt Public Company Limited) around the perimeter and 'TPCO ASPHALT' in the center. To the right of the stamp is a handwritten signature that appears to be 'อ. อ. น. น.'.

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade receivables - related parties</u> (Note 4)				
Aged on the basis of due dates				
Not yet due	590,176	511,415	1,079,312	1,300,331
Past due				
Up to 3 months	106,656	227,813	159,743	361,864
3 - 6 months	20,159	26,962	50,485	92,963
6 - 9 months	52,688	-	46,631	20,796
9 - 12 months	10,545	-	6,555	4,469
Over 12 months	849	-	226,016	207,852
Total	781,073	766,190	1,568,742	1,988,275
Less: Allowance for impairment loss on				
financial assets - doubtful accounts	-	-	(226,876)	(210,742)
Total trade receivables - related parties, net	781,073	766,190	1,341,866	1,777,533
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	3,567,457	3,513,056	2,704,579	2,535,804
Past due				
Up to 3 months	384,817	586,895	103,890	153,988
3 - 6 months	137,150	164,381	14,340	36,566
6 - 9 months	104,601	92,377	32,528	35,594
9 - 12 months	65,555	41,432	17,870	3,810
Over 12 months	357,309	313,220	58,877	64,556
Total	4,616,889	4,711,361	2,932,084	2,830,318
Less: Allowance for impairment loss on				
financial assets - doubtful accounts	(389,831)	(299,928)	(66,126)	(66,186)
Total trade receivables - unrelated parties, net	4,227,058	4,411,433	2,865,958	2,764,132
Total trade receivables - net	5,008,131	5,177,623	4,207,824	4,541,665
<u>Other receivables</u>				
Other receivables - related parties (Note 4)	33,276	17,195	406,924	341,719
Accounts receivable from price hedging contracts	67,930	34,066	67,930	34,066
Other receivables - unrelated parties	8,445	5,114	1,739	2,878
Total other receivables	109,651	56,375	476,593	378,663
Total trade and other receivables - net	5,117,782	5,233,998	4,684,417	4,920,328

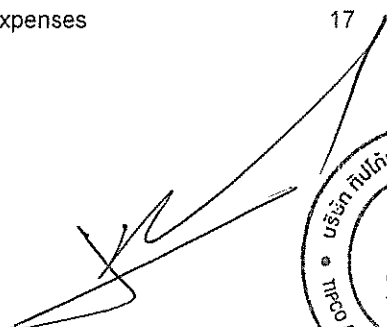
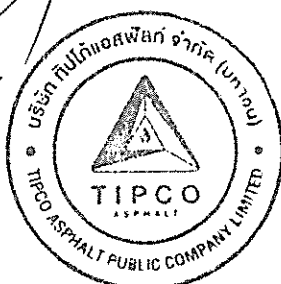
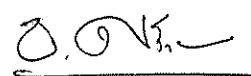


4. Related party transactions

During the periods, the Group had significant business transactions with its 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 the Group and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policies
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	1,261	1,650	Cost plus certain margin
Rental and service income	-	-	2	2	Contract price
Technical and administrative assistance income	-	-	15	12	Contract price
Interest income	-	-	8	10	At rate of 1.0 - 2.5 percent and reference to LIBOR
Dividend income	-	-	-	61	
Purchases of goods	-	-	1	3	Cost plus certain margin
Rental and service expenses	-	-	632	573	Contract price
<u>Transactions with joint ventures</u>					
Sales and service income	523	642	523	642	Market price/Contract price
<u>Transactions with associates</u>					
Sales and service income	47	89	28	80	Market price/Contract price
Rental and service expenses	1	-	-	-	Contract price
<u>Transactions with related companies</u>					
Sales and service income	345	169	345	163	Market price/Contract price
Rental and service expenses	17	22	16	21	Contract price
Technical and administrative assistance expenses	17	9	17	9	Contract price

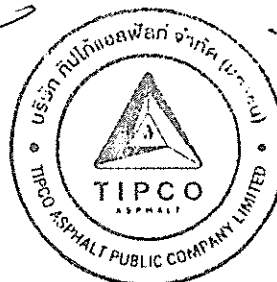




(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policies
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	3,713	4,767	Cost plus certain margin
Rental and service income	-	-	5	7	Contract price
Technical and administrative assistance income	-	-	45	36	Contract price
Interest income	-	-	30	30	At rate of 1.0 - 2.5 percent and reference to LIBOR
Dividend income	-	-	166	285	
Purchase of goods	-	-	4	9	Cost plus certain margin
Rental and service expenses	-	-	2,572	1,776	Contract price
<u>Transactions with joint ventures</u>					
Sales and service income	1,244	1,668	1,244	1,668	Market price/Contract price
<u>Transactions with associates</u>					
Sales and service income	154	166	125	133	Market price/Contract price
Rental and service income	-	1	-	1	Contract price
Rental and service expenses	2	-	-	-	Contract price
Dividend income	-	-	58	42	
<u>Transactions with related companies</u>					
Sales and service income	1,024	950	1,020	935	Market price/Contract price
Rental and service income	-	1	-	1	Contract price
Rental and service expenses	55	65	52	61	Contract price
Technical and administrative assistance expenses	34	33	34	33	Contract price

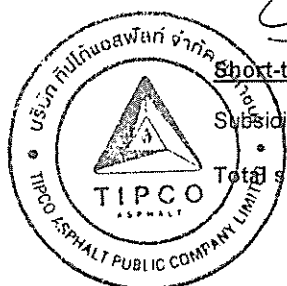


(Unaudited but reviewed)

The balances of the accounts as at 30 September 2020 and 31 December 2019 between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade and other receivables- related parties</u> (Note 3)				
Subsidiaries	-	-	1,221,484	1,576,406
Joint ventures	376,121	443,250	360,873	441,348
Associates	209,807	182,968	166,169	160,163
Related companies (common shareholders and directors)	228,421	157,167	227,140	152,077
Total trade and other receivables - related parties	814,349	783,385	1,975,666	2,329,994
Less: Allowance for impairment loss on				
financial assets - doubtful accounts	-	-	(226,876)	(210,742)
Total trade and other receivables - related parties, net	814,349	783,385	1,748,790	2,119,252
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	138,000	13,000
Total short-term loans to related parties	-	-	138,000	13,000
<u>Long-term loans to related parties</u>				
Subsidiaries	-	-	1,383,122	1,479,030
Total long-term loans to related parties	-	-	1,383,122	1,479,030
<u>Trade and other payables - related parties</u> (Note 7)				
Subsidiaries	-	-	2,024,454	1,368,406
Joint venture	273	244	-	244
Associates	526	63	6	4
Related companies (common shareholders and directors)	64,385	81,058	64,053	79,582
Total trade and other payables - related parties	65,184	81,365	2,088,513	1,448,236
<u>Short-term loan from related party</u>				
Subsidiary	-	-	-	160,000
Total short-term loan from related party	-	-	-	160,000



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	(Audited)		(Audited)	
<u>Long-term loan from related party</u>				
Related company (shareholder of subsidiary)	6,839	6,343	-	-
Total long-term loan from related party	6,839	6,343	-	-

The balances and the movements of loans between the Group and those related parties are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements		
Company's name	Related by	Balance as at	Exchange differences	Balance as at
		31 December	on translation	30 September
		2019	of financial statements	2020
		(Audited)		
<u>Long-term loan from related party</u>				
Zhenjiang Highway Materials Company	Shareholder of subsidiary	6,343	496	6,839

(Unit: Thousand Baht)

		Separate financial statements		
Company's name	Related by	Balance as at	Increase during	Balance as at
		31 December 2019	the period	30 September 2020
		(Audited)		
<u>Short-term loans to related parties</u>				
Alpha Maritime Co., Ltd.	Subsidiary	13,000	110,000 *	123,000
Tipco Maritime Co., Ltd.	Subsidiary	-	15,000	15,000
Total		13,000	125,000	138,000



(Unaudited but reviewed)

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	Decrease	Balance as at	
		31 December	during	30 September	
		2019	the period	2020	
		(Audited)			
<u>Long-term loans to related parties</u>					
AD Shipping Pte. Ltd.	Subsidiary	178,559	-	9,015	187,574
Reta Link Pte. Ltd.	Subsidiary	599,958	(150,935) *	10,648	459,671
Pacific Bitumen Shipping Pte. Ltd.	Subsidiary	700,513	-	35,364	735,877
Total		1,479,030	(150,935)	55,027	1,383,122

* During the current year, Alpha Maritime Co., Ltd. ("AMC") entered into a purchase agreement on vessel from Reta Link Pte. Ltd. ("RTL") amounting to USD 3.5 million. AMC entered into loan agreement amounting to Baht 110 million with the Company in order to purchase that vessel. Subsequently, RTL entered into a memorandum of agreement with AMC to make a payment for vessel to the Company in order to offset long-term loan and accrued interest of RTL amounting to Baht 98 million and Baht 12 million, respectively. In addition, RTL entered into a memorandum of agreement with the Company in respect of a repayment of long-term loans amounting to Baht 53 million and accrued interest amounting to Baht 6 million by offsetting debts to be repaid by the Company.

(Unit: Thousand Baht)

		Separate financial statements		
Company's name	Related by	Balance as at		Balance as at
		31 December	Decrease during	30 September
		2019	the period	2020
		(Audited)		
<u>Short-term loan from related party</u>				
Raycol Asphalt Co., Ltd.	Subsidiary	160,000	(160,000)	-



(Unaudited but reviewed)

Directors and management's benefits

For the three-month and nine-month periods ended 30 September 2020 and 2019, the Group had employee benefit expenses of their directors and management as detailed below.

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	42	37	39	34
Post-employment benefits	1	1	1	1
Total	43	38	40	35

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	122	111	114	101
Post-employment benefits	3	3	3	3
Total	125	114	117	104

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 9 to the interim consolidated financial statements.

5. Inventories

Movements of the reduction of cost to net realisable value of inventory account during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	13,490	5,881
Reduction of cost to net realisable value of inventory account during the period (reversal)	17,867	(5,379)
Exchange differences on translation of financial statements	79	-
Balance as at 30 September 2020	31,436	502



(Unaudited but reviewed)

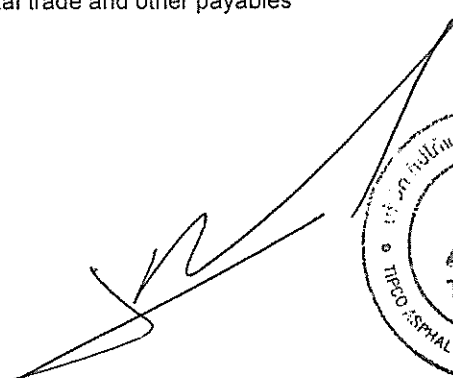
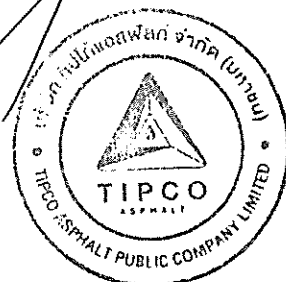
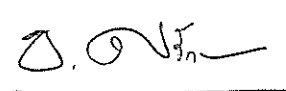
6. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	8,285,712	984,241
Acquisitions during the period - at cost	521,023	86,532
Disposals/written-off during the period - net book value at disposal/written-off date	(3,735)	(1,091)
Depreciation for the period	(589,286)	(101,583)
Exchange differences on translation of financial statements	267,236	-
Net book value as at 30 September 2020	8,480,950	968,099

7. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Audited)		(Audited)
Trade payables - related parties (Note 4)	2,012	2,037	2,020,009	1,326,321
Trade payables - unrelated parties	1,805,876	5,435,791	1,535,298	5,265,585
Other payables - related parties (Note 4)	63,172	79,328	68,504	121,915
Accounts payable from price hedging contracts	21,228	8,102	21,228	8,102
Other payables and accrued expenses - unrelated parties	838,772	790,857	384,015	366,138
Total trade and other payables	2,731,060	6,316,115	4,029,054	7,088,061

8. Long-term loan from financial institutions

Movements of the long-term loan account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2020	74,312
Repayments	(28,893)
Unrealised loss on exchange	3,593
Balance as at 30 September 2020	49,012
Less: Current portion	(42,010)
Long-term loan - net of current portion	7,002

Loan covenants

The loan agreements of the subsidiary contain certain restrictive covenants pertaining to, among others things, the maintenance of financial ratios, the corporate guarantees from the Group, the loan to related parties, restriction on dividend payment, the maintenance of shareholders and the limitation on creation of additional long-term debt.

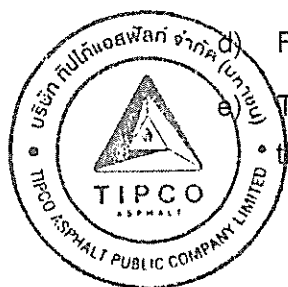
9. Credit facilities

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

- The guarantees of the Company, its subsidiaries and a shareholder of a subsidiary;
- The pledges/mortgages of the assets of subsidiaries which the net book values as at 30 September 2020 and 31 December 2019 are summarised below.

	(Unit: Million Baht)	
	Consolidated financial statements	
	30 September 2020	31 December 2019
		(Audited)
Right-of-use assets - net	127	-
Leasehold rights - net	-	124
Property, plant and equipment - net	2,717	2,683

- The prohibition from creating lien over assets of the Group;
- Financial support letters provided by the Group to banks;
- The Company allows its subsidiaries to use its facilities obtained from banks, with the Company responsible to the banks for the amounts drawdown by the subsidiaries.



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10. Income tax

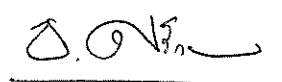
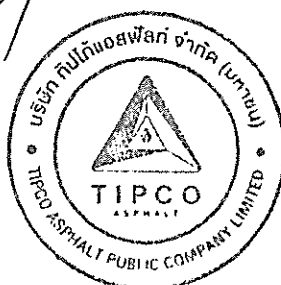
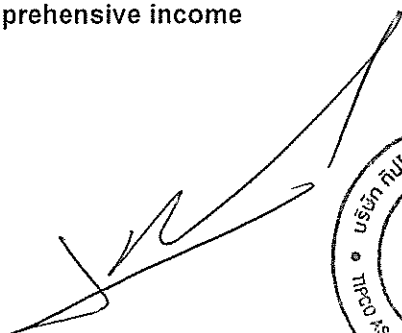
Income tax for the three-month and nine-month periods ended 30 September 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	(413,403)	(133,692)	(332,447)	(103,365)
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(19,939)</u>	<u>2,905</u>	<u>(23,638)</u>	<u>(844)</u>
Income tax reported in the statement of comprehensive income	<u>(433,342)</u>	<u>(130,787)</u>	<u>(356,085)</u>	<u>(104,209)</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	(673,800)	(298,817)	(459,341)	(202,197)
Adjustment in respect of income tax of previous year	(43)	(850)	98	898
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>19,280</u>	<u>(20,445)</u>	<u>(48,484)</u>	<u>(43,947)</u>
Income tax reported in the statement of comprehensive income	<u>(654,563)</u>	<u>(320,112)</u>	<u>(507,727)</u>	<u>(245,246)</u>



(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 are as follows:

(Unit: Thousand Baht)

Consolidated/Separate financial statements for the three-month periods ended 30 September		
	<u>2020</u>	<u>2019</u>
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	<u>(36,821)</u>	<u>(907)</u>

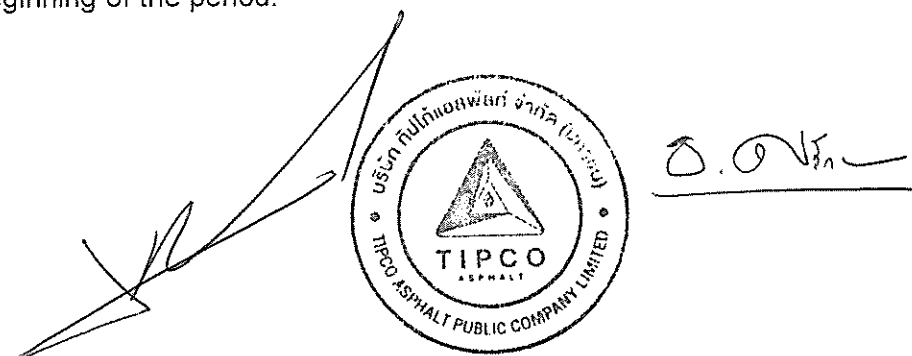
(Unit: Thousand Baht)

Consolidated/Separate financial statements for the nine-month periods ended 30 September		
	<u>2020</u>	<u>2019</u>
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	<u>(60,428)</u>	<u>16,907</u>

11. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place at the beginning of the period.

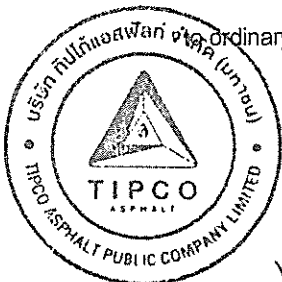


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(Unaudited but reviewed)

The following tables set forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
For the three-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
1,862,393	712,081	1,578,362	1,576,388	1.18	0.45	
Effect of potential ordinary shares						
ESOP-W5	-	-	1,120			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
1,862,393	712,081	1,578,362	1,577,508	1.18	0.45	
Separate financial statements						
For the three-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
1,401,517	653,187	1,578,362	1,576,388	0.89	0.41	
Effect of potential ordinary shares						
ESOP-W5	-	-	1,120			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
1,401,517	653,187	1,578,362	1,577,508	0.89	0.41	



(Unaudited but reviewed)

Consolidated financial statements

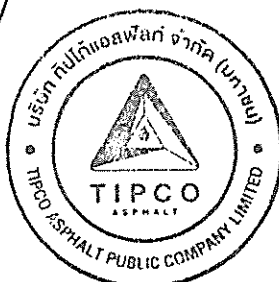
For the nine-month periods ended 30 September

	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	2,797,550	2,482,645	1,577,758	1,575,360	1.77	1.58
Effect of potential ordinary shares						
ESOP-W5	-	-	-	1,628		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	2,797,550	2,482,645	1,577,758	1,576,988	1.77	1.57

Separate financial statements

For the nine-month periods ended 30 September

	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	2,275,918	1,958,603	1,577,758	1,575,360	1.44	1.24
Effect of potential ordinary shares						
ESOP-W5	-	-	-	1,628		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	2,275,918	1,958,603	1,577,758	1,576,988	1.44	1.24



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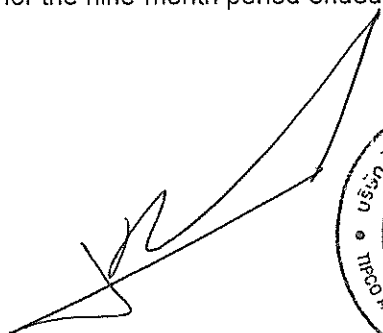
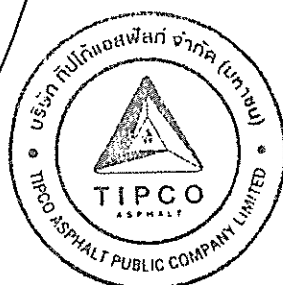
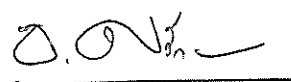
12. Share capital

Below is the summary of the share registration from exercise of ESOP-W5 warrants during the current period.

	First quarter	Second quarter	Total
Number of warrants exercised (units)	300,000	1,298,500	1,598,500
Number of ordinary shares issued (shares)	300,000	1,298,500	1,598,500
Amount of cash received (Baht)	2,571,000	11,128,145	13,699,145
Share registration date	10 January 2020	10 April 2020 and 9 June 2020	
Paid-up capital after share registration	Baht 1,577,063,070 (1,577,063,070 ordinary shares of Baht 1 each)	Baht 1,578,361,570 (1,578,361,570 ordinary shares of Baht 1 each)	

13. Dividend

Dividends	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Final dividend for 2018	Annual General Meeting of the shareholders on 5 April 2019	472.4	0.3
Interim dividends for 2019	Board of Directors' Meeting on 13 August 2019	630.5	0.4
Total for the nine-month period ended 30 September 2019		1,102.9	0.7
Final dividend for 2019	Annual General Meeting of the shareholders on 7 April 2020	1,734.7	1.1
Interim dividends for 2020	Board of Directors' Meeting on 17 August 2020	473.5	0.3
Total for the nine-month period ended 30 September 2020		2,208.2	1.4

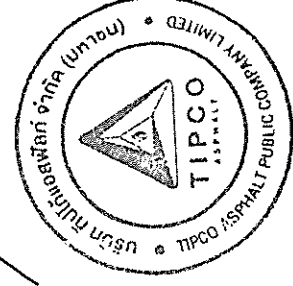
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14. Segment information

The Group is engaged in single operating segment which is manufacturing and trading of asphalt and petroleum oil products. Whereas, the marine logistic business complements the manufacturing and trading of asphalt and petroleum oil products. The Board of Directors of the Group is the chief operating decision makers of the Group. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment. Therefore, financial information by segment for the three-month and nine-month periods ended 30 September 2020 and 2019 have been presented only by geographical area, as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September							
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues from external customers	7,127	7,524	1,449	1,925	-	-	8,576	9,449
Inter-segment revenues	965	1,607	567	437	(1,532)	(2,044)	-	-
Total revenues	8,092	9,131	2,016	2,362	(1,532)	(2,044)	8,576	9,449
Segment operating profit (loss)	1,535	626	326	102	1	(16)	1,862	712



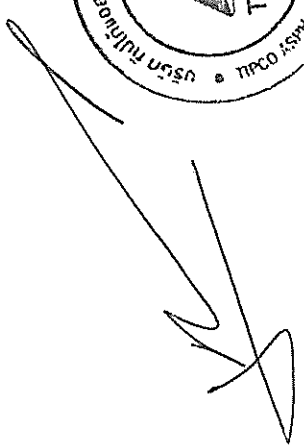
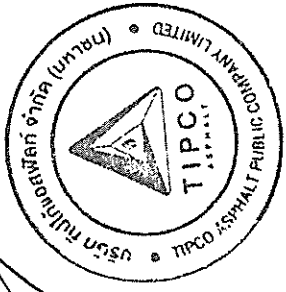

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(Unit: Million Baht)

	For the nine-month periods ended 30 September					
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions	
	2020	2019	2020	2019	2020	2019
Revenues from external customers	15,958	21,910	4,271	5,415	-	-
Inter-segment revenues	3,267	4,462	2,166	1,296	(5,433)	(5,758)
Total revenues	19,225	26,372	6,437	6,711	(5,433)	(5,758)
Segment operating profit	2,461	2,065	299	406	38	12
					2,798	2,483

Transfer prices between the segments are as set out in Note 4 to the interim consolidated financial statements.

15. Commitments and contingent liabilities

15.1 Capital commitments

The Group has outstanding capital commitments relating to the acquisitions of machinery, equipment and construction of building as follows:

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019 (Audited)	30 September 2020	31 December 2019 (Audited)
Baht	31	55	20	39
Malaysian Ringgit	31	48	-	-
Vietnam Dong	4,785	12,251	-	-

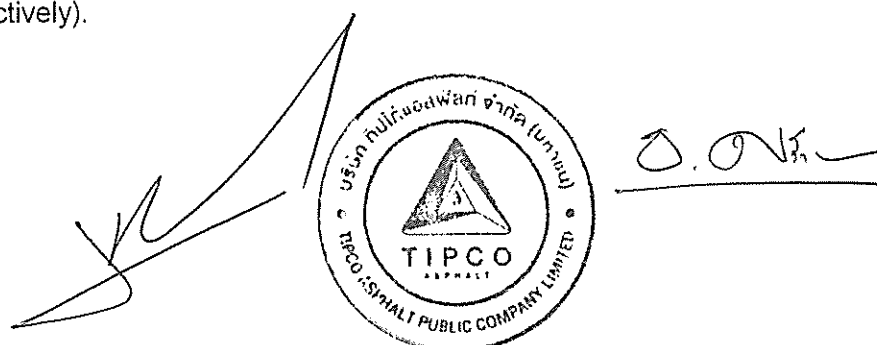
15.2 Long-term service commitments

15.2.1 As at 30 September 2020, the Group has entered into service agreements. Future minimum service fees payable under these agreements are as follows:

(Unit: Million Baht)

Payable within:	Consolidated financial statements	Separate financial statements
1 year	52	44
2 to 5 years	28	25

15.2.2 The Company has entered into a service agreement with Colas S.A. under which it receives management and marketing services and advice on methods and systems of management and technical assistance in the manufacture of Asphalt Emulsion and Modified Asphalt. Under this agreement, the Company agrees to pay an annual lump sum administrative fee of Euro 145,000 plus a technical assistance fee equivalent to 0.75 percent of the consolidated revenues of the Group generated from the stipulated products. The fees for the three-month and nine-month periods ended 30 September 2020 amounted to approximately Baht 16.5 million and Baht 33.8 million, respectively (2019: Baht 9.1 million and Baht 33.1million, respectively).



15.3 Bank guarantees

The outstanding bank guarantees issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business are summarised below.

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Audited)		(Audited)
Baht	3	3	2	2
Malaysian Ringgit	9	9	-	-
US Dollar	-	12	-	12

16. Foreign currency risk

The balances of financial assets and liabilities of the Group denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Average exchange rate	
	Financial assets		Financial liabilities			
	30 September	31 December	30 September	31 December	30 September	31 December
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	(Audited)
		(Audited)		(Audited)		
US Dollar	18	76	46	163	31.7	30.2
Euro	-	-	-	1	37.2	33.7
Yen	-	-	9	7	0.3	0.3
Malaysian Ringgit	10	8	30	23	7.6	7.3

Foreign currency	Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities			
	30 September	31 December	30 September	31 December	30 September	31 December
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	(Audited)
		(Audited)		(Audited)		
US Dollar	104	151	65	185	31.7	30.2
Euro	-	-	-	1	37.2	33.7
SG Dollar	-	-	27	-	23.1	22.3
Renminbi	50	50	-	-	4.7	4.3
Malaysian Ringgit	-	-	3	5	7.6	7.3
Indonesia Rupiah	-	-	-	26	0.0021	0.0022



(Unaudited but reviewed)

The Group had the following outstanding foreign exchange contracts of which maturity dates are within one year.

As at 30 September 2020

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold amount (Million)	Bought amount (Million)	Sold amount (Million)	Bought amount (Million)	Sold (Per 1 foreign currency unit)	Bought
US Dollar	53	7	53	6	31.0 - 31.7 Baht	31.0 - 31.5 Baht
US Dollar	-	4	-	-	-	23,186 - 23,280 Vietnam Dong
US Dollar	-	4	-	-	-	14,705 - 15,040 Indonesia Rupiah
Euro	-	1	-	-	-	36.9 - 37.0 Baht

As at 31 December 2019 (Audited)

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold amount (Million)	Bought amount (Million)	Sold amount (Million)	Bought amount (Million)	Sold (Per 1 foreign currency unit)	Bought
US Dollar	90	11	90	10	30.0 - 30.3 Baht	30.1 - 30.4 Baht
US Dollar	-	12	-	-	-	23,200 - 23,230 Vietnam Dong
US Dollar	-	9	-	-	-	14,012 - 14,226 Indonesia Rupiah
US Dollar	-	4	-	-	-	4.1 - 4.2 Malaysian Ringgit

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



(Unaudited but reviewed)

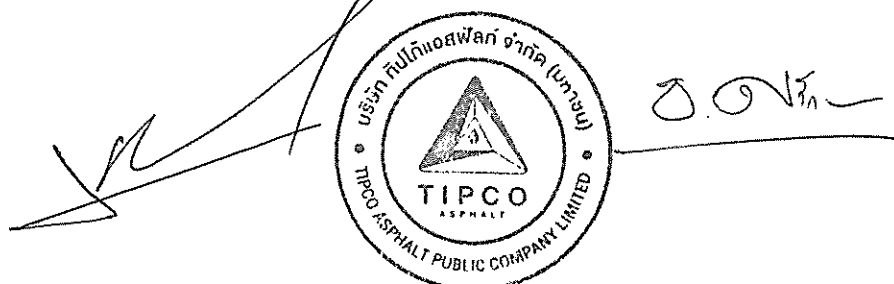
17. Derivative - price hedging contracts

As at 30 September 2020 and 31 December 2019, the Group had outstanding price hedging contracts which are presented in the statements of financial position at fair value and were summarised below.

		(Unit: Million Baht)	
Contract type	Type of product	Consolidated/Separate financial statements	
		30 September 2020	31 December 2019
		(Audited)	
<u>Derivative assets - price hedging contracts</u>			
Sold forward contract	Petroleum product	205	-
Bought forward contract	Crude oil	-	16
Bought forward contract	Petroleum product	-	149
Total derivative assets - price hedging contracts		205	165
<u>Derivative liabilities - price hedging contracts</u>			
Sold forward contract	Crude oil	-	253
Sold forward contract	Petroleum product	3	321
Bought forward contract	Crude oil	13	6
Bought forward contract	Petroleum product	38	1
Total derivative liabilities - price hedging contracts		54	581

Regarding hedge accounting for cash flow hedges of forecasted sales, the Group recognised gain and loss arising from changes in fair value of the forward contract other comprehensive income as follows:

		(Unit: Million Baht)			
		Consolidated/Separate financial statements			
		For the three-month periods		For the nine-month periods	
		ended 30 September		ended 30 September	
		2020	2019	2020	2019
Gain (loss) arising from changes in fair value of forward contract in other comprehensive income		184	5	302	(421)



18. Damages and expenses from a fire at subsidiary

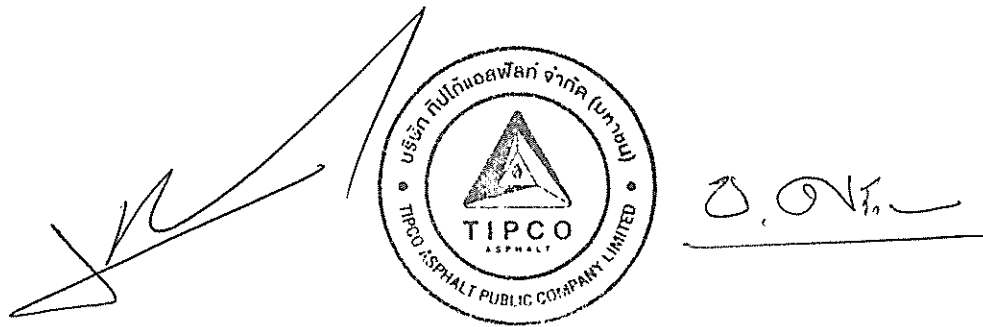
During the nine-month period ended 30 September 2020, the subsidiary had incurred additional operating expenses for crude storage, logistic handling and other related expenses amounted to USD 2 million or Baht 64 million. These expenses were presented as expenses from a fire incident until the date when damaged crude oil tanks were recommissioned for operation in the second quarter this year.

In the fourth quarter of 2020, the subsidiary received and recorded the third partial payment pursuant to its insurance claim to MYR 24 million or approximately Baht 179 million.

Currently, the Group's management is in the final process of negotiating insurance claim with the insurance company.

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 3 November 2020.



The image shows a handwritten signature on the left and a circular corporate stamp in the center. The stamp features a triangle with a flame inside, the text 'บริษัท หินดีโฮมโฟลท์ จำกัด (มหาชน)' at the top, 'TIPCO ASPHALT' in the middle, and 'TIPCO ASPHALT PUBLIC COMPANY LIMITED' around the bottom. To the right of the stamp is another handwritten signature.