

Tipco Asphalt Public Company Limited and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended 30 June 2021

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 June 2021, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the six-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.

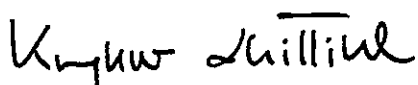
Emphasis of matters

I draw attention to Notes 1.1 and 7 to the interim consolidated financial statements as follows:

Note 1.1 : Compliance with the US State Department's request that the Company winds down its crude oil procurement from Venezuela, in order to avoid potential US sanctions

Note 7 : Assessment of the fair value of identifiable assets, liabilities and contingent liabilities of a subsidiary that has not been completed yet

My conclusion is not modified in respect of these matters.



Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 5 August 2021

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		2,882,846	1,887,763	1,501,104	568,508
Trade and other receivables	3, 4	4,746,095	3,352,411	3,973,447	2,919,634
Contract assets	4, 5	790,617	-	-	-
Advances to subcontractors		230,487	-	-	-
Short-term loans to related parties	4	21,351	127,000	138,000	265,000
Inventories	6	6,072,535	5,382,849	5,091,513	4,775,366
Derivative - commodity forward contracts	19	75,551	140,293	75,551	140,293
Other current assets		338,053	223,832	51,019	50,249
Total current assets		15,157,535	11,114,148	10,830,634	8,719,050
Non-current assets					
Investment in equity instrument		2,635	-	-	-
Investments in subsidiaries	7	-	-	8,315,283	7,717,240
Investments in joint ventures		130,283	124,037	67,553	67,553
Investments in associates	7, 8	458,933	659,731	18,404	243,447
Derivative - commodity forward contracts	19	67,366	3,940	67,366	3,940
Long-term loans to related parties	4	-	-	1,362,811	1,305,671
Investment properties		189,033	189,033	94,342	94,342
Property, plant and equipment	9	8,488,794	8,155,783	888,811	923,556
Right-of-use assets		635,815	559,220	118,865	127,353
Estimated amount of interest in the net assets value of subsidiary that under purchase cost	7	260,806	-	-	-
Goodwill		146,294	146,294	-	-
Intangible assets		147,659	158,360	40,752	50,104
Deferred tax assets - net	13	152,635	208,272	127,679	172,767
Other non-current assets		21,131	15,640	4,154	4,227
Total non-current assets		10,701,384	10,220,310	11,106,020	10,710,200
Total assets		25,858,919	21,334,458	21,936,654	19,429,250

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 June 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans					
from financial institutions		5,663,321	1,540,412	5,437,516	1,451,764
Trade and other payables	4, 10	3,196,992	3,031,598	4,694,565	4,835,908
Contract liabilities	5	626,676	-	-	-
Current portion of liabilities					
Long-term loan from financial institution	11	17,722	36,550	-	-
Lease liabilities		74,356	62,041	26,779	26,929
Derivative - commodity forward contracts	19	299,999	562,560	299,999	562,560
Income tax payable		259,573	581,593	185,848	428,528
Other current liabilities		183,169	103,690	36,496	2,334
Total current liabilities		10,321,808	5,918,444	10,681,203	7,308,023
Non-current liabilities					
Long-term loan from related party	4	7,305	6,789	-	-
Long-term liabilities - net of current portion					
Lease liabilities		266,347	218,477	92,336	100,098
Derivative - commodity forward contracts	19	-	3,722	-	3,722
Retention for construction		27,906	-	-	-
Provision for long-term employee benefits		218,117	166,386	117,871	114,115
Total non-current liabilities		519,675	395,374	210,207	217,935
Total liabilities		10,841,483	6,313,818	10,891,410	7,525,958

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 June 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	15				
Registered					
1,578,361,570 ordinary shares (2020: 1,579,883,570 ordinary shares) of Baht 1 each		1,578,362	1,579,884	1,578,362	1,579,884
Issued and fully paid					
1,578,361,570 ordinary shares of Baht 1 each		1,578,362	1,578,362	1,578,362	1,578,362
Premium on share capital		1,152,389	1,152,389	1,152,389	1,152,389
Non-controlling interests of subsidiary acquired by the Company at price lower than book value		6,238	6,238	-	-
Change in the Company's interest in subsidiaries which did not result in a loss of control		(570,311)	(570,311)	-	-
Capital reserve for share-based payment transactions		174,753	174,753	174,753	174,753
Retained earnings					
Appropriated - statutory reserve		172,123	172,123	172,123	172,123
Unappropriated		12,783,486	13,545,642	7,995,506	8,915,797
Other components of shareholders' equity		(701,630)	(1,221,847)	(27,889)	(90,132)
Equity attributable to owners of the Company		14,595,410	14,837,349	11,045,244	11,903,292
Non-controlling interests of the subsidiaries		422,026	183,291	-	-
Total shareholders' equity		15,017,436	15,020,640	11,045,244	11,903,292
Total liabilities and shareholders' equity		25,858,919	21,334,458	21,936,654	19,429,250

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



Directors



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2021

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues					
Sales and service income		7,040,960	6,541,574	6,436,961	5,745,079
Revenues from construction contracts		671,941	-	-	-
Other income					
Dividend income from subsidiaries	7	-	-	179,100	166,500
Dividend income from an associate		-	-	-	57,728
Gain on exchange		12,546	-	2,286	-
Others		37,369	36,520	26,621	32,451
Total revenues		7,762,816	6,578,094	6,644,968	6,001,758
Expenses					
Cost of sales and services		5,261,675	5,977,059	4,992,263	5,715,889
Loss from commodity forward contracts	19	471,300	164,050	471,300	153,328
Reversal of reduction of cost of inventories to net realisable value	6	(2,995)	(2,103,396)	-	(2,390,376)
		5,729,980	4,037,713	5,463,563	3,478,841
Cost of construction		604,576	-	-	-
Selling expenses		39,175	36,873	23,002	34,133
Administrative expenses		271,055	256,689	147,584	153,938
Other expenses					
Loss on exchange		-	51,516	-	51,723
Damages and expenses from a fire at a subsidiary	20	-	22,669	-	-
Total expenses		6,644,786	4,405,460	5,634,149	3,718,635
Operating profit		1,118,030	2,172,634	1,010,819	2,283,123
Share of profit (loss) from investments in joint ventures		(1,006)	2,682	-	-
Share of profit from investments in associates		25,485	16,321	-	-
Finance income		3,979	1,810	7,667	11,163
Finance cost		(35,142)	(39,926)	(27,240)	(27,247)
Expected credit losses		(27,838)	(33,300)	(13,892)	(7,331)
Profit before income tax		1,083,508	2,120,221	977,354	2,259,708
Income tax	13	(207,676)	(397,620)	(156,176)	(403,239)
Profit for the period		875,832	1,722,601	821,178	1,856,469

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 June 2021

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</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		201,564	(297,664)	-	-
Change in fair value of hedging instruments of cash flow hedges - net of income tax	13, 19	58,381	(63,201)	58,381	(63,201)
Other comprehensive income for the period		<u>259,945</u>	<u>(360,865)</u>	<u>58,381</u>	<u>(63,201)</u>
Total comprehensive income for the period		<u>1,135,777</u>	<u>1,361,736</u>	<u>879,559</u>	<u>1,793,268</u>
Profit attributable to:					
Equity holders of the Company		867,465	1,718,877	<u>821,178</u>	<u>1,856,469</u>
Non-controlling interests of the subsidiaries		<u>8,367</u>	<u>3,724</u>		
		<u>875,832</u>	<u>1,722,601</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		1,121,669	1,366,969	<u>879,559</u>	<u>1,793,268</u>
Non-controlling interests of the subsidiaries		<u>14,108</u>	<u>(5,233)</u>		
		<u>1,135,777</u>	<u>1,361,736</u>		
Earnings per share (Baht)					
14					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.55	1.09	0.52	1.18

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

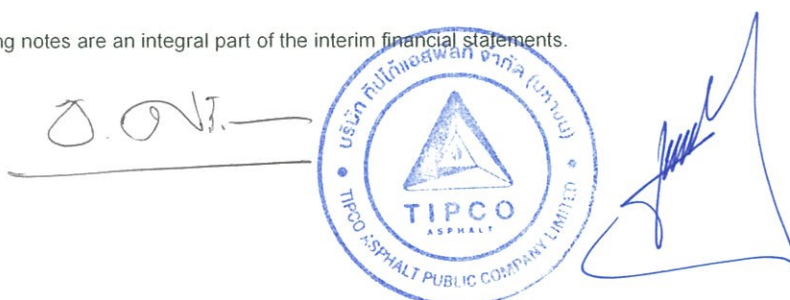
Statement of comprehensive income

For the six-month period ended 30 June 2021

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues					
Sales and service income		12,508,756	11,652,787	11,269,166	10,510,665
Revenues from construction contracts		1,075,493	-	-	-
Other income					
Dividend income from subsidiaries	7	-	-	179,100	166,500
Dividend income from an associate		-	-	51,638	57,728
Others		62,955	53,470	53,619	58,128
Total revenues		13,647,204	11,706,257	11,553,523	10,793,021
Expenses					
Cost of sales and services		9,540,327	10,891,993	8,906,831	10,491,407
(Gain) loss from commodity forward contracts	19	867,742	(1,149,427)	867,742	(1,160,149)
Reduction of cost of inventories to net realisable value (reversal)	6	(2,995)	59,708	-	(1,689)
		10,405,074	9,802,274	9,774,573	9,329,569
Cost of construction		988,950	-	-	-
Selling expenses		76,210	83,287	45,000	58,693
Administrative expenses		552,305	532,833	307,471	309,031
Other expenses					
Loss on exchange		12,683	31,936	29,189	33,120
Damages and expenses from a fire at a subsidiary	20	-	64,235	-	-
Total expenses		12,035,222	10,514,565	10,156,233	9,730,413
Operating profit		1,611,982	1,191,692	1,397,290	1,062,608
Share of profit (loss) from investments in joint ventures		(1,113)	11,528	-	-
Share of profit from investments in associates		74,539	53,305	-	-
Finance income		9,344	4,693	14,645	23,105
Finance cost		(60,444)	(69,409)	(44,735)	(46,795)
Expected credit losses		(44,256)	(43,540)	(18,146)	(12,875)
Remeasurement gain on business combination	7	20,748	-	-	-
Profit before income tax		1,610,800	1,148,269	1,349,054	1,026,043
Income tax	13	(305,917)	(221,221)	(217,509)	(151,642)
Profit for the period		1,304,883	927,048	1,131,545	874,401

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 six-month period ended 30 June 2021

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
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		470,857	146,245	-	-
Change in fair value of hedging instruments					
of cash flow hedges - net of income tax	13, 19	62,243	94,430	62,243	94,430
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		533,100	240,675	62,243	94,430
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods:					
Share of other comprehensive income in associate - net					
of income tax		(2,348)	-	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(2,348)	-	-	-
Other comprehensive income for the period		530,752	240,675	62,243	94,430
Total comprehensive income for the period		1,835,635	1,167,723	1,193,788	968,831
Profit attributable to:					
Equity holders of the Company		1,289,680	935,157	1,131,545	874,401
Non-controlling interests of the subsidiaries		15,203	(8,109)		
		<u>1,304,883</u>	<u>927,048</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		1,809,897	1,174,455	1,193,788	968,831
Non-controlling interests of the subsidiaries		25,738	(6,732)		
		<u>1,835,635</u>	<u>1,167,723</u>		
Earnings per share (Baht)	14				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.82	0.59	0.72	0.55

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



Tipco Asphalt Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2021

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Non-controlling interests of subsidiary acquired by the Company				Change in the Company's interest in subsidiaries			Capital reserve		Retained earnings		
	Issued and paid-up share capital	Premium on share capital	Share subscription	at price lower than book value	which did not result in a loss of control	for share-based payment transactions	Appropriated statutory reserve	Unappropriated	Other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
Balance as at 1 January 2020	1,576,763	1,140,288	2,571	6,238	(570,311)	174,753	172,123	12,162,725	(1,278,229)	13,386,921	171,432	13,558,353
Profit (loss) for the period	-	-	-	-	-	-	-	935,157	-	935,157	(8,109)	927,048
Other comprehensive income for the period	-	-	-	-	-	-	-	-	239,298	239,298	1,377	240,675
Total comprehensive income for the period	1,599	12,100	(2,571)	-	-	-	-	935,157	239,298	1,174,455	(6,732)	1,167,723
Warrant holders exercised warrants	-	-	-	-	-	-	-	-	-	11,128	-	11,128
Dividend paid (Note 16)	-	-	-	-	-	-	-	(1,734,705)	-	(1,734,705)	-	(1,734,705)
Balance as at 30 June 2020	1,578,362	1,152,388	-	6,238	(570,311)	174,753	172,123	11,363,177	(1,038,931)	12,837,799	164,700	13,002,499
Balance as at 1 January 2021	1,578,362	1,152,389	-	6,238	(570,311)	174,753	172,123	13,545,642	(1,221,847)	14,837,349	183,291	15,020,640
Profit for the period	-	-	-	-	-	-	-	1,289,680	-	1,289,680	15,203	1,304,883
Other comprehensive income for the period	-	-	-	-	-	-	-	-	520,217	520,217	10,535	530,752
Total comprehensive income for the period	-	-	-	-	-	-	-	1,289,680	520,217	1,809,897	25,738	1,835,635
Change in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
as a result of change in status of investment (Note 7)	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 16)	-	-	-	-	-	-	-	(2,051,836)	-	(2,051,836)	-	(2,051,836)
Balance as at 30 June 2021	1,578,362	1,152,389	-	6,238	(570,311)	174,753	172,123	12,783,486	(701,630)	14,595,410	422,026	15,017,436

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



Signature of the representative of the Company.

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2021

Other components of shareholders' equity are as follows:

Consolidated financial statements (continued)					(Unit: Thousand Baht)
	Other components of shareholders' equity				
	Exchange differences on translation of financial statements in foreign currencies	Share of other comprehensive income in associate	Change in fair value of hedging instruments	Total	
			of cash flow hedges		
Balance as at 1 January 2020	(1,120,598)	-	(157,631)	(1,278,229)	
Other comprehensive income for the period	144,868	-	94,430	239,298	
Balance as at 30 June 2020	(975,730)	-	(63,201)	(1,038,931)	
Balance as at 1 January 2021	(1,131,715)	-	(90,132)	(1,221,847)	
Other comprehensive income for the period	460,322	(2,348)	62,243	520,217	
Balance as at 30 June 2021	(671,393)	(2,348)	(27,889)	(701,630)	

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 six-month period ended 30 June 2021

(Unit: Thousand Baht)

Separate financial statements

	Other components of equity									
	Other comprehensive income									
	Change in fair value of hedging instruments of cash flow hedges									
	Total other components of shareholders' equity									
	Issued and paid-up share capital	Premium on share capital	Share subscription	Capital reserve for share-based payment transactions	Retained earnings	Unappropriated statutory reserve	Unappropriated	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 2020	1,576,763	1,140,288	2,571	174,753	172,123	8,637,944	874,401	(157,631)	(157,631)	11,546,811
Profit for the period	-	-	-	-	-	-	-	-	-	874,401
Other comprehensive income for the period	-	-	-	-	-	-	-	94,430	94,430	94,430
Total comprehensive income for the period	-	-	-	-	-	-	-	94,430	94,430	968,831
The warrant holders exercise warrants	1,599	12,100	(2,571)	-	-	-	-	-	-	11,128
Dividend paid (Note 16)	-	-	-	-	-	-	(1,734,705)	-	-	(1,734,705)
Balance as at 30 June 2020	1,578,362	1,152,388	-	174,753	172,123	7,777,640	-	(63,201)	(63,201)	10,792,065
Balance as at 1 January 2021	1,578,362	1,152,389	-	174,753	172,123	8,915,797	-	(90,132)	(90,132)	11,903,292
Profit for the period	-	-	-	-	-	1,131,545	-	-	-	1,131,545
Other comprehensive income for the period	-	-	-	-	-	-	-	62,243	62,243	62,243
Total comprehensive income for the period	-	-	-	-	-	1,131,545	-	62,243	62,243	1,193,788
Dividend paid (Note 16)	-	-	-	-	-	(2,051,836)	-	-	-	(2,051,836)
Balance as at 30 June 2021	1,578,362	1,152,389	-	174,753	172,123	7,995,506	-	(27,889)	(27,889)	11,045,244

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



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Date: 0.00.21

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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement

For the six-month period ended 30 June 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities:				
Profit before income tax	1,610,800	1,148,269	1,349,054	1,026,043
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	579,874	490,547	119,139	124,004
Written off withholding tax	4,654	-	-	-
Expected credit losses	44,256	43,540	18,146	12,875
Reduction of cost of inventories to net realisable value (reversal)	(2,995)	59,708	-	(1,689)
Dividend income from subsidiaries	-	-	(179,100)	(166,500)
Dividend income from an associate	-	-	(51,638)	(57,728)
Unrealised loss on exchange	18,410	39,357	19,972	3,680
Gain on sales of equipment	(14,677)	(12,913)	(8,043)	(12,635)
Remeasurement gain on business combination	(20,748)	-	-	-
Share of (profit) loss from investments in joint ventures	1,113	(11,528)	-	-
Share of profit from investments in associates	(74,539)	(53,305)	-	-
Provision for long-term employee benefits	13,454	9,809	5,954	5,886
Change in fair value of forward exchange contracts	11,890	(23,811)	12,814	(18,856)
Change in fair value of commodity forward contracts	(187,163)	(111,911)	(187,163)	(111,911)
Finance income	(9,344)	(4,693)	(14,645)	(23,105)
Finance cost	40,576	62,688	28,731	44,702
Profit from operating activities before changes in operating assets and liabilities	2,015,561	1,635,757	1,113,221	824,766
(Increase) decrease in operating assets				
Trade and other receivables	(1,146,402)	(389,106)	(1,028,460)	(344,251)
Contract assets	(113,633)	-	-	-
Advances to subcontractors	7,720	-	-	-
Inventories	(600,315)	2,300,341	(316,146)	2,033,720
Other current assets	(99,209)	17,502	(25,884)	(38,326)
Other non-current assets	(7,090)	584	153	387
Increase (decrease) in operating liabilities				
Trade and other payables	(228,107)	(4,357,266)	(257,701)	(3,727,227)
Contract liabilities	(74,352)	-	-	-
Other current liabilities	12,734	21,172	20,898	47,041
Retention for construction	13,053	-	-	-
Other non-current liabilities	(2,734)	(2,131)	(2,199)	(1,954)
Cash flows used in operating activities	(222,774)	(773,147)	(496,118)	(1,205,844)
Cash paid for corporate income tax	(584,892)	(389,661)	(430,662)	(335,269)
Net cash flows used in operating activities	(807,666)	(1,162,808)	(926,780)	(1,541,113)

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 six-month period ended 30 June 2021

(Unit: Thousand Baht)

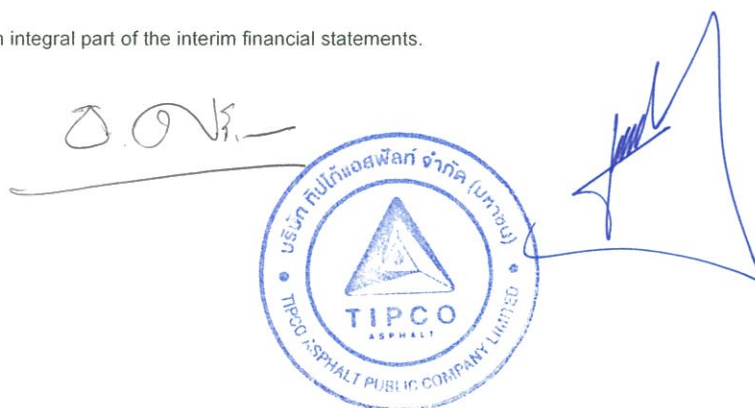
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities:				
Cash paid for investment in subsidiary - net from				
cash and cash equivalent received	(194,958)	-	(373,000)	-
Dividend received from subsidiaries	-	-	179,100	166,500
Dividend received from an associate	51,638	-	51,638	-
(Increase) decrease in short-term loan to related party	105,649	-	127,000	(15,000)
Cash receipt from interest	9,341	4,666	957	2,174
Acquisition and cash paid to settle payables from purchases of equipment	(224,545)	(348,828)	(32,436)	(59,179)
Cash paid for acquisitions of computer software	(5,838)	(2,937)	(2,788)	-
Proceeds from sales of equipment	16,267	16,148	8,552	13,649
Net cash flows from (used in) investing activities	(242,446)	(330,951)	(40,977)	108,144
Cash flows from financing activities:				
Increase in bank overdrafts and short-term loans from financial institutions	4,099,643	3,207,127	3,985,752	3,196,088
Decrease in short-term loan from related parties	(39,194)	-	-	(160,000)
Payment of principal portion of lease liabilities	(49,051)	(23,999)	(15,752)	(11,589)
Repayments of long-term loan	(20,915)	(18,413)	-	-
Cash receipts from increase in capital	-	11,128	-	11,128
Dividend paid to shareholders	(2,049,571)	(1,734,325)	(2,049,571)	(1,734,325)
Interest paid	(26,544)	(54,664)	(20,076)	(39,136)
Net cash flows from financing activities	1,914,368	1,386,854	1,900,353	1,262,166
Translation adjustments	130,827	23,548	-	-
Net increase (decrease) in cash and cash equivalents	995,083	(83,357)	932,596	(170,803)
Cash and cash equivalents at beginning of period	1,887,763	1,999,417	568,508	977,613
Cash and cash equivalents at end of period	2,882,846	1,916,060	1,501,104	806,810

Supplemental cash flows information

Non-cash transactions:

Purchase of equipment for which cash has not been paid	18,682	32,231	-	-
Settlement of long-term loan to subsidiary with account payable	-	-	-	34,403
Dividend income from associate which not yet received	-	57,728	-	57,728

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 six-month periods ended 30 June 2021

1. General information

1.1 Winding down of crude oil procurement from Venezuela

In January 2019, the United States announced and imposed sanction on a Venezuelan oil company that had been the key source of crude oil that the Company used as a raw material for its production of about half of all asphalt product volume sold each year. The Company approached two law firms to seek advices 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 complied with the request and informed the US State Department in writing that the Company would ceased purchasing crude oil from this source, effective by the end of November 2020. The Company has already ceased its purchasing crude oil from this source since the end of November 2020.

The Company notified the Stock Exchange of Thailand of these facts on 11 September 2020, 15 September 2020 and 23 November 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.

1.2 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.

1.3 Basis of consolidation

The interim consolidated financial statements include the financial statements of Tipco Asphalt Public Company Limited (“the Company”) and its subsidiary companies (“the subsidiaries”) (collectively referred to as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020, except the change in shareholding percentage in Thai Slurry Seal Company Limited as described in Note 7 to the interim consolidated financial statements.

1.4 New financial reporting standards

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

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards are 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.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

The block contains a handwritten signature in blue ink on the left, followed by a circular blue stamp. The stamp features a triangle logo with the word 'TIPCO' inside, and the text 'บริษัท ทีพีซีแอสฟัลท์ จำกัด (มหาชน)' and 'TIPCO ASPHALT PUBLIC COMPANY LIMITED' around the perimeter. To the right of the stamp is another handwritten signature in blue ink.

1.5 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 2020. However, there are additional accounting policies due to the change in shareholding percentage in Thai Slurry Seal Company Limited as described in Note 7 to the interim consolidated financial statements as follows:

Revenues from construction contracts

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

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

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

Costs of construction

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

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

Balances of contracts with customers

Contract assets

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

Contract liabilities

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



(Unaudited but reviewed)

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Audited)		(Audited)
<u>Trade receivables - related parties</u> (Note 4)				
Aged on the basis of due dates				
Not yet due	210,570	494,285	814,252	872,208
Past due				
Up to 3 months	18,399	74	213,707	73,114
3 - 6 months	128	12,899	32,054	40,063
6 - 9 months	-	341	5,111	9,517
9 - 12 months	-	-	-	70
Over 12 months	-	-	239,981	225,048
Total	229,097	507,599	1,305,105	1,220,020
Less: Allowance for expected credit losses	-	-	(239,981)	(225,048)
Total trade receivables - related parties, net	229,097	507,599	1,065,124	994,972
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	3,195,765	2,002,695	2,094,147	1,268,593
Past due				
Up to 3 months	785,774	546,551	278,190	299,444
3 - 6 months	152,045	163,464	31,433	75,173
6 - 9 months	101,070	74,701	50,395	7,138
9 - 12 months	113,741	39,795	50,043	2,518
Over 12 months	440,587	372,772	64,151	67,906
Total	4,788,982	3,199,978	2,568,359	1,720,772
Less: Allowance for expected credit losses	(447,447)	(388,248)	(97,079)	(76,660)
Total trade receivables - unrelated parties, net	4,341,535	2,811,730	2,471,280	1,644,112
Total trade receivables - net	4,570,632	3,319,329	3,536,404	2,639,084
<u>Other receivables</u>				
Other receivables - related parties (Note 4)	32,870	29,632	299,944	279,369
Accounts receivable from commodity forward contracts	136,612	-	136,612	-
Other receivables - unrelated parties	5,981	3,450	487	1,181
Total other receivables	175,463	33,082	437,043	280,550
Total trade and other receivables - net	4,746,095	3,352,411	3,973,447	2,919,634

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 its related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policies
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	1,477	982	Cost plus certain margin
Rental and service income	-	-	2	1	Contract price
Technical and administrative assistance income	-	-	15	15	Contract price
Interest income	-	-	7	10	At rate of 1.0 - 2.5 percent and reference to LIBOR
Dividend income	-	-	179	166	
Purchases of goods	-	-	1	1	Cost plus certain margin
Rental and service expenses	-	-	572	991	Contract price
<u>Transactions with joint arrangements</u>					
Sales and service income	398	287	401	287	Market price / Contract price
Revenues from construction contracts	24	-	-	-	Contract price
Rental and service income	1	-	-	-	Contract price
<u>Transactions with associates</u>					
Sales and service income	-	66	1	63	Market price / Contract price
Dividend income	-	-	-	58	
Rental and service expenses	1	-	-	-	Contract price
<u>Transactions with related companies</u>					
Sales and service income	391	222	391	222	Market price / Contract price
Rental and service expenses	26	20	20	19	Contract price
Technical and administrative assistance expenses	8	12	8	12	Contract price





(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policies
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	2,807	2,452	Cost plus certain margin
Rental and service income	-	-	3	3	Contract price
Technical and administrative assistance income	-	-	29	30	Contract price
Interest income	-	-	14	22	At rate of 1.0 - 2.5 percent and reference to LIBOR
Dividend income	-	-	179	166	
Purchases of goods	-	-	5	3	Cost plus certain margin
Rental and service expenses	-	-	1,022	1,940	Contract price
<u>Transactions with joint arrangements</u>					
Sales and service income	525	721	528	721	Market price / Contract price
Revenues from construction contracts	44	-	-	-	Contract price
Rental and service income	1	-	-	-	Contract price
<u>Transactions with associates</u>					
Sales and service income	13	107	12	97	Market price / Contract price
Dividend income	-	-	52	58	
Rental and service expenses	1	-	-	-	Contract price
<u>Transactions with related companies</u>					
Sales and service income	830	679	830	675	Market price / Contract price
Rental and service expenses	52	38	39	36	Contract price
Technical and administrative assistance expenses	14	17	14	17	Contract price



(Unaudited but reviewed)

The balances of the accounts as at 30 June 2021 and 31 December 2020 between the Group and its related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<u>Trade and other receivables- related parties</u> (Note 3)				
Subsidiaries	-	-	1,425,087	1,023,516
Joint ventures	132,804	362,649	60,839	310,909
Associates	7,087	47,552	77	38,923
Related company (other joint operator)	4,214	-	3,210	-
Related companies (common shareholders and directors)	117,862	127,030	115,837	126,041
Total trade and other receivables - related parties	261,967	537,231	1,605,050	1,499,389
Less: Allowance for expected credit losses	-	-	(239,981)	(225,048)
Total trade and other receivables - related parties, net	261,967	537,231	1,365,069	1,274,341
<u>Unbilled receivables</u>				
Related company (other joint operator)	15,527	-	-	-
Total unbilled receivables	15,527	-	-	-
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	138,000	138,000
Associate	-	127,000	-	127,000
Related company (other joint operator)	21,351	-	-	-
Total short-term loan to related parties	21,351	127,000	138,000	265,000
<u>Long-term loans to related parties</u>				
Subsidiaries	-	-	1,362,811	1,305,671
Total long-term loans to related parties	-	-	1,362,811	1,305,671
<u>Trade and other payables - related parties</u> (Note 10)				
Subsidiaries	-	-	2,482,094	2,426,698
Joint venture	-	13	-	13
Associates	1,024	54	-	54
Related companies (common shareholders and directors)	156,017	87,502	128,307	86,991
Total trade and other payables - related parties	157,041	87,569	2,610,401	2,513,756

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<u>Advance received from customer</u>				
Related company (other joint operator)	23,858	-	-	-
Total advance received from customer	23,858	-	-	-
<u>Long-term loan from related party</u>				
Related company (shareholder of subsidiary)	7,305	6,789	-	-
Total long-term loan from related party	7,305	6,789	-	-

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

(Unit: Thousand Baht)

		Consolidated financial statements				
Company's name	Related by	Balance as at 31 December 2020	Increase from business combination (Note 7)	Increase (decrease) during the period	Exchange	Balance as at 30 June 2021
					differences on translation of financial statements	
(Audited)						
<u>Short-term loans to related parties</u>						
Thai Slurry Seal Co., Ltd.	Subsidiary	127,000	-	(127,000)	-	-
Nawarat Patanakarn PCL	Other joint operator	-	-	21,351	-	21,351
Total		127,000	-	(105,649)	-	21,351
<u>Short-term loans from related party</u>						
Nawarat Patanakarn PCL	Other joint operator	-	39,194	(39,194)	-	-
<u>Long-term loan from related party</u>						
Zhenjiang Highway Materials Company	Shareholder of subsidiary	6,789	-	-	516	7,305



(Unaudited but reviewed)

(Unit: Thousand Baht)

		Separate financial statements			
Company's name	Related by	Balance as at 31 December 2020	Decrease during the period	Gain on exchange	Balance as at 30 June 2021
(Audited)					
Short-term loans to related parties					
Alpha Maritime Co., Ltd.	Subsidiary	123,000	-	-	123,000
Tipco Maritime Co., Ltd.	Subsidiary	15,000	-	-	15,000
Thai Slurry Seal Co., Ltd.	Subsidiary	127,000	(127,000)	-	-
Total		265,000	(127,000)	-	138,000
Long-term loans to related parties					
AD Shipping Pte. Ltd.	Subsidiary	148,041	-	9,999	158,040
Reta Link Pte. Ltd.	Subsidiary	459,671	-	-	459,671
Pacific Bitumen Shipping Pte. Ltd.	Subsidiary	697,959	-	47,141	745,100
Total		1,305,671	-	57,140	1,362,811

Directors and management's benefits

For the three-month and six-month periods ended 30 June 2021 and 2020, the Group had employee benefit expenses of their directors and management as detailed below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Short-term employee benefits	37	42	34	40
Post-employment benefits	1	1	1	1
Total	38	43	35	41

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Short-term employee benefits	78	80	73	75
Post-employment benefits	2	2	2	2
Total	80	82	75	77



(Unaudited but reviewed)

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 12 to the interim consolidated financial statements.

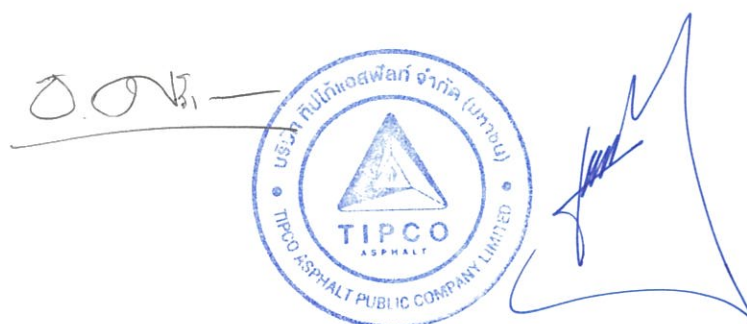
5. Contract assets/Contract liabilities

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2021	31 December 2020
		(Audited)
Contract assets		
Unbilled receivables	694,173	-
Retention receivables	96,444	-
Total contract assets	790,617	-
Contract liabilities		
Advances received from customers	626,676	-
Total contract liabilities	626,676	-

6. Inventories


Movements of the reduction of cost to net realisable value of inventory account during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	13,597	502
Reversal of reduction of cost to net realisable value of inventory account during the period	(2,995)	-
Exchange differences on translation of financial statements	731	-
Balance as at 30 June 2021	11,333	502



7. Investments in subsidiaries

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

Company's name	Investment cost		(Unit: Thousand Baht)	
			Dividend received during the six-month periods ended 30 June	
	30 June 2021	31 December 2020 (Audited)	2021	2020
<u>Domestic subsidiaries</u>				
Raycol Asphalt Co., Ltd.	580,712	580,712	66,600	166,500
Thai Bitumen Co., Ltd.	374,916	374,916	112,500	-
Less: Allowance for impairment loss of investment	(60,775)	(60,775)	-	-
Tipco Maritime Co., Ltd.	1,999	1,999	-	-
Alpha Maritime Co., Ltd.	142,999	142,999	-	-
Bitumen Marine Co., Ltd.	149,999	149,999	-	-
Ravana 1020 Co., Ltd. (previously known as Delta Shipping Co., Ltd.)	79,999	79,999	-	-
Tasco Shipping Co., Ltd.	289,999	289,999	-	-
Thai Slurry Seal Co., Ltd.	598,043	-	-	-
<u>Overseas subsidiaries</u>				
Tasco International (Hong Kong) Ltd.	533,065	533,065	-	-
Less: Allowance for impairment loss of investment	(65,420)	(65,420)	-	-
Kemaman Oil Corporation Sdn Bhd	1,303,035	1,303,035	-	-
Kemaman Bitumen Company Sdn Bhd	2,752,967	2,752,967	-	-
KBC Trading Sdn Bhd	1,377	1,377	-	-
Tipco Asphalt (Cambodia) Co., Ltd.	165	165	-	-
PT Asphalt Bangun Sarana	337,254	337,254	-	-
Pacific Bitumen Shipping Pte. Ltd.	1,340	1,340	-	-
Highway Resources Pte. Ltd.	717,054	717,054	-	-
AD Shipping Pte. Ltd.	430,232	430,232	-	-
Reta Link Pte. Ltd.	28,682	28,682	-	-
Tipco Asphalt Lao Company Limited	78,877	78,877	-	-
Total investments in subsidiaries	8,276,519	7,678,476	179,100	166,500
 Cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees				
	38,764	38,764		
Total investments in subsidiaries - net	8,315,283	7,717,240		



Thai Slurry Seal Company Limited

Thai Slurry Seal Company Limited ("Thai Slurry Seal") is domiciled in Thailand and engaged in the road rehabilitation services. Thai Slurry Seal has a subsidiary and joint operations as follows:

Company's name	Nature of business	Country of incorporation	Related by	Shareholding percentage (%)
Thanomwongse Service Co., Ltd.	Construction service and sales of construction materials	Thailand	Subsidiary	100.00
TN Joint Venture	Construction service	Thailand	Joint operations	51.61
CEI Joint Venture	Construction service	Thailand	Joint operations	51.00

On 14 January 2021, the Company's Board of Director Meeting passed a resolution to approve the increase of its shareholding in Thai Slurry Seal from the current shareholding of 1,243,334 shares with the par value of Baht 100 per share, equivalent to 25 percent of total issued and paid-up shares, to 3,108,334 shares with the par value of Baht 100 per share, equivalent to 62.5 percent of total issued and paid-up shares, through the acquisition of 1,865,000 ordinary shares with the par value of Baht 100 per share, equivalent to 37.5 percent of the total issued and paid-up shares, at acquisition price of Baht 200 per share, totaling Baht 373 million.

On 1 February 2021, the Company received 1,865,000 ordinary shares of Thai Slurry Seal and made full payment for these shares. Therefore, the Company has had control over such subsidiary since 1 February 2021 (the acquisition date) onwards, resulted in Thai Slurry Seal's status change from an associate to a subsidiary.

The Company remeasured previously held interest at fair value at acquisition date and recorded remeasurement gain on business combination amounting to Baht 20.7 million in the consolidated statement of comprehensive income. The Company also made preliminary assessment the difference between purchase cost of the investment and net book value of assets was approximately Baht 260.8 million. However, the Company is in the process of assessing the fair value of the identifiable assets, liabilities and contingent liabilities of Thai Slurry Seal as of the acquisition date, and this process is currently not completed. Such difference amount of Baht 260.8 million is therefore recorded as non-current assets under

Estimated amount of interest in the net asset value of subsidiary that under purchase cost" in the consolidated statement of financial position. The details are as follows:



(Unaudited but reviewed)

(Unit: Thousand Baht)

Cost of acquisition	615,802
Estimated carrying amounts of net assets acquired (62.5% of net assets value)	354,996
Estimated amount of interest in the net assets value under purchase cost	260,806
Cash paid in the acquisition	373,000
Less: Cash and cash equivalents as of acquisition date	(178,042)
Net cash paid in the acquisition - net from cash and cash equivalent received	194,958

The carrying amounts of assets and liabilities in the consolidated financial statements of Thai Slurry Seal as of 1 February 2021 were as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	178,042
Trade and other receivables	291,616
Contract assets	676,984
Advances to subcontractors	238,208
Inventories	87,247
Property, plant and equipment	216,090
Right-of-use assets	72,760
Other assets	94,866
Short-term loan from financial institutions	(20,000)
Trade and other payables	(345,630)
Short-term loan from related party	(39,194)
Contract liabilities	(701,028)
Retention for construction	(14,854)
Provision for long-term employee benefits	(40,576)
Lease liabilities	(67,584)
Deferred tax liabilities	(5,024)
Other liabilities	(53,930)
Net assets	567,993



(Unaudited but reviewed)

8. Investments in associates

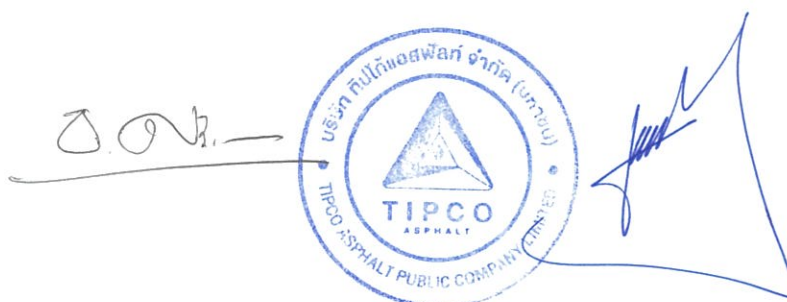
Movements of investments in associates account during the six-month period ended 30 June 2021 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	Equity method	Cost method
Net book value as at 1 January 2021	659,731	243,447
Share of profit from investments in associates	74,539	-
Dividend income	(51,638)	-
Share of other comprehensive income in associate	(2,348)	-
Change in status of investment (Note 7)	(222,054)	(225,043)
Exchange differences on translation of financial statements	703	-
Net book value as at 30 June 2021	458,933	18,404

9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2021	8,155,783	923,556
Acquisitions during the period - at cost	224,775	32,436
Increase from business combination (Note 7)	216,090	-
Disposals/written-off during the period - net book value at disposal/written-off date	(1,509)	(509)
Depreciation for the period	(449,972)	(66,672)
Exchange differences on translation of financial statements	343,708	-
Net book value as at 30 June 2021	8,488,794	888,811



(Unaudited but reviewed)

10. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 June 2021	31 December 2020 (Audited)	30 June 2021	31 December 2020 (Audited)
Trade payables - related parties (Note 4)	2,143	946	2,481,767	2,427,259
Trade payables - unrelated parties	1,729,747	2,086,299	1,323,863	1,930,651
Other payables - related parties (Note 4)	154,898	86,623	128,634	86,497
Accounts payable from commodity forward contracts	566,405	45,079	566,404	45,079
Other payables and accrued expenses - unrelated parties	743,799	812,651	193,897	346,422
Total trade and other payables	3,196,992	3,031,598	4,694,565	4,835,908




11. Long-term loan from financial institution

Movements of the long-term loan account during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht)
Consolidated	
financial statements	
Balance as at 1 January 2021	36,550
Repayment	(20,915)
Unrealised loss on exchange	2,087
Balance as at 30 June 2021	17,722
Less: Current portion	(17,722)
Long-term loan - net of current portion	-

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.

12. 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 June 2021 and 31 December 2020 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	
	30 June 2021	31 December 2020
		(Audited)
Property, plant and equipment - net	354	363

- 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.

13. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax for the three-month and six-month periods ended 30 June 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	(111,303)	(190,276)	(71,841)	(113,391)
Adjustment in respect of income tax of previous year	-	(43)	-	98
Deferred tax:				
Relating to origination and reversal of temporary differences	(96,373)	(207,301)	(84,335)	(289,946)
Income tax reported in the statement of comprehensive income	<u>(207,676)</u>	<u>(397,620)</u>	<u>(156,176)</u>	<u>(403,239)</u>



(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	(270,865)	(260,397)	(187,982)	(126,894)
Adjustment in respect of income tax of previous year	-	(43)	-	98
Deferred tax:				
Relating to origination and reversal of temporary differences	(35,052)	39,219	(29,527)	(24,846)
Income tax reported in the statement of comprehensive income	<u>(305,917)</u>	<u>(221,221)</u>	<u>(217,509)</u>	<u>(151,642)</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements for the three-month periods ended 30 June	
	<u>2021</u>	<u>2020</u>
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	<u>14,596</u>	<u>15,801</u>

(Unit: Thousand Baht)

	Consolidated/Separate financial statements for the six-month periods ended 30 June	
	<u>2021</u>	<u>2020</u>
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	<u>15,561</u>	<u>(23,607)</u>

Signature:   

14. 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.

15. Share capital

On 8 April 2021, the 2021 Annual General Meeting of the Company's shareholders passed a resolution to approve a decrease of Baht 1,522,000 in the Company's registered share capital, from Baht 1,579,883,570 (1,579,883,570 ordinary shares with a par value of Baht 1 each) to Baht 1,578,361,570 (1,578,361,570 ordinary shares with a par value of Baht 1 each) by cancelling 1,522,000 unissued ordinary shares with a par value of Baht 1 each.

The Company registered the corresponding reduction in its registered share capital with the Ministry of Commerce on 9 April 2021.

16. Dividend

Dividends	Approved by	Total dividend (Million Baht)	Dividend per share (Baht per share)
Final dividend for 2019	Annual General Meeting of the shareholders on 7 April 2020	1,734.7	1.1
Total dividend for the six-month period ended 30 June 2020		1,734.7	1.1
Interim dividends for 2020	Board of Directors' Meeting on 14 January 2021	473.5	0.3
Final dividend for 2020	Annual General Meeting of the shareholders on 8 April 2021	1,578.3	1.0
Total dividend for the six-month period ended 30 June 2021		2,051.8	1.3



17. Segment information

Revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2021 and 2020 are as follows:

	For the three-month periods ended 30 June						(Unit: Million Baht)
	Manufacturing and trading segment		Construction segment		Eliminated transactions	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>	<u>2020</u>
Revenues from external customers	7,041	6,542	672	-	-	7,713	6,542
Inter-segment revenues	210	-	-	-	(210)	-	-
Total revenues	<u>7,251</u>	<u>6,542</u>	<u>672</u>	<u>-</u>	<u>(210)</u>	<u>7,713</u>	<u>6,542</u>
Segment profit (loss)	863	1,719	7	-	(2)	868	1,719

	For the six-month periods ended 30 June						(Unit: Million Baht)
	Manufacturing and trading segment		Construction segment		Eliminated transactions	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>	<u>2020</u>
Revenues from external customers	12,509	11,653	1,075	-	-	13,584	11,653
Inter-segment revenues	304	-	-	-	(304)	-	-
Total revenues	12,813	11,653	1,075	-	(304)	13,584	11,653
Segment profit (loss)	1,261	935	15	-	14	1,290	935



(Unaudited but reviewed)

During the period, the Company increased of its shareholding in Thai Slurry Seal as described in Note 7 to the interim consolidated financial statements, then the Group considered to organize into business groups based on types of products and services. The major segments of the Group are as follows:

Manufacturing and trading

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

Construction business

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

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

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

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month periods ended		For the six-month periods ended	
	30 June		30 June	
	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2020</u>
Thailand	3,704	2,592	7,086	3,698
Overseas	4,009	3,950	6,498	7,955
Total	7,713	6,542	13,584	11,653





18. Commitments and contingent liabilities

18.1 Capital commitments

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

(Unit: Million)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
Foreign currency	2021	2020	2021	2020
		(Audited)		(Audited)
Baht	26	23	21	15
Malaysian Ringgit	18	26	-	-
Vietnam Dong	6,822	5,755	-	-

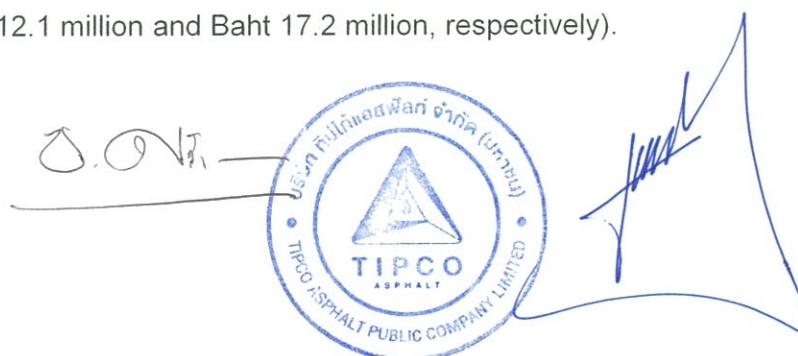
18.2 Long-term service commitments

18.2.1 As at 30 June 2021, the Group had 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	51	40
2 to 5 years	22	20

18.2.2 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 110,000 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 six-month periods ended 30 June 2021 amounted to approximately Baht 7.6 million and Baht 13.9 million, respectively (2020: Baht 12.1 million and Baht 17.2 million, respectively).



(Unaudited but reviewed)

18.3 Bank guarantees

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

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Audited)		(Audited)
Baht	1,929	3	2	2
Malaysian Ringgit	10	10	-	-
US Dollar	2	1	2	1

19. Financial instruments

19.1 Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position. For derivatives, fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

19.2 Derivatives

As at 30 June 2021 and 31 December 2020, the Group had derivative assets and liabilities which were presented in the statements of financial position at fair value and were summarised below.

(Unit: Thousand Baht)

Consolidated financial statements		Separate financial statements	
30 June 2021	31 December 2020	30 June 2021	31 December 2020
	(Audited)		(Audited)
Not designated as hedging instruments			
Commodity forward contracts	139,365	144,233	144,233
Forward exchange contracts	3,854	2,929	2,929
Designated as hedging instruments			
Commodity forward contracts	3,552	-	-
Total derivative assets	146,771	147,162	147,162

Derivative assets

Not designated as hedging instruments

Commodity forward contracts

Forward exchange contracts

Designated as hedging instruments

Commodity forward contracts

Total derivative assets



(Unaudited but reviewed)

(Unit: Thousand Baht)




	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
Derivative liabilities				
Not designated as hedging instruments				
Commodity forward contracts	262,885	452,565	262,885	452,565
Forward exchange contracts	14,068	1,253	14,068	804
Designated as hedging instruments				
Commodity forward contracts	37,114	113,717	37,114	113,717
Total derivative liabilities	314,067	567,535	314,067	567,086

All derivatives were measured at fair value in level 2.

19.3 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 June	31 December	30 June	31 December	30 June	31 December
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	(Audited)
		(Audited)		(Audited)		
US Dollar	23	33	60	64	32.1	30.0
Euro	-	-	2	1	38.1	36.9
Yen	-	-	7	7	0.3	0.3
Malaysian Ringgit	11	15	22	23	7.7	7.4

(Unaudited but reviewed)

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2021	2020	2021	2020	2021	2020
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit) (Audited)	
US Dollar	80	86	87	88	32.1	30.0
Euro	-	-	2	1	38.1	36.9
Renminbi	49	50	-	-	5.0	4.6
Malaysian Ringgit	-	-	5	7	7.7	7.4
Singapore Dollar	-	-	29	36	23.8	23.0

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

As at 30 June 2021

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought		
	amount	amount	amount	amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Per 1 foreign currency unit)	
US Dollar	16	4	16	3	31.1 - 31.3 Baht	31.1 - 31.4 Baht
US Dollar	-	4	-	-	-	23,120 Vietnam Dong
US Dollar	-	2	-	-	-	14,535 - 14,565 Indonesia Rupiah

As at 31 December 2020 (Audited)

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought		
	amount	amount	amount	amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Per 1 foreign currency unit)	
US Dollar	39	3	39	3	29.9 - 30.4 Baht	30.1 - 30.4 Baht
US Dollar	-	5	-	-	-	23,138 - 23,215 Vietnam Dong
US Dollar	-	6	-	-	-	14,200 - 14,853 Indonesia Rupiah



(Unaudited but reviewed)

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.

20. Damages and expenses from a fire at a subsidiary

During the six-month period ended 30 June 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 of 2020.

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

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 5 August 2021.

The image shows a handwritten signature in blue ink on the left, followed by a circular blue stamp. The stamp contains a triangle logo with the text 'TIPCO ASPHALT' inside. Around the triangle, the Thai text 'บริษัท ทีพีซีแอสฟัลท์ จำกัด (มหาชน)' is written. Below the triangle, the English text 'TIPCO ASPHALT PUBLIC COMPANY LIMITED' is written. To the right of the stamp is another handwritten signature in blue ink.