

Tipco Asphalt Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

To the Shareholders of Tipco Asphalt Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Tipco Asphalt Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Tipco Asphalt Public Company Limited (the Company) for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tipco Asphalt Public Company Limited and its subsidiaries and of Tipco Asphalt Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of matter

I draw attention to Note 1.3 to the consolidated financial statements, which describes the Company's compliance with the US State Department's request that the Company wind down its crude oil procurement from Venezuela, in order to avoid potential US sanctions. My opinion is not modified in respect of this matter.

Key Audit Matters

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

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

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

Valuation of commodity forward contracts

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

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

Estimation of net realisable value of inventory

Estimating the net realisable value of inventory is an area of significant management judgement because it requires the use of significant assumptions based on the market prices of crude oil and petroleum products, which fluctuate according to the economic circumstances and the situation within the industry. This also affects the allowance set aside for diminution in the value of inventory and the balance of inventories presented in statement of financial position.

I gained an understanding of the process relevant to the determination of allowance for diminution in the value of inventories and assessed the appropriateness of the assumptions applied by management in determining such allowance as well as the consistency of the application of that basis and assumptions. I also tested the calculation of the allowance for diminution in the value of inventories.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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



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

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

Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 11 February 2021

Tipco Asphalt Public Company Limited and its subsidiaries

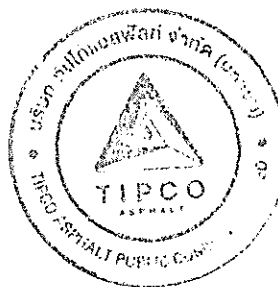
Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents		1,887,763,120	1,999,417,098	568,507,669	977,613,102
Trade and other receivables	4, 7, 8	3,352,411,242	5,233,998,235	2,919,634,119	4,920,327,802
Short-term loans to related parties	8	127,000,000	-	265,000,000	13,000,000
Inventories	9	5,382,848,520	7,466,934,929	4,775,366,439	6,608,237,558
Derivative - commodity forward contracts	4, 32	140,293,081	165,058,497	140,293,081	165,058,497
Other current assets		223,831,633	296,902,939	50,249,053	37,336,005
Total current assets		11,114,147,596	15,162,311,698	8,719,050,361	12,721,572,964
Non-current assets					
Investments in subsidiaries	10	-	-	7,717,239,560	7,717,239,560
Investments in joint ventures	11	124,036,527	112,623,805	67,552,611	67,552,611
Investments in associates	12	659,731,450	606,402,277	243,447,034	243,447,034
Long-term loans to related parties	8	-	-	1,305,671,253	1,479,030,234
Derivative - commodity forward contracts	4, 32	3,940,267	-	3,940,267	-
Investment properties	13	189,032,559	256,932,559	94,342,234	94,342,234
Property, plant and equipment	14	8,155,782,795	8,285,711,701	923,556,056	984,241,398
Right-of-use assets	4, 20	559,220,279	-	127,353,103	-
Goodwill		146,293,504	146,293,504	-	-
Intangible assets	15	158,359,646	195,513,583	50,104,194	71,616,529
Leasehold rights	4	-	287,084,216	-	2,506,924
Deferred tax assets - net	25	208,272,062	189,312,186	172,766,564	172,751,233
Other non-current assets		15,640,897	19,717,442	4,226,625	3,982,734
Total non-current assets		10,220,309,986	10,099,591,273	10,710,199,501	10,836,710,491
Total assets		21,334,457,582	25,261,902,971	19,429,249,862	23,558,283,455

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



Tipco Asphalt Public Company Limited and its subsidiaries

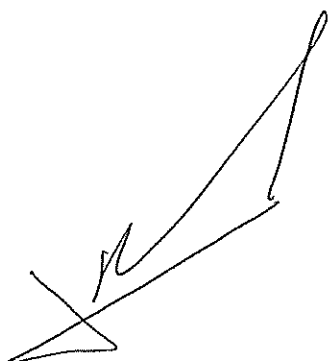
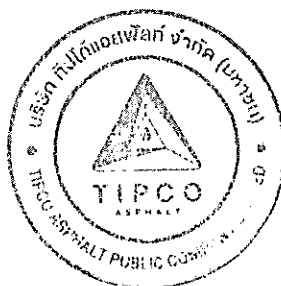
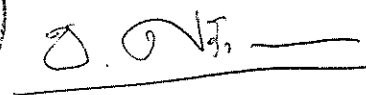
Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	1,540,412,467	4,013,131,149	1,451,764,316	3,716,103,109
Trade and other payables	8, 17	3,031,597,848	6,316,114,486	4,835,908,082	7,088,061,139
Short-term loan from related party	8	-	-	-	160,000,000
Income tax payable		581,592,977	390,757,940	428,528,352	334,927,690
Current portion of liabilities					
Long-term loan from financial institution	18	36,550,228	37,610,812	-	-
Lease liabilities	4, 20	62,041,408	-	26,928,707	-
Derivative - commodity forward contracts	4, 32	562,559,740	580,799,812	562,559,740	580,799,812
Other current liabilities		103,689,699	134,093,350	2,333,678	10,320,343
Total current liabilities		5,918,444,367	11,472,507,549	7,308,022,875	11,890,212,093
Non-current liabilities					
Long-term loan from related party	8	6,789,489	6,342,609	-	-
Long-term liabilities - net of current portion					
Long-term loan from financial institution	18	-	36,700,873	-	-
Lease liabilities	4, 20	218,477,045	-	100,097,983	-
Derivative - commodity forward contracts	4, 32	3,721,597	-	3,721,597	-
Provision for long-term employee benefits	21	166,385,959	167,693,463	114,115,455	119,181,799
Total non-current liabilities		395,374,090	210,736,945	217,935,035	119,181,799
Total liabilities		6,313,818,457	11,683,244,494	7,525,957,910	12,009,393,892

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

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position (continued)

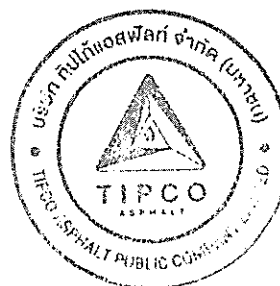
As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Shareholders' equity					
Share capital	22				
Registered					
1,579,883,570 ordinary shares of Baht 1 each		1,579,883,570	1,579,883,570	1,579,883,570	1,579,883,570
Issued and fully paid					
1,578,361,570 ordinary shares (2019: 1,576,763,070 ordinary shares) of Baht 1 each		1,578,361,570	1,576,763,070	1,578,361,570	1,576,763,070
Premium on share capital		1,152,388,500	1,140,287,855	1,152,388,500	1,140,287,855
Share subscription		-	2,571,000	-	2,571,000
Non-controlling interests of subsidiary acquired by the Company at price lower than book value		6,237,755	6,237,755	-	-
Change in the Company's interest in subsidiaries which did not result in a loss of control		(570,310,802)	(570,310,802)	-	-
Capital reserve for share-based payment transactions		174,753,421	174,753,421	174,753,421	174,753,421
Retained earnings					
Appropriated - statutory reserve	23	172,123,329	172,123,329	172,123,329	172,123,329
Unappropriated		13,545,642,150	12,183,030,275	8,915,797,098	8,640,022,009
Other components of shareholders' equity		(1,221,847,455)	(1,278,228,961)	(90,131,966)	(157,631,121)
Equity attributable to owners of the Company		14,837,348,468	13,407,226,942	11,903,291,952	11,548,889,563
Non-controlling interests of the subsidiaries		183,290,657	171,431,535	-	-
Total shareholders' equity		15,020,639,125	13,578,658,477	11,903,291,952	11,548,889,563
Total liabilities and shareholders' equity		21,334,457,582	25,261,902,971	19,429,249,862	23,558,283,455

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

Directors



Tipco Asphalt Public Company Limited and its subsidiaries

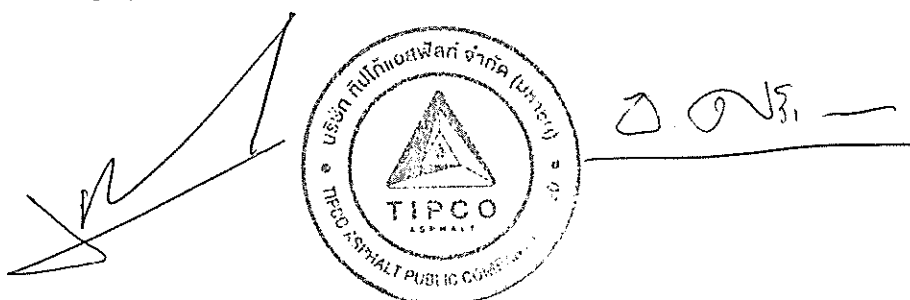
Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales and service income		26,155,271,615	36,892,972,824	22,943,386,493	33,640,723,535
Other income					
Dividend income from subsidiaries	10	-	-	226,700,970	284,866,690
Dividend income from associates	12	-	-	57,728,345	41,749,883
Gain on exchange		76,854,974	467,016,586	33,633,053	469,488,434
Others		123,284,476	120,205,644	120,340,448	132,910,045
Total revenues		26,355,411,065	37,480,195,054	23,381,789,309	34,569,738,587
Expenses					
Cost of sales and services		21,402,594,494	33,422,244,862	20,243,153,152	31,685,926,692
(Gain) loss from commodity forward contracts	32	(802,628,920)	90,079,004	(813,350,894)	94,186,207
Reduction of cost of inventory to net realisable value (reversal)	9	626,711	(793,837,504)	(5,379,027)	(928,467,798)
		20,600,592,285	32,718,486,362	19,424,423,231	30,851,645,101
Selling expenses		169,111,338	166,189,176	114,161,338	97,378,117
Administrative expenses		1,209,277,202	1,086,320,815	752,758,758	663,910,699
Other expenses					
Impairment loss on investment properties and property, plant and equipment	13, 14	74,173,115	796,559	6,273,115	-
Insurance claim - net of damages and expenses from a fire	34	(109,893,166)	(205,903,100)	-	-
Total expenses		21,943,260,774	33,765,889,812	20,297,616,442	31,612,933,917
Profit from operating activities		4,412,150,291	3,714,305,242	3,084,172,867	2,956,804,670
Share of profit from investments in joint ventures	11	9,248,936	20,382,406	-	-
Share of profit from investments in associates	12	109,074,247	112,439,179	-	-
Finance income		12,429,665	13,310,487	38,628,057	41,270,657
Finance cost		(130,870,402)	(204,129,675)	(89,050,219)	(125,046,704)
Reversal of expected credit losses / allowance for doubtful accounts					
(Expected credit losses / allowance for doubtful accounts)	7	(57,192,359)	(1,573,179)	(7,876,473)	3,785,962
Profit before income tax		4,354,840,378	3,654,734,460	3,025,874,232	2,876,814,585
Income tax	25	(757,339,648)	(508,999,279)	(539,811,504)	(393,209,400)
Profit for the year		3,597,500,730	3,145,735,181	2,486,062,728	2,483,605,185

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



Tipco Asphalt Public Company Limited and its subsidiaries

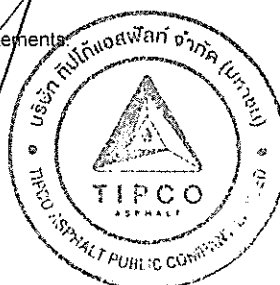
Statement of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currencies		(4,935,125)	(470,294,768)	-	-
Change in fair value of hedging instruments					
of cash flow hedges - net of income tax	25, 32	67,499,155	(557,627,790)	67,499,155	(557,627,790)
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		62,564,030	(1,027,922,558)	67,499,155	(557,627,790)
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax	21, 25	(698,237)	(592,002)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(698,237)	(592,002)	-	-
Other comprehensive income for the year		61,865,793	(1,028,514,560)	67,499,155	(557,627,790)
Total comprehensive income for the year		3,659,366,523	2,117,220,621	2,553,561,883	1,925,977,395
Profit attributable to:					
Equity holders of the Company		3,591,824,102	3,123,280,231	2,486,062,728	2,483,605,185
Non-controlling interests of the subsidiaries		5,676,628	22,454,950		
		<u>3,597,500,730</u>	<u>3,145,735,181</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		3,647,507,371	2,108,740,998	2,553,561,883	1,925,977,395
Non-controlling interests of the subsidiaries		11,859,152	8,479,623		
		<u>3,659,366,523</u>	<u>2,117,220,621</u>		
Earnings per share					
28					
Basic earnings per share					
Profit attributable to equity holders of the Company		2.28	1.98	1.58	1.58
Diluted earnings per share					
Profit attributable to equity holders of the Company		2.28	1.98	1.58	1.57

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



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

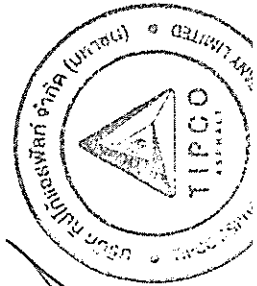
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Tipco Asphalt Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements									
	Issued and paid-up share capital	Premium on share capital	Share subscription	Capital reserve for share-based payment transactions	Retained earnings			Other components of equity		
					Appropriated 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 2019	1,573,821,570	1,118,474,325	8,073,525	174,753,421	172,123,329	7,259,324,083	399,996,669	399,996,669	10,706,566,922	
Profit for the year	-	-	-	-	-	2,483,605,185	-	-	2,483,605,185	
Other comprehensive income for the year	-	-	-	-	-	-	(557,627,790)	(557,627,790)	(557,627,790)	
Total comprehensive income for the year	-	-	-	-	-	2,483,605,185	(557,627,790)	(557,627,790)	1,925,977,395	
Warrant holders exercised warrants	2,941,500	21,813,530	(5,502,525)	-	-	-	-	-	19,252,505	
Dividend paid (Note 30)	-	-	-	-	-	(1,102,907,259)	-	-	(1,102,907,259)	
Balance as at 31 December 2019	1,576,763,070	1,140,287,855	2,571,000	174,753,421	172,123,329	8,640,022,009	(157,631,121)	(157,631,121)	11,548,889,563	
Balance as at 1 January 2020	1,576,763,070	1,140,287,855	2,571,000	174,753,421	172,123,329	8,640,022,009	(157,631,121)	(157,631,121)	11,548,889,563	
Cumulative effect of change in new accounting policy (Note 4)	-	-	-	-	-	(2,078,741)	-	-	(2,078,741)	
Balance as at 1 January 2020 - as restated	1,576,763,070	1,140,287,855	2,571,000	174,753,421	172,123,329	8,637,943,268	(157,631,121)	(157,631,121)	11,546,810,822	
Profit for the year	-	-	-	-	-	2,486,062,728	-	-	2,486,062,728	
Other comprehensive income for the year	-	-	-	-	-	-	67,499,155	67,499,155	67,499,155	
Total comprehensive income for the year	-	-	-	-	-	2,486,062,728	67,499,155	67,499,155	2,553,561,883	
Warrant holders exercised warrants (Note 22)	1,598,500	12,100,645	(2,571,000)	-	-	-	-	-	11,128,145	
Dividend paid (Note 30)	-	-	-	-	-	(2,208,208,898)	-	-	(2,208,208,898)	
Balance as at 31 December 2020	1,578,361,570	1,152,388,500	-	174,753,421	172,123,329	8,915,797,098	(90,131,966)	(90,131,966)	11,903,291,952	

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



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Tipco Asphalt Public Company Limited and its subsidiaries

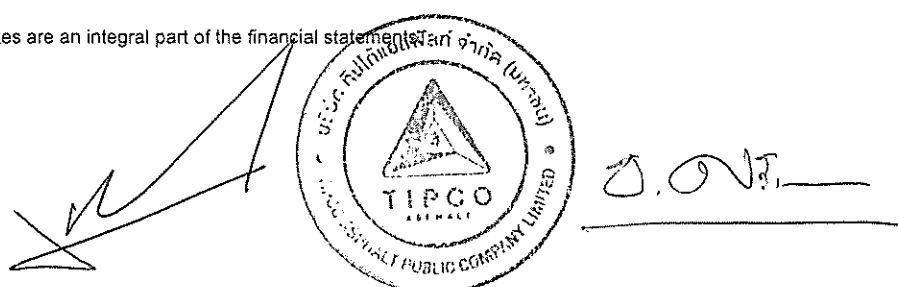
Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities:				
Profit before income tax	4,354,840,378	3,654,734,460	3,025,874,232	2,876,814,585
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,050,468,103	874,626,042	257,671,709	198,275,244
Written off withholding tax	20,296	49,372	-	-
Written off inventories	-	198,214	-	-
Expected credit losses/ allowance for doubtful accounts (reversal)	57,192,359	1,573,179	7,876,473	(3,785,962)
Reduction of cost of inventories to net realisable value (reversal)	626,711	(793,837,504)	(5,379,027)	(928,467,798)
Allowance for impairment loss on equipment	6,273,115	796,559	6,273,115	-
Allowance for impairment loss on investment property	67,900,000	-	-	-
Dividend income from subsidiaries	-	-	(226,700,970)	(284,866,690)
Dividend income from associates	-	-	(57,728,345)	(41,749,883)
Unrealised gain on exchange	(22,841,069)	(149,455,494)	(42,572,108)	(63,336,331)
Gain on sales/ written off of equipment	(16,939,731)	(9,318,889)	(16,150,339)	(18,118,946)
Share of profit from investments in joint ventures	(9,248,936)	(20,382,406)	-	-
Share of profit from investments in associates	(109,074,247)	(112,439,179)	-	-
Provision for long-term employee benefits	19,979,494	35,521,231	11,772,370	24,415,853
Change in fair value of forward exchange contracts	(6,094,465)	(5,778,852)	(1,149,032)	(1,288,474)
Change in fair value of commodity forward contracts	90,680,616	310,953,117	90,680,616	310,953,117
Finance income	(12,429,665)	(13,310,487)	(38,628,057)	(41,270,657)
Finance cost	119,186,940	165,651,523	83,885,829	118,095,787
Profit from operating activities before changes in operating assets and liabilities	5,590,539,899	3,939,580,886	3,095,726,466	2,145,669,845
(Increase) decrease in operating assets				
Trade and other receivables	1,790,456,322	(194,622,053)	1,960,569,081	(449,878,407)
Inventories	2,083,505,109	649,104,530	1,838,250,146	612,559,801
Other current assets	(24,436,904)	(114,637,335)	(83,665,921)	(34,398,119)
Other non-current assets	4,891,508	(1,633,067)	609,261	(49,281)
Increase (decrease) in operating liabilities				
Trade and other payables	(3,265,608,150)	2,544,965,606	(2,143,928,655)	2,848,416,476
Other current liabilities	(2,911,367)	(51,948,945)	(295,984)	(41,861,061)
Other non-current liabilities	(19,850,578)	(17,232,249)	(16,838,714)	(12,917,886)
Cash flows from operating activities	6,156,585,839	6,753,577,373	4,650,425,680	5,067,541,368
Cash paid for corporate income tax	(603,668,752)	(277,086,894)	(462,581,277)	(155,580,284)
Net cash flows from operating activities	5,552,917,087	6,476,490,479	4,187,844,403	4,911,961,084

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



Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

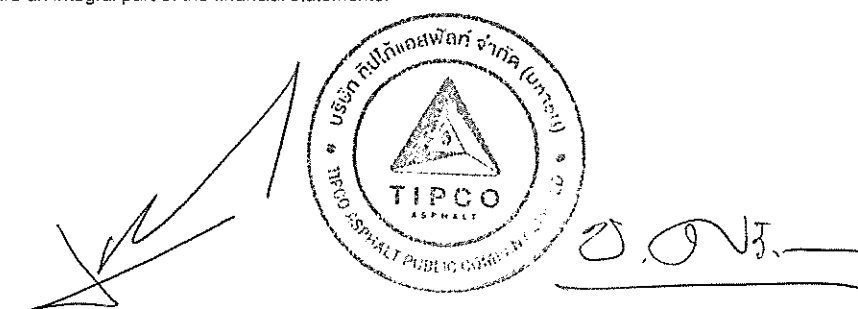
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities:				
Cash paid for investment in subsidiary	-	-	-	(54,984,642)
Dividend received from subsidiaries	-	-	226,700,970	284,866,690
Dividend received from associates	57,728,345	41,749,883	57,728,345	41,749,883
Increase in short-term loans to related parties	(127,000,000)	-	(142,000,000)	(13,000,000)
Decrease (increase) in long-term loans to related parties	-	-	30,002,500	(464,515,534)
Cash receipt from interest	12,366,714	13,309,436	30,844,884	11,655,908
Acquisition and cash paid to settle payables from purchases of equipment	(698,370,819)	(1,333,693,805)	(84,036,816)	(213,353,595)
Cash paid for acquisitions of computer software	(8,731,817)	(13,274,589)	(5,684,958)	(11,342,368)
Proceeds from sales of computer software	-	243,860	-	25,888
Proceeds from sales of equipment	23,847,423	85,469,743	19,168,581	21,002,056
Net cash flows from (used in) investing activities	(740,160,154)	(1,206,195,472)	132,723,506	(397,895,714)
Cash flows from financing activities:				
Cash receipts from shares subscription of subsidiary	-	17,950,848	-	-
Decrease in short-term loans from financial institutions	(2,468,038,152)	(2,901,822,002)	(2,264,338,793)	(2,734,070,497)
Increase (decrease) in short-term loans from related party	-	-	(160,000,000)	135,000,000
Payment of principal portion of lease liabilities	(99,369,212)	(127,328)	(26,602,336)	-
Repayment of long-term loans	(38,862,600)	(129,912,500)	-	-
Cash receipts from increase in capital	11,128,145	16,681,505	11,128,145	16,681,505
Cash receipts from share subscription	-	2,571,000	-	2,571,000
Dividend paid to shareholders	(2,207,875,621)	(1,104,422,919)	(2,207,875,621)	(1,104,422,919)
Dividend paid to non-controlling interests of subsidiaries	(30)	(42)	-	-
Interest paid	(107,568,615)	(167,064,677)	(81,984,737)	(122,160,293)
Net cash flows used in financing activities	(4,910,586,085)	(4,266,146,115)	(4,729,673,342)	(3,808,401,204)
Exchange differences on translation of				
financial statements in foreign currencies	(13,824,826)	(108,442,503)	-	-
Net increase (decrease) in cash and cash equivalents	(111,653,978)	895,706,389	(409,105,433)	707,664,166
Cash and cash equivalents at beginning of year	1,999,417,098	1,103,710,709	977,613,102	269,948,936
Cash and cash equivalents at end of year	1,887,763,120	1,999,417,098	568,507,669	977,613,102

Supplemental cash flows information

Non-cash transactions

Purchase of equipment for which cash has not been paid	18,451,987	31,014,066	-	-
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The accompanying notes are an integral part of the financial statements.



Tipco Asphalt Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

1. General information

1.1 General information of the Company

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

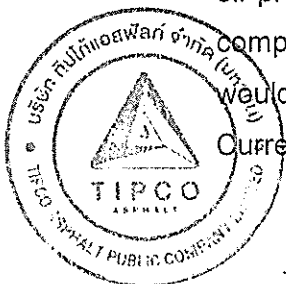
1.2 Coronavirus disease 2019 pandemic

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 commodity forward 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 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.

1.3 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 product 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 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. Currently, the Company already ceased its purchasing crude oil from this source.



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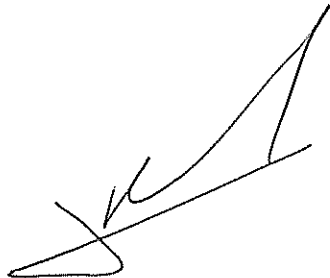
The Company notified the Stock Exchange of Thailand of these facts on 11 September 2020, 15 September 2020 and 23 November 2020, together with the Company's plans to mitigate the risk arising from the disruption of its normal source of crude supply by considering plans to procure non-Venezuelan crude oil from other sources or to procure asphalt from other sources.

2. Basis of preparation

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

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

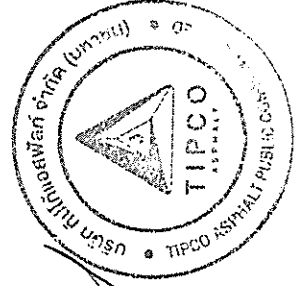
The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.



2.2 Basis of consolidation

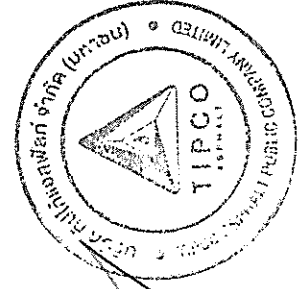
a) The consolidated financial statements include the financial statements of the Company and the following subsidiaries:

Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		<u>2020</u> (Million Baht)	<u>2019</u> (Million Baht)	<u>2020</u> (%)	<u>2019</u> (%)
<u>Subsidiaries incorporated in Thailand</u>					
Raycol Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	111	111	100.00	100.00
Thai Bitumen Co., Ltd.	Manufacture and distribution of asphalt products	375	375	99.99	99.99
Tipco Maritime Co., Ltd.	Shipping management and agency	2	2	99.99	99.99
Alpha Maritime Co., Ltd.	Marine transportation	143	143	99.99	99.99
Bitumen Marine Co., Ltd.	Marine transportation	150	150	99.99	99.99
Delta Shipping Co., Ltd.	Marine transportation	80	80	99.99	99.99
Tasco Shipping Co., Ltd.	Marine transportation	290	290	99.99	99.99



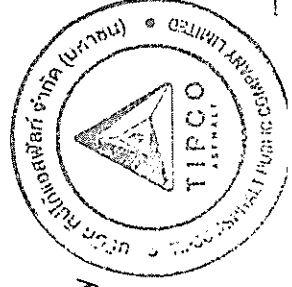
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Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		2020	2019	2020	2019
				(%)	(%)
<u>Subsidiaries incorporated in Malaysia</u>					
Kemaman Oil Corporation Sdn Bhd ("KOC")	Holding company and manufacture and distribution of asphalt and petroleum products	151.96 Million MYR	151.96 Million MYR	100.00	100.00
Kemaman Bitumen Company Sdn Bhd ("KBC")	Manufacture and distribution of asphalt and petroleum products	305.55 Million MYR	305.55 Million MYR	100.00	100.00
KBC Trading Sdn Bhd (10% owned by the Company and 20% owned by KOC)	Distribution of asphalt products	0.30 Million MYR	0.30 Million MYR	30.00	30.00
<u>Subsidiaries incorporated in Singapore</u>					
Pacific Bitumen Shipping Pte. Ltd.	Marine transportation	0.04 Million USD	0.04 Million USD	100.00	100.00
Highway Resources Pte. Ltd. ("HR")	Holding company	4.78 Million SGD	4.78 Million SGD	100.00	100.00
Highway Resources Trading Pte. Ltd. (100% owned by HR)	Dormant	0.01 Million USD	0.01 Million USD	100.00	100.00
AD Shipping Pte. Ltd.	Marine transportation	7.13 Million SGD	7.13 Million SGD	100.00	100.00



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Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		2020	2019	2020	2019
				(%)	(%)
Reta Link Pte. Ltd.	Marine transportation	0.05 Million SGD	0.05 Million SGD	100.00	100.00
<u>Subsidiary incorporated in Vietnam</u>					
Asphalt Distribution Co., Ltd. (100% owned by HR)	Manufacture and distribution of asphalt products	115,650 Million VND	115,650 Million VND	100.00	100.00
<u>Subsidiaries incorporated in Indonesia</u>					
PT Asphalt Bangun Sarana ("ABS")	Manufacture and distribution of asphalt products	58,450 Million IDR	58,450 Million IDR	99.98	99.98
PT Saranaraya Reka Cipta (100% owned by ABS)	Manufacture and distribution of asphalt products	10,477 Million IDR	10,477 Million IDR	99.98	99.98
<u>Subsidiary incorporated in Cambodia</u>					
Tipco Asphalt (Cambodia) Co., Ltd.	Manufacture and distribution of asphalt products	20.00 Million Riel	20.00 Million Riel	100.00	100.00
<u>Subsidiary incorporated in Hong Kong</u>					
Tasco International (Hong Kong) Ltd. ("TIHK")	Holding company	97.97 Million HKD	97.97 Million HKD	100.00	100.00



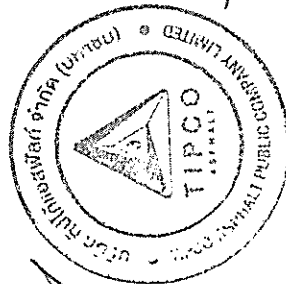
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Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Subsidiaries incorporated in China (owned by TIHK)</u>					
Langfang Tongtai Road Material Co., Ltd.	Manufacture and distribution of asphalt products	2.10 Million USD	2.10 Million USD	51.00 (%)	51.00 (%)
Zhenjiang Tipco Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	20.00 Million RMB	20.00 Million RMB	51.00	51.00
Tipco Asphalt (Xinhui) Co., Ltd.	Manufacture and distribution of asphalt products	30.00 Million RMB	30.00 Million RMB	100.00	100.00
Guangzhou Tipco Asphalt Trading Co., Ltd.	Distribution of asphalt products	6.00 Million RMB	6.00 Million RMB	100.00	100.00

Subsidiary incorporated in Lao People's Democratic Republic

Tipco Asphalt Lao Co., Ltd.	Manufacture and distribution of asphalt products	26,675 Million LAK	26,675 Million LAK	75.00	75.00
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- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated as from the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as those of the Company.
 - e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statement of changes in shareholders' equity.
 - f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group. 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
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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 expected credit losses on its financial assets. It is no longer necessary for a credit-impaired event to have occurred.

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 4 to the 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.

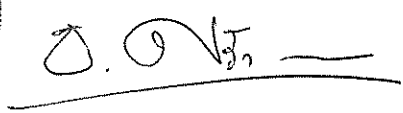

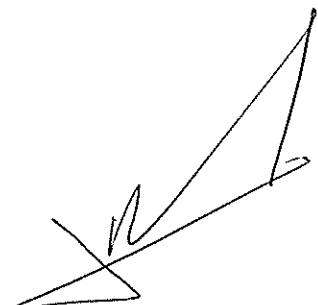
The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

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



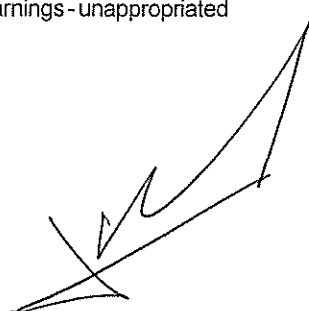
4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

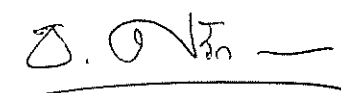
As described in Note 3 to the consolidated financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings 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		
	31 December	TFRSs related to		1 January
	2019	financial 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



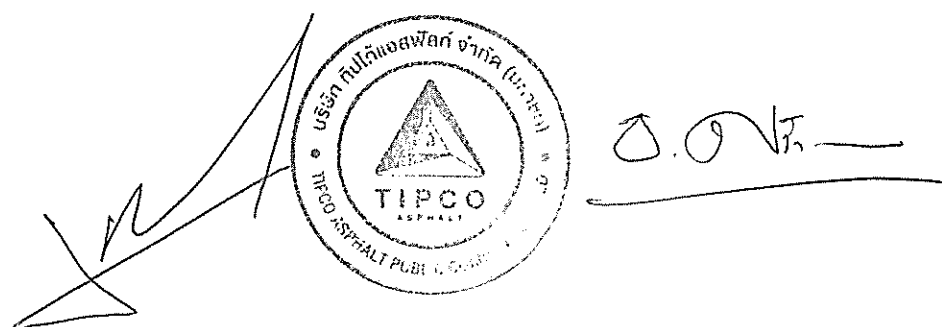


(Unit: Thousand Baht)

	Separate financial statements			
		The impacts of		
	31 December	TFRSs related to		1 January
	2019	financial 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	(2,079)	-	8,637,943


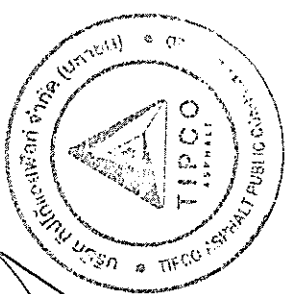

4.1 Financial instruments

The impact of the recognition of an allowance for expected credit losses on financial assets on the 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).



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 - commodity forward contracts	165,058	165,058	-	165,058
Financial liabilities as at 1 January 2020				
Derivative - commodity forward contracts	580,800	383,761	197,039	580,800

4.2 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	281,922	123,007
Weighted average incremental borrowing rate (percent per annum)	2.1 - 9.3	2.1 - 3.1
Comprise of:		
Current lease liabilities	45,947	19,670
Non-current lease liabilities	235,975	103,337



The image shows a handwritten signature in black ink, followed by a circular official stamp. The stamp contains the text 'บริษัท เทปโก้แอสฟัลท์ จำกัด (มหาชน)' (TPCO Asphalt Public Company Limited) around the perimeter, a triangular logo in the center, and 'TPCO ASPHALT' below it. A horizontal line is drawn across the bottom of the stamp and signature.

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

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

Rendering of services

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

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

Finance cost

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

Dividends

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

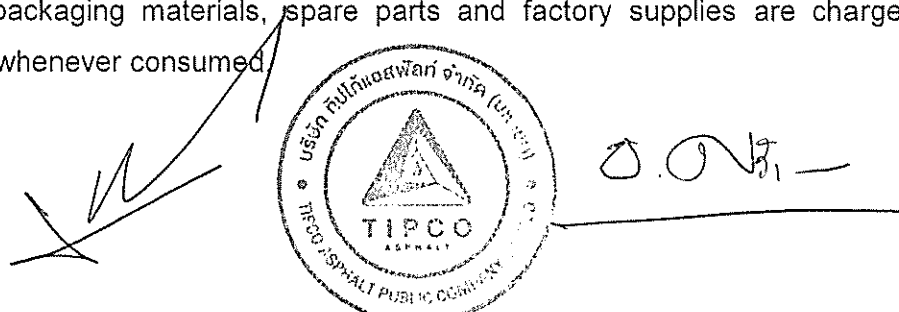
5.2 Cash and cash equivalents

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

5.3 Inventories

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

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



5.4 Investments in subsidiaries, joint ventures and associates

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

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

5.5 Investment properties

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful lives of 5 and 20 years. Depreciation is included in profit or loss. No depreciation is provided on land.

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

5.6 Property, plant and equipment/Depreciation

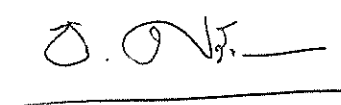
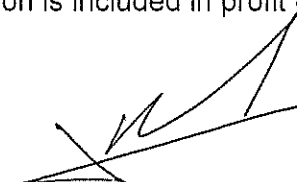
Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and less allowance for loss on impairment of assets (if any).

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

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

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

Depreciation is included in profit or loss.



An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

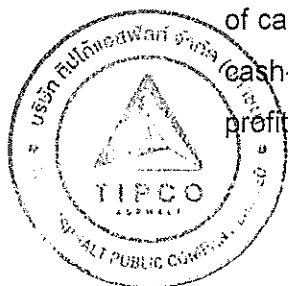
Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated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

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

	<u>Useful lives</u>
Computer software	5 years
Customer relationship	12 years
Non-competition clause	5 years

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

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



generating unit is less than the carrying amount, an impairment or loss and will not be reversed in future periods.

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5.9 Leases

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

Accounting policies adopted as from 1 January 2020

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

Right-of-use assets

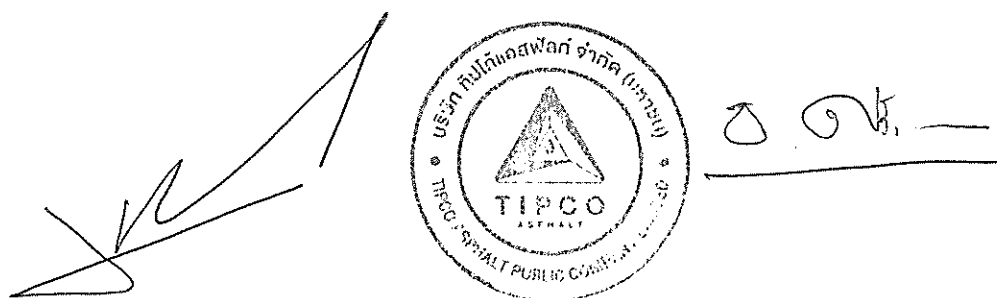
Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease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

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

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

Lease liabilities

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



The image shows a handwritten signature on the left and a circular official stamp on the right. The stamp features a triangle with the number '3' inside, and the text 'TPCO ASPHALT' below it. The outer ring of the stamp contains Thai text: 'บริษัท ทีพีซีแอสฟัลท์ จำกัด (มหาชน)' at the top and 'TPCO ASPHALT PUBLIC COMPANY LIMITED' at the bottom.

Accounting policies adopted before 1 January 2020

Leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period, if the Group expects not to purchase such assets at the end of the lease period.

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

Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation and less allowance for impairment loss of leasehold rights (if any). Amortisation is calculated by reference to cost on a straight-line basis over the lease periods.

The amortisation is included in profit or loss.

5.10 Related party transactions

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

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

5.11 Foreign currencies

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

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

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



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5.12 Impairment of assets

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

An impairment loss is recognised in profit or loss.

5.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

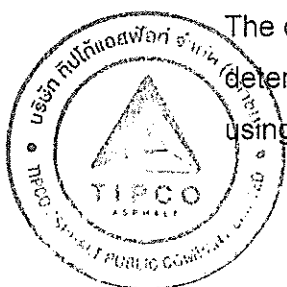
Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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



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

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

5.14 Provisions

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

5.15 Income Tax

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

Current tax

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

Deferred tax

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

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

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

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

5.16 Financial instruments

Accounting policies adopted as from 1 January 2020

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

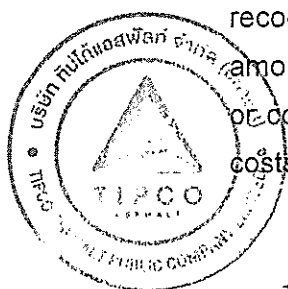
Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

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



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Impairment of financial assets

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

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

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

Accounting policies adopted before 1 January 2020

Trade accounts receivable

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

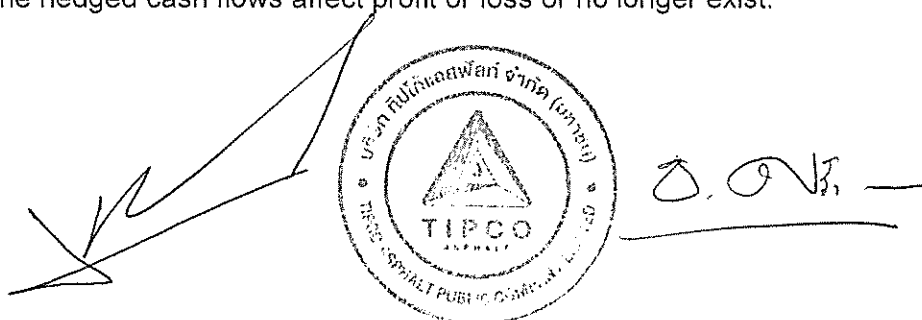
5.17 Derivatives and hedge accounting

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

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

Hedge accounting for cash flow hedges

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



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

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

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

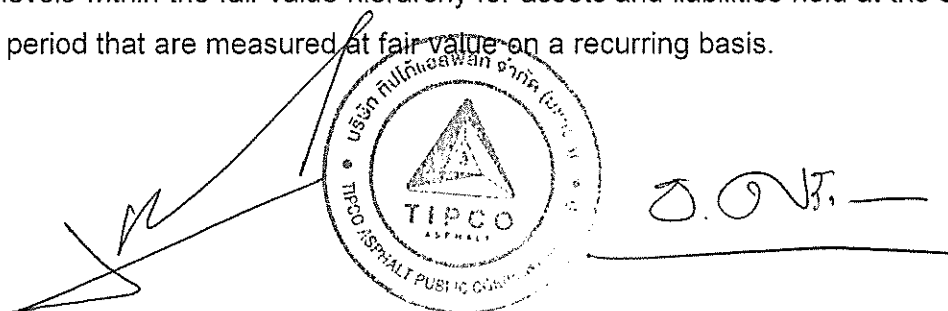
5.18 Fair value measurement

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

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

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

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



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6. Significant accounting judgments and estimates

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

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

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

Allowance for expected credit losses of trade receivables

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

Fair value of financial instruments

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

Net realisable value of inventories

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

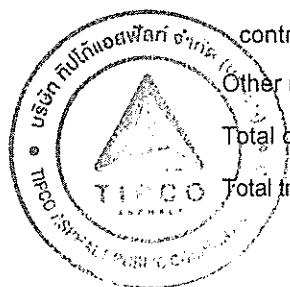


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7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade receivables - related parties</u> (Note 8)				
Aged on the basis of due dates				
Not yet due	494,285	511,415	872,208	1,300,331
Past due				
Up to 3 months	74	227,813	73,114	361,864
3 - 6 months	12,899	26,962	40,063	92,963
6 - 9 months	341	-	9,517	20,796
9 - 12 months	-	-	70	4,469
Over 12 months	-	-	225,048	207,852
Total	507,599	766,190	1,220,020	1,988,275
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	-	-	(225,048)	(210,742)
Total trade receivables - related parties, net	507,599	766,190	994,972	1,777,533
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	2,002,695	3,513,056	1,268,593	2,535,804
Past due				
Up to 3 months	546,551	586,895	299,444	153,988
3 - 6 months	163,464	164,381	75,173	36,566
6 - 9 months	74,701	92,377	7,138	35,594
9 - 12 months	39,795	41,432	2,518	3,810
Over 12 months	372,772	313,220	67,906	64,556
Total	3,199,978	4,711,361	1,720,772	2,830,318
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(388,248)	(299,928)	(76,660)	(66,186)
Total trade receivables - unrelated parties, net	2,811,730	4,411,433	1,644,112	2,764,132
Total trade receivables - net	3,319,329	5,177,623	2,639,084	4,541,665
<u>Other receivables</u>				
Other receivables - related parties (Note 8)	29,632	17,195	279,369	341,719
Accounts receivable from commodity forward				
contracts	-	34,066	-	34,066
Other receivables - unrelated parties	3,450	5,114	1,181	2,878
Total other receivables	33,082	56,375	280,550	378,663
Total trade and other receivables - net	3,352,411	5,238,998	2,919,634	4,920,328



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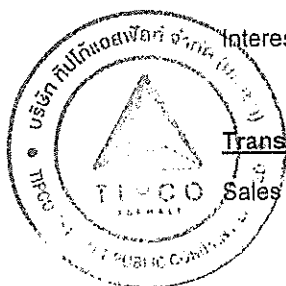
Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2020	299,928	276,928
Cumulative effects due to the adoption of new financial reporting standards (Note 4)	26,703	2,598
Provision for expected credit losses	57,192	7,876
Effect from foreign exchange	4,425	14,306
As at 31 December 2020	388,248	301,708

8. Related party transactions

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

	(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	4,883	6,771	Cost plus certain margin
Rental and service income	-	-	6	9	Contract price
Technical and administrative assistance income	-	-	57	59	Contract price
Interest income	-	-	37	40	At rate of 1.0 - 2.5 percent and LIBOR plus 1.5 percent per annum
Dividend income	-	-	227	285	
Purchases of goods	-	-	5	11	Cost plus certain margin
Rental and service expenses	-	-	3,487	2,425	Contract price
Interest expense	-	-	-	1	At rate of 1.0 percent per annum
<u>Transactions with joint ventures</u>					
Sales and service income	1,722	2,420	1,722	2,420	Market price / contract price



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(Unit: Million Baht)

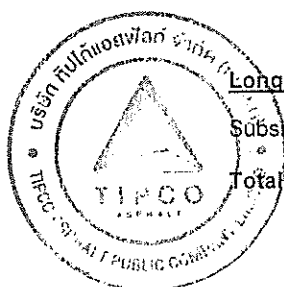
	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with associates</u>					
Sales and service income	190	253	157	214	Market price / contract price
Rental and service income	-	1	-	1	Contract price
Dividend income	-	-	58	42	
<u>Transactions with related companies</u>					
Sales and service income	1,308	1,456	1,302	1,438	Market price / contract price
Rental and service income	1	1	1	1	Contract price
Rental and service expenses	86	82	82	76	Contract price
Technical and administrative assistance expenses	42	39	42	39	Contract price

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

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade and other receivables- related parties (Note 7)				
Subsidiaries	-	-	1,023,516	1,576,406
Joint ventures	362,649	443,250	310,909	441,348
Associates	47,552	182,968	38,923	160,163
Related companies (common shareholders and directors)	127,030	157,167	126,041	152,077
Total trade and other receivables - related parties	537,231	783,385	1,499,389	2,329,994
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	-	-	(225,048)	(210,742)
Total trade and other receivables - related parties, net	537,231	783,385	1,274,341	2,119,252
Short-term loans to related parties				
Subsidiaries	-	-	138,000	13,000
Associate	127,000	-	127,000	-
Total short-term loan to related party	127,000	-	265,000	13,000

Long-term loans to related parties

Subsidiaries	-	-	1,305,671	1,479,030
Total long-term loans to related parties	-	-	1,305,671	1,479,030



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(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade and other payables - related parties</u> (Note 17)				
Subsidiaries	-	-	2,426,698	1,368,406
Joint venture	13	244	13	244
Associates	54	63	54	4
Related companies (common shareholders and directors)	87,502	81,058	86,991	79,582
Total trade and other payables - related parties	87,569	81,365	2,513,756	1,448,236

Short-term loan from related party

Subsidiary	-	-	-	160,000
Total short-term loan from related party	-	-	-	160,000

Long-term loan from related party

Related company (shareholder of subsidiary)	6,789	6,343	-	-
Total long-term loan from related party	6,789	6,343	-	-

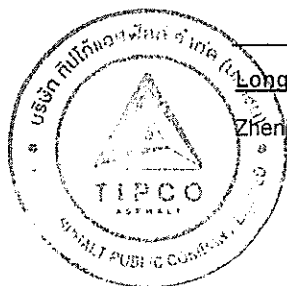
The balances and the movements of loans between the Company and those related companies were as follows:

(Unit: Thousand Baht)

		Consolidated financial statements		
Company's name	Related by	Balance as at 31 December 2019	Increase during the year	Balance as at 31 December 2020
<u>Short-term loan to related party</u>				
Thai Slurry Seal Company Limited	Associate	-	127,000	127,000
Total		-	127,000	127,000

(Unit: Thousand Baht)

		Consolidated financial statements		
		Exchange differences		
Company's name	Related by	Balance as at 31 December 2019	on translation of financial statements in foreign currencies	Balance as at 31 December 2020
<u>Long-term loan from related party</u>				
Zhenjiang Highway Materials Company	Shareholder of subsidiary	6,343	446	6,789



(Unit: Thousand Baht)

Company's name	Related by	Separate financial statements			
		Balance as at	Increase	Decrease	Gain (Loss)
		31 December	during	during	on
		2019	the year	the year	exchange
Short-term loans to related parties					
Alpha Maritime Co., Ltd.	Subsidiary	13,000	110,000*	-	-
Tipco Maritime Co., Ltd.	Subsidiary	-	15,000	-	-
Thai Slurry Seal Co., Ltd.	Associate	-	127,000	-	-
Total		13,000	252,000	-	-

Long-term loans to related parties

AD Shipping Pte. Ltd.	Subsidiary	178,559	-	(30,003)	(515)
Reta Link Pte. Ltd.	Subsidiary	599,958	-	(150,935)*	10,648
Pacific Bitumen Shipping Pte. Ltd.	Subsidiary	700,513	-	-	(2,554)
Total		1,479,030	-	(180,938)	7,579

Short-term loan from related party

Raycol Asphalt Co., Ltd.	Subsidiary	160,000	-	(160,000)	-
Total		160,000	-	(160,000)	-

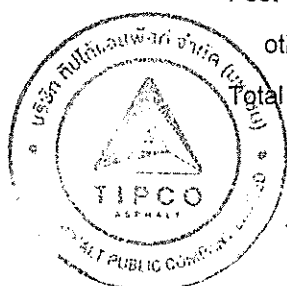
* Alpha Maritime Co., Ltd. ("AMC"), Reta Link Pte. Ltd. ("RTL") and the Company entered into the memorandum of agreements to make a payment for loans and related accrued interests included offsetting debts of RTL with the amount to be repaid by the Company during the current year.

Directors and management's benefits

During 2020 and 2019, the Group had employee benefit expenses of their directors and management as detailed below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	222	187	211	174
Post-employment benefits and other long-term benefits	4	3	4	3
Total	226	190	215	177



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Guarantee obligations with related parties

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

9. Inventories

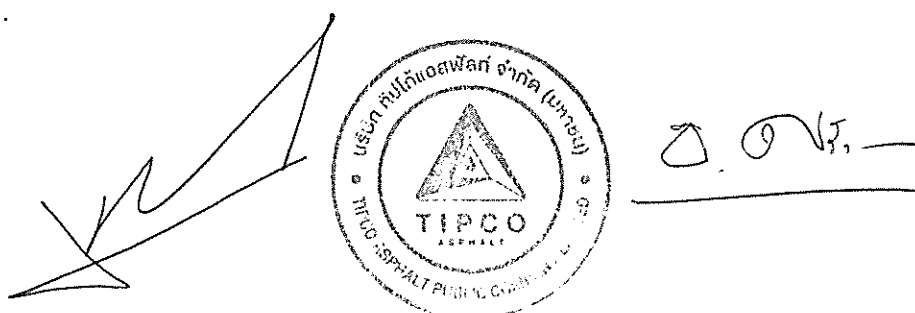
(Unit: Thousand Baht)

Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net
	2020	2019	2020	2019	2020 2019
Finished goods	1,289,211	1,410,270	(807)	(7,427)	1,288,404 1,402,843
Raw materials	2,958,803	1,706,891	(12,149)	(5,561)	2,946,654 1,701,330
Packaging materials, spare parts and factory supplies	132,327	110,349	(641)	(502)	131,686 109,847
Goods in transit	1,016,105	4,252,915	-	-	1,016,105 4,252,915
Total	5,396,446	7,480,425	(13,597)	(13,490)	5,382,849 7,466,935

(Unit: Thousand Baht)

Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net
	2020	2019	2020	2019	2020 2019
Finished goods	939,191	1,018,640	-	(5,379)	939,191 1,013,261
Raw materials	2,847,439	1,454,735	-	-	2,847,439 1,454,735
Packaging materials, spare parts and factory supplies	8,958	8,919	(502)	(502)	8,456 8,417
Goods in transit	980,280	4,131,825	-	-	980,280 4,131,825
Total	4,775,868	6,614,119	(502)	(5,881)	4,775,366 6,608,238

During the current year, the Group reduced cost of inventories by Baht 0.6 million, to reflect the net realisable value. This was included in cost of sales (2019: reversed by Baht 794 million) (The Company only: reversed by Baht 5.4 million (2019: reversed by Baht 928 million)).

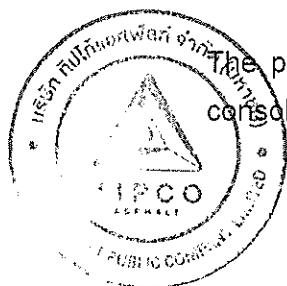


10. Investments in subsidiaries

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 year	
	2020	2019	2020	2019
<u>Domestic subsidiaries</u>				
Raycol Asphalt Co., Ltd.	580,712	580,712	166,500	111,000
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	-	-
Delta Shipping Co., Ltd.	79,999	79,999	-	-
Tasco Shipping Co., Ltd.	289,999	289,999	-	-
<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	60,201	61,367
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	<u>7,678,476</u>	<u>7,678,476</u>	<u>226,701</u>	<u>284,867</u>
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	<u>7,717,240</u>	<u>7,717,240</u>		

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



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Investment in Tipco Asphalt Lao Co., Ltd. ("TAL")

In April 2019, TAL called for a payment for shares at 30 percent of the registered share capital from shareholders or amounting to LAK 8,003 million. The Company needed to pay for such shares at 75 percent or amounting to LAK 6,002 million (approximately Baht 24 million). In May 2019, the Company paid for such share capital and unpaid share capital under the first call total amounting to LAK 13,873 million (approximately Baht 55 million).

11. Investments in joint ventures

11.1 Details of investments in joint ventures:

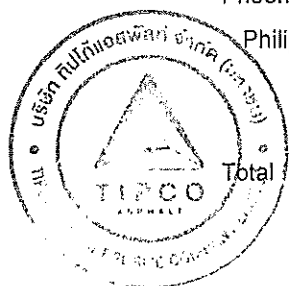
Investments in joint ventures represent investments in entities which the Group jointly control with other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint ventures	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2020	2019	2020	2019	2020	2019
		(%)	(%)				
Asia Bitumen Trading Pte. Ltd. (Owned by TIHK)	Distribution of asphalt and petroleum products	50	50	242	242	40,808	31,901
Borneo Asphalt Sdn Bhd (Owned by KBC)	Distribution of asphalt products	50	50	23,815	23,815	12,170	15,451
Phoenix Asphalt Philippines Inc.	Manufacture and distribution of asphalt and petroleum products	40	40	67,553	67,553	71,059	65,272
Total				91,610	91,610	124,037	112,624

(Unit: Thousand Baht)

Joint venture	Nature of business	Separate financial statements					
		Shareholding percentage		Cost		Carrying amounts based on cost method	
		2020	2019	2020	2019	2020	2019
		(%)	(%)				
Phoenix Asphalt Philippines Inc.	Manufacture and distribution of asphalt and petroleum products	40	40	67,553	67,553	67,553	67,553
Total				67,553	67,553	67,553	67,553



11.2 Share of comprehensive income

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

(Unit: Thousand Baht)

Joint ventures	Consolidated financial statements	
	Share of profit (loss) from investments in joint ventures during the year	
	2020	2019
Asia Bitumen Trading Pte. Ltd.	9,623	23,053
Borneo Asphalt Sdn Bhd	(2,656)	(2,945)
Phoenix Asphalt Philippines Inc.	2,282	274
Total	9,249	20,382

11.3 Summarised financial information about material joint ventures

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

Summarised information about financial position as at 31 December 2020 and 2019:

(Unit: Million Baht)

	2020	2019
Cash and cash equivalents	246.1	182.5
Trade and other receivables	174.6	593.7
Other assets	0.8	2.4
Trade and other payables	(324.8)	(689.0)
Other liabilities	(15.1)	(25.8)
Net assets	81.6	63.8
Shareholding percentage (%)	50	50
Carrying amounts of joint venture based on equity method	40.8	31.9

Summarised information about profit and loss for the years ended 31 December 2020 and 2019:

(Unit: Million Baht)

	2020	2019
Total revenues	3,092.6	5,528.9
Cost of goods sold	(3,044.6)	(5,439.2)
Total expenses	(28.8)	(43.6)
Profit for the year	19.2	46.1

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During the current year, ABT had no dividend paid (2019: USD 2 million or approximately Baht 69 million).

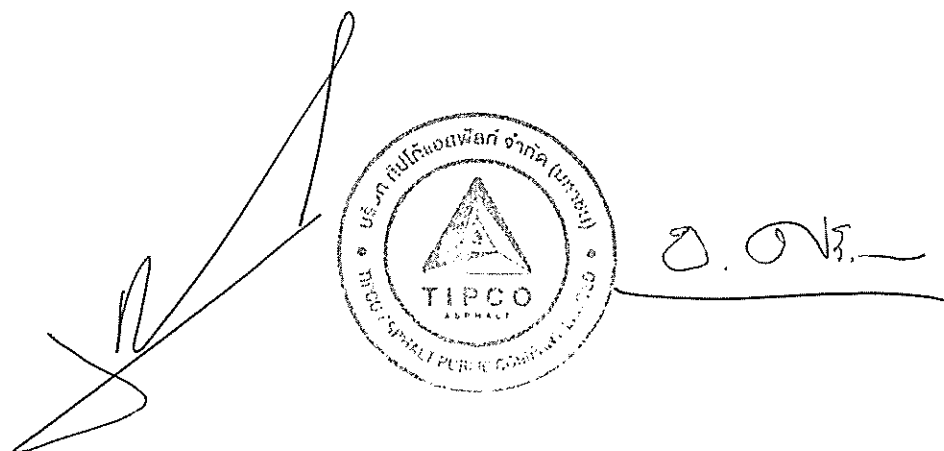
Financial information of Borneo Asphalt Sdn Bhd

Summarised information about financial position as at 31 December 2020 and 2019:

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	9.1	7.9
Trade and other receivables	4.3	0.7
Other assets	326.8	154.9
Trade and other payables	(47.5)	(0.2)
Other liabilities	(268.3)	(132.1)
Net assets	24.4	31.2
Shareholding percentage (%)	50	50
Carrying amounts of joint venture based on equity method	12.2	15.6

Summarised information about profit and loss for the years ended 31 December 2020 and 2019:

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Total revenues	2.1	1.2
Cost of goods sold	(3.6)	(0.7)
Total expenses	(3.8)	(6.2)
Loss for the year	(5.3)	(5.7)



Financial information of Phoenix Asphalt Philippines Inc.

Summarised information about financial position as at 31 December 2020 and 2019:

(Unit: Million Baht)

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	27.2	44.1
Trade and other receivables	33.4	15.8
Other assets	161.0	123.8
Trade and other payables	(20.8)	(10.3)
Other liabilities	(23.2)	(10.1)
Net assets	177.6	163.3
Shareholding percentage (%)	40	40
Carrying amounts of joint venture based on equity method	71.0	65.3

Summarised information about profit and loss for the years ended 31 December 2020 and 2019:

(Unit: Million Baht)

	<u>2020</u>	<u>2019</u>
Total revenues	287.9	73.4
Cost of goods sold	(256.6)	(66.7)
Total expenses	(25.8)	(6.0)
Profit for the year	5.5	0.7

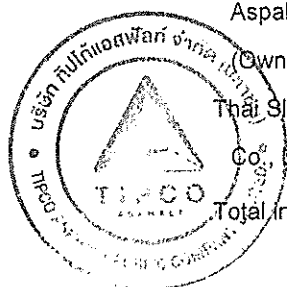
12. Investments in associates

12.1 Details of associates

(Unit: Thousand Baht)

Consolidated financial statements

Company's name	Nature of business	Shareholding		Cost		Carrying amounts based on equity method	
		percentage					
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(%)	(%)				
Colasie Co., Ltd.	Holding company	40	40	18,404	18,404	434,691	366,275
PT Sarana Distribusi Aspal Nusantara	Barge rental service						
(Owned by ABS)		49	49	1,313	1,313	53	253
Thai Slurry Seal Co., Ltd.	Road rehabilitation contractor	25	25	225,043	225,043	224,987	239,874
Total investments in associates				244,760	244,760	659,731	606,402



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(Unit: Thousand Baht)

Company's name	Nature of business	Separate financial statements					
		Shareholding		Cost		Carrying amounts	
		percentage				based on	
		2020	2019	2020	2019	2020	2019
		(%)	(%)				
Colasie Co., Ltd.	Holding company	40	40	18,404	18,404	18,404	18,404
Thai Slurry Seal Co., Ltd.	Road rehabilitation contractor	25	25	225,043	225,043	225,043	225,043
Total investments in associates				243,447	243,447	243,447	243,447

12.2 Share of comprehensive income and dividend received

The Group recognised its share of profit/loss from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investment		Dividend received	
	in associates during the year		during the year by the Company	
	2020	2019	2020	2019
Colasie Co., Ltd.	124,148	111,602	57,728	41,750
PT Sarana Distribusi				
Aspal Nusantara	(187)	(169)	-	-
Thai Slurry Seal Co., Ltd.	(14,887)	1,006	-	-
Total	109,074	112,439	57,728	41,750

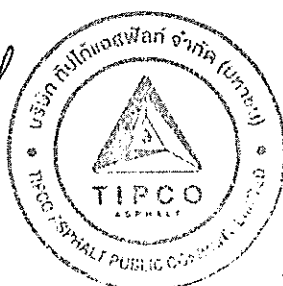
12.3 Summarised financial information about material associates

Financial information of Colasie Co., Ltd.

Financial information of Colasie Co., Ltd. as at 31 December 2020 and 2019 and for the years then ended are summarised below.

(Unit: Million Euro)

	2020	2019
Paid-up capital	1.04	1.04
Total assets	4.75	5.37
Total liabilities	0.00	0.03
Total revenues	3.62	4.25
Profit for the year	3.58	4.18



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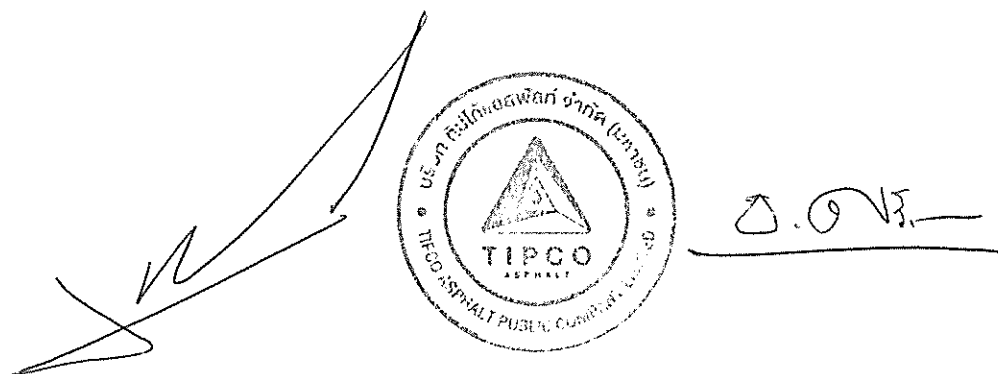
Financial information of Thai Slurry Seal Company Limited

Summarised information about financial position of Thai Slurry Seal Company Limited as at 31 December 2020 and 2019 are as follows:

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Current assets	1,859	792
Non-current assets	532	639
Current liabilities	(1,483)	(457)
Non-current liabilities	(118)	(124)
Net assets	790	850
Net assets attributable to the Company's investment (25%)	198	213
Goodwill	27	27
Carrying amounts of the associate based on equity method	225	240

Summarised information about comprehensive income for the years ended 31 December 2020 and 2019 are summarised below.

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Total revenues	1,482	1,264
Cost of goods sold	(1,321)	(1,144)
Total expenses	(221)	(116)
Profit (loss) for the year	(60)	4



13. Investment properties

(Unit: Thousand Baht)

Consolidated financial statements

	The Company's land, buildings and equipment located at Petchburi plant	Land of Thai Bitumen	Total
As at 31 December 2020:			
Cost	267,472	383,608	651,080
<u>Less</u> Accumulated depreciation	(137,804)	-	(137,804)
<u>Less</u> Allowance for diminution in value	(86,868)	(237,375)	(324,243)
Net book value	42,800	146,233	189,033

As at 31 December 2019:

Cost	268,377	383,608	651,985
<u>Less</u> Accumulated depreciation	(138,692)	-	(138,692)
<u>Less</u> Allowance for diminution in value	(86,885)	(169,475)	(256,360)
Net book value	42,800	214,133	256,933

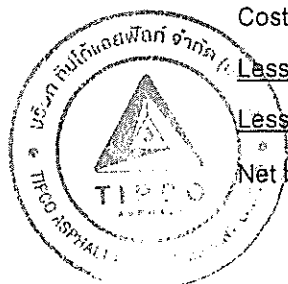
(Unit: Thousand Baht)

Separate financial statements

	The Company's land, buildings and equipment located at Petchburi plant	The Company's land for rent located at Suratthani province	Total
As at 31 December 2020:			
Cost	267,472	61,438	328,910
<u>Less</u> Accumulated depreciation	(137,804)	(9,896)	(147,700)
<u>Less</u> Allowance for diminution in value	(86,868)	-	(86,868)
Net book value	42,800	51,542	94,342

As at 31 December 2019:

Cost	268,377	61,438	329,815
<u>Less</u> Accumulated depreciation	(138,692)	(9,896)	(148,588)
<u>Less</u> Allowance for diminution in value	(86,885)	-	(86,885)
Net book value	42,800	51,542	94,342



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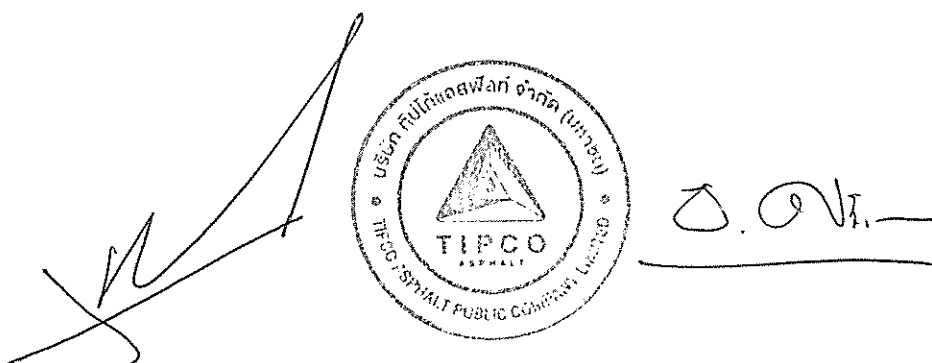
A reconciliation of the net book value of investment properties for 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	256,933	256,933	94,342	94,342
Impairment loss	(67,900)	-	-	-
Net book value at end of year	<u>189,033</u>	<u>256,933</u>	<u>94,342</u>	<u>94,342</u>

The fair values of the investment properties, appraised by an independent professional valuer using the Sales Comparison Approach, as at 31 December 2020 and 2019 are stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
The Company's land for rent located at				
Suratthani province	-	-	213,000	213,000
The Company's land, buildings and equipment				
located at Petchburi plant	42,800	42,800	42,800	42,800
Land of Thai Bitumen	146,233	219,908	-	-

In 2020, the subsidiary arranged for an independent professional valuer to appraise the value of the land using the Sales Comparison Approach, with the valuer appraising the assets at Baht 146 million. As a result of the appraisal, the subsidiary recorded an allowance for impairment loss of the assets amounting to Baht 68 million and presented in the consolidated profit or loss for 2020.

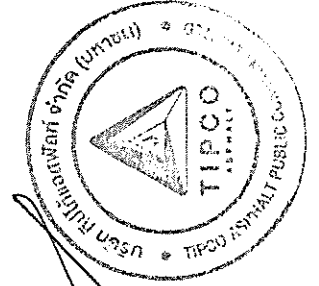


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14. Property, plant and equipment

(Unit: Thousand Baht)

Cost	Consolidated financial statements					
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation
As at 1 January 2019	674,675	859,902	7,185,689	1,378,204	4,221,911	395,102
Additions	3,676	15,443	65,856	26,618	507,626	717,433
Disposals/written off	(57)	(2,607)	(226,556)	(113,500)	(169,052)	-
Transfer in (transfer out)	2,672	57,709	236,499	36,882	-	(333,762)
As at 31 December 2019	680,966	930,447	7,261,488	1,328,204	4,560,485	778,773
Additions	4,682	12,483	51,077	37,138	93,202	485,950
Disposals/written off	(894)	(11,818)	(169,499)	(108,897)	(83,760)	(1,211)
Transfer in (transfer out)	12,455	40,212	828,032	17,268	-	(897,967)
As at 31 December 2020	697,209	971,324	7,971,098	1,273,713	4,569,927	365,545
						15,848,816



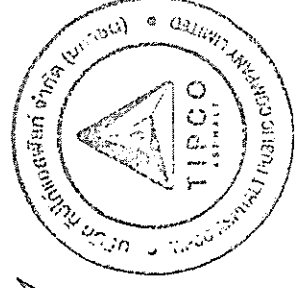
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office vehicles	Vessels	Construction in progress and equipment under installation	Total
Accumulated depreciation							
As at 1 January 2019	339,380	509,001	3,507,764	768,019	1,020,922	-	6,145,086
Depreciation for the year	5,122	25,749	369,168	127,335	220,779	-	748,153
Accumulated depreciation on disposals/written off	(22)	(2,242)	(131,430)	(109,803)	(113,952)	-	(357,449)
As at 31 December 2019	344,480	532,508	3,745,502	785,551	1,127,749	-	6,535,790
Depreciation for the year	5,615	27,609	409,535	124,249	234,670	-	801,678
Accumulated depreciation on disposals/written off	(776)	(10,899)	(166,339)	(106,969)	(83,760)	-	(368,743)
As at 31 December 2020	349,319	549,218	3,988,698	802,831	1,278,659	-	6,968,725
Allowance for impairment loss							
As at 1 January 2019	1,183	50,769	109,481	2,070	-	34,225	197,728
Increase during the year	-	-	797	-	-	-	797
Disposals/write-off	-	-	(83,357)	(4)	-	(29,176)	(112,537)
As at 31 December 2019	1,183	50,769	26,921	2,066	-	5,049	85,988
Increase during the year	-	-	6,273	-	-	-	6,273
Disposals/write-off	-	-	(795)	-	-	-	(795)
As at 31 December 2020	1,183	50,769	32,399	2,066	-	5,049	91,466

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(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and land improvement	Buildings, improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation
Translation adjustments						Total
As at 1 January 2019	-	24,148	(175,156)	(13,264)	(105,755)	24,998
Translation adjustments during the year	-	(14,728)	(189,218)	(10,423)	(119,108)	(54,367)
As at 31 December 2019	-	9,420	(364,374)	(23,687)	(224,863)	(29,369)
Translation adjustments during the year	-	1,661	(9,584)	(944)	3,564	5,334
As at 31 December 2020	-	11,081	(373,958)	(24,631)	(221,299)	(24,035)
Net book value						
As at 31 December 2019	335,303	356,590	3,124,691	516,900	3,207,873	744,355
As at 31 December 2020	346,707	382,418	3,576,043	444,185	3,069,969	336,461
Depreciation for the year						
2019 (Baht 680 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						748,153
2020 (Baht 694 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						801,678



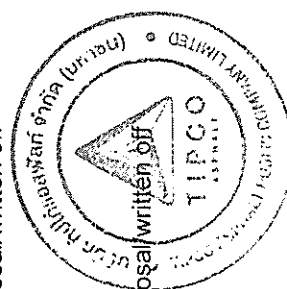
(Unit: Thousand Baht)

Separate financial statements

	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Construction in progress and equipment under installation	Total
Cost						
As at 1 January 2019	489,404	287,096	631,391	847,053	100,724	2,355,668
Additions	2,995	10,463	14,812	17,975	167,109	213,354
Disposals/written off	(57)	(1,412)	(11,605)	(92,681)	-	(105,755)
Transfer in (transfer out)	1,339	47,212	57,964	26,795	(133,310)	-
As at 31 December 2019	493,681	343,359	692,562	799,142	134,523	2,463,267
Additions	3,594	2,879	18,969	4,101	54,494	84,037
Disposals/written off	(894)	(9,567)	(101,743)	(72,852)	(710)	(185,766)
Transfer in (transfer out)	10,506	21,768	100,753	7,552	(140,579)	-
As at 31 December 2020	506,887	358,439	710,541	737,943	47,728	2,361,538
Accumulated depreciation						
As at 1 January 2019	248,281	200,491	517,334	488,350	-	1,454,456
Depreciation for the year	3,468	7,155	41,697	73,939	-	126,259
Accumulated depreciation on disposal/written off	(22)	(1,066)	(11,428)	(90,357)	-	(102,873)
As at 31 December 2019	251,727	206,580	547,603	471,932	-	1,477,842
Depreciation for the year	3,819	9,186	50,788	71,638	-	135,431
Accumulated depreciation on disposal/written off	(776)	(8,968)	(101,432)	(71,571)	-	(182,747)
As at 31 December 2020	254,770	206,798	496,959	471,999	-	1,430,526

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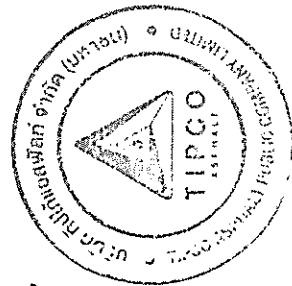


(Unit: Thousand Baht)

Separate financial statements

	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Construction in progress and equipment under installation	Total
Allowance for impairment loss						
As at 31 December 2019	1,183	-	-	-	-	1,183
Increase during the year	-	-	6,273	-	-	6,273
As at 31 December 2020	1,183	-	6,273	-	-	7,456
Net book value						
As at 31 December 2019	240,771	136,779	144,959	327,210	134,523	984,242
As at 31 December 2020	250,934	151,641	207,309	265,944	47,728	923,556
Depreciation for the year						
2019 (Baht 111 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						126,259
2020 (Baht 117 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						135,431

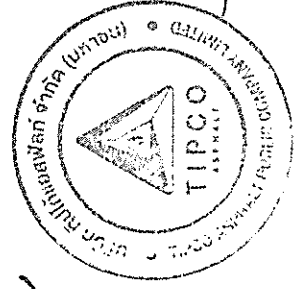
As at 31 December 2020, certain items of plant and equipment items had been fully depreciated but were still in use. The original cost of those assets amounted to approximately Baht 3,008 million (2019: Baht 3,034 million) (The Company only: Baht 1,202 million (2019: Baht 1,316 million)).



15. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Computer software		Non-competition clause		Computer software under installation		Computer software under installation	
	Computer software	Customer relationship				Total	Computer software	Total
As at 31 December 2020:								
Cost	191,827	177,083	11,724	1,966	382,600	156,839	1,966	158,805
Less Accumulated amortisation	(140,507)	(73,784)	(10,725)	-	(225,016)	(108,701)	-	(108,701)
Translation adjustments	1,775	-	(999)	-	776	-	-	-
Net book value	53,095	103,299	-	1,966	158,360	48,138	1,966	50,104
As at 31 December 2019:								
Cost	176,262	177,083	11,724	8,799	373,868	144,322	8,799	153,121
Less Accumulated amortisation	(110,331)	(59,028)	(9,820)	-	(179,179)	(81,504)	-	(81,504)
Translation adjustments	1,819	-	(994)	-	825	-	-	-
Net book value	67,750	118,055	910	8,799	195,514	62,818	8,799	71,617



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

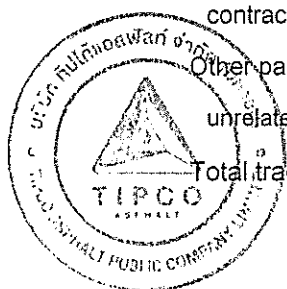
	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	195,514	230,016	71,617	87,874
Acquisition of computer software	8,732	13,275	5,684	11,342
Amortisation	(45,837)	(47,170)	(27,197)	(27,571)
Disposal/written off	-	(246)	-	(28)
Translation adjustments	(49)	(361)	-	-
Net book value at end of year	<u>158,360</u>	<u>195,514</u>	<u>50,104</u>	<u>71,617</u>

16. Short-term loans from financial institutions

	(Unit: Thousand Baht)					
	Interest rates		Consolidated		Separate	
	(% per annum)		financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Loans in Thai Baht	1.00 - 1.75	1.40 - 2.10	1,451,764	3,716,103	1,451,764	3,716,103
Loan in Vietnam Dong	-	5.00	-	26,030	-	-
Loans in Indonesia Rupiah	6.85	8.00 - 8.35	88,648	270,998	-	-
			<u>1,540,412</u>	<u>4,013,131</u>	<u>1,451,764</u>	<u>3,716,103</u>

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related parties (Note 8)	946	2,037	2,427,259	1,326,321
Trade payables - unrelated parties	2,086,299	5,435,791	1,930,651	5,265,585
Other payables - related parties (Note 8)	86,623	79,328	86,497	121,915
Accounts payable from commodity forward contracts	45,079	8,101	45,079	8,102
Other payables and accrued expenses - unrelated parties	812,651	790,857	346,422	366,138
Total trade and other payables	<u>3,031,598</u>	<u>6,316,114</u>	<u>4,835,908</u>	<u>7,088,061</u>

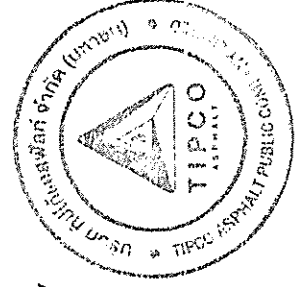


18. Long-term loans from financial institutions

Loan	Borrower	Interest rate	Repayment schedule	(Unit: Thousand Baht)	
				Consolidated financial statements	
				<u>2020</u>	<u>2019</u>
Long-term loans in USD from bank in Thailand					
	Alpha Maritime Company Limited	Rate referenced to LIBOR	Quarterly installments as stipulated in the agreements, commencing from July 2015		
Total				36,550	74,312
Less: Current portion				36,550	74,312
Long-term loans from financial institutions - net of current portion				(36,550)	(37,611)
				-	36,701

Loan covenants

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



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19. Credit facilities

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

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

(Unit: Million Baht)

	Consolidated financial statements	
	2020	2019
Right-of-use assets - net	120	-
Leasehold rights - net	-	124
Property, plant and equipment - net	2,593	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 drawn down by the subsidiaries.

20. Leases

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 50 years.

a) Right-of-use assets

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land and buildings	Machinery and equipment	Motor vehicles	Total
1 January 2020	490,512	49,734	28,760	569,006
Additions	21,896	12,709	29,635	64,240
Depreciation for the year	(52,544)	(9,083)	(13,855)	(75,482)
Translation adjustments	1,443	13	-	1,456
31 December 2020	461,307	53,373	44,540	559,220



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(Unit: Thousand Baht)

	Separate financial statements		
	Land and buildings	Motor vehicles	Total
1 January 2020	100,496	25,018	125,514
Additions	1,508	27,509	29,017
Depreciation for the year	(15,167)	(12,011)	(27,178)
31 December 2020	86,837	40,516	127,353

b) Lease liabilities

(Unit: Thousand Baht)

	As at 31 December 2020	
	Consolidated financial statements	Separate financial statements
Lease payments	338,132	138,808
Less: Deferred interest expenses	(57,614)	(11,781)
Total	280,518	127,027
Less: Portion due within one year	(62,041)	(26,929)
Lease liabilities - net of current portion	218,477	100,098

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

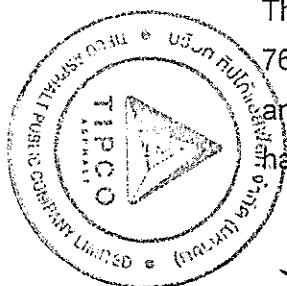
c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	75,482	27,178
Interest expense on lease liabilities	9,914	3,499
Expense relating to short-term leases	3,950	3,661
Expense relating to leases of low-value assets	5,457	3,645

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 76 million, including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 64 million.



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21. Provision for long-term employee benefits

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Provision for long-term employee				
benefits at beginning of year	167,693	149,496	119,182	107,684
Included in profit or loss:				
Defined benefit plans				
Current service cost	15,200	14,159	9,308	9,081
Past service cost	-	16,638	-	13,028
Interest cost	4,031	3,979	1,906	1,752
Long service award	749	745	558	555
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	2	-	-	-
Financial assumptions changes	402	849	-	-
Experience adjustments	491	(60)	-	-
Benefits paid during the year	(19,851)	(17,232)	(16,839)	(12,918)
Translation adjustments	(2,331)	(881)	-	-
Provision for long-term employee				
benefits at end of year	<u>166,386</u>	<u>167,693</u>	<u>114,115</u>	<u>119,182</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities. The Group recorded the effect of such change by recognising past service costs as expenses in the statement of comprehensive income in 2019.

The Group expect to pay Baht 27 million of long-term employee benefits during the next year (Separate financial statements: Baht 16 million) (2019: Baht 8 million, separate financial statements: Baht 6 million).



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As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit was between 4 - 14 years (Separate financial statements: 4 years) (2019: 4 - 15 years, separate financial statements: 4 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.5 - 8.0	2.5 - 8.3	2.5	2.5
Future salary increase rate	5.0 - 7.0	5.0 - 7.0	5.0	5.0
Staff turnover rate (depending on age of employee)	0.0 - 15.0	0.0 - 15.0	0.0 - 15.0	0.0 - 15.0

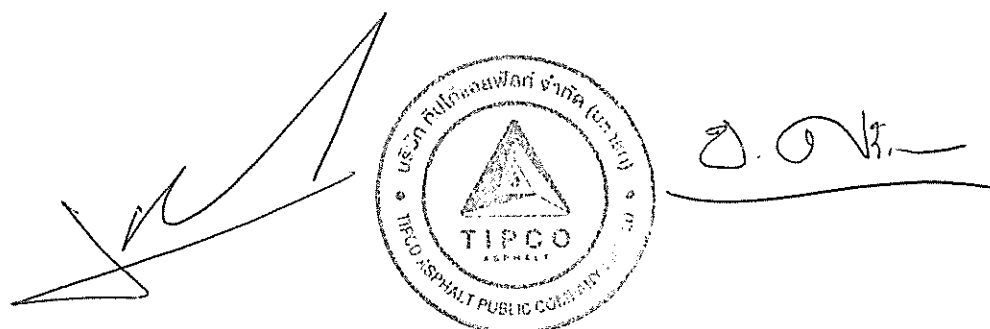
The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

(Unit: Million Baht)

	31 December 2020			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(7)	8	(4)	4
Salary increase rate	8	(7)	4	(4)

(Unit: Million Baht)

	31 December 2019			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(6)	7	(4)	4
Salary increase rate	7	(6)	4	(3)



22. Share capital

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

Number of warrants exercised (warrants)	1,598,500
Number of ordinary shares issued (shares)	1,598,500
Amount of cash received (Baht)	13,699,145
Paid-up capital after share registration (Baht)	1,578,361,570
(1,578,361,570 ordinary shares of Baht 1 each)	

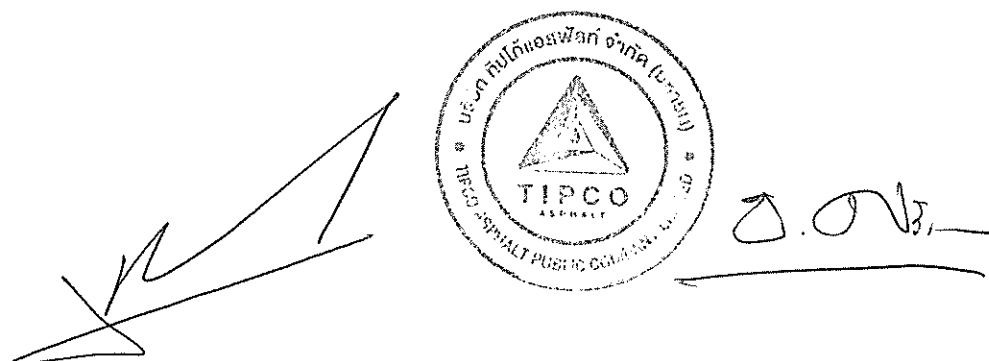
23. Statutory reserve

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

24. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Salary, wages and other employee benefits	1,283	1,108	624	552
Depreciation and maintenance expenses	960	927	274	221
Costs related to production of goods and services (excluding of staff cost, depreciation and maintenance expenses)	20,103	32,218	20,009	31,449



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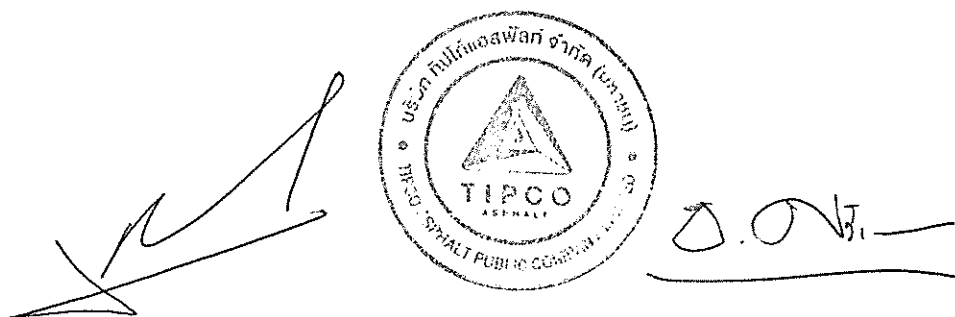
25. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	(786,308)	(548,663)	(556,183)	(415,146)
Adjustment in respect of income tax of previous year	(665)	(548)	-	898
Deferred tax:				
Relating to origination and reversal of temporary differences	29,633	40,212	16,371	21,039
Income tax expense reported in the statement of comprehensive income	<u>(757,340)</u>	<u>(508,999)</u>	<u>(539,812)</u>	<u>(393,209)</u>

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to actuarial loss	197	197	-	-
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	16,874	55,243	16,874	55,243
	<u>17,071</u>	<u>55,440</u>	<u>16,874</u>	<u>55,243</u>

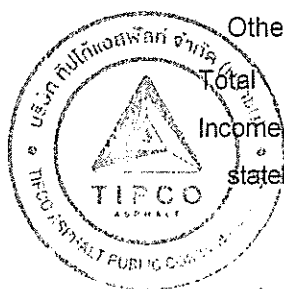


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Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit before tax	<u>4,354,840</u>	<u>3,654,734</u>	<u>3,025,874</u>	<u>2,876,815</u>
Income tax at Thai corporate income tax rate of 20%	(870,968)	(730,947)	(605,175)	(575,363)
Adjustment in respect of income tax of previous year	(665)	(548)	-	898
Utilisation of previously unrecognised tax losses and capital allowance	65,223	86,774	-	-
Unused tax loss which has not recognised as deferred tax assets	(214)	(20,725)	-	-
Difference of tax rate in group companies	12,318	(16,462)	-	-
Effects of:				
Non-deductible expenses	(78,943)	(81,672)	(7,185)	(609)
Additional expenses deductions allowed	28,237	14,061	9,795	10,108
Exemption of income	16,831	86,360	56,885	44,700
Promotional privileges (Note 26)	16,026	14,292	-	-
Tax privilege for a company that operates as an international trading center	2,435	2,392	2,435	2,392
Temporary difference of tax privilege for a company that operates as an international trading center	-	90,008	-	90,008
Tax privilege for a company that operates as an international headquarters	-	2,182	-	2,182
Tax privilege for a company that operates as an international business center	3,652	3,589	3,652	24,212
Tax privileges for maritime commerce (Note 27)	17,583	7,982	-	-
Share of profit from investment in joint ventures and associates	23,665	26,558	-	-
Others	7,480	7,157	(219)	8,263
Total	<u>36,966</u>	<u>172,909</u>	<u>65,363</u>	<u>181,256</u>
Income tax expenses reported in the statement of comprehensive income	<u>(757,340)</u>	<u>(508,999)</u>	<u>(539,812)</u>	<u>(393,209)</u>



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The tax rates enacted at the end of the reporting period of the Group is 0% to 25% (2019: 0% to 25%).

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statement	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets				
Allowance for doubtful accounts	45,953	38,530	60,342	55,385
Reduction of cost of inventories to				
net realisable value	212	2,223	100	1,176
Fair value of commodity forward contracts	135,789	155,568	135,789	155,568
Allowance for asset impairment	65,099	51,519	17,614	17,614
Provision for long-term employee benefits	34,377	35,347	22,823	23,836
Effect on elimination of intercompany				
transaction	52,337	12,437	-	-
Unutilised tax loss and capital allowance	32,924	15,205	12,632	14,444
Others	4,624	3,324	161	472
Total	371,315	314,153	249,461	268,495
Deferred tax liabilities				
Difference depreciation for tax purpose	(89,226)	(25,968)	(24,728)	(22,657)
Fair value of commodity forward contracts	(51,380)	(72,419)	(51,380)	(72,419)
Fair value of forward exchange contracts	(586)	(668)	(586)	(668)
Fair value adjustment of assets from				
business combination	(21,851)	(25,786)	-	-
Total	(163,043)	(124,841)	(76,694)	(95,744)
Deferred tax assets - net	208,272	189,312	172,767	172,751

As at 31 December 2020 and 2019, the overseas subsidiaries had deductible temporary differences and unused tax losses on which deferred tax assets have not been recognised as these subsidiaries believed that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses, as follows:



US Dollar
Malaysian Ringgit
Renminbi

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	<u>2020</u>	<u>2019</u>
	(Million)	(Million)
US Dollar	-	5
Malaysian Ringgit	101	111
Renminbi	33	33

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In addition, Kemaman Bitumen Company Sdn Bhd and Reta Link Pte. Ltd. were granted tax privilege for a corporate income tax reduction from the stipulated investment amount.

26. Promotional privileges

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

<u>Alpha Maritime Company Limited</u>	<u>Bitumen Marine Company Limited</u>	<u>Tasco Shipping Company Limited</u>
9 October 2014	29 October 2015	11 January 2013

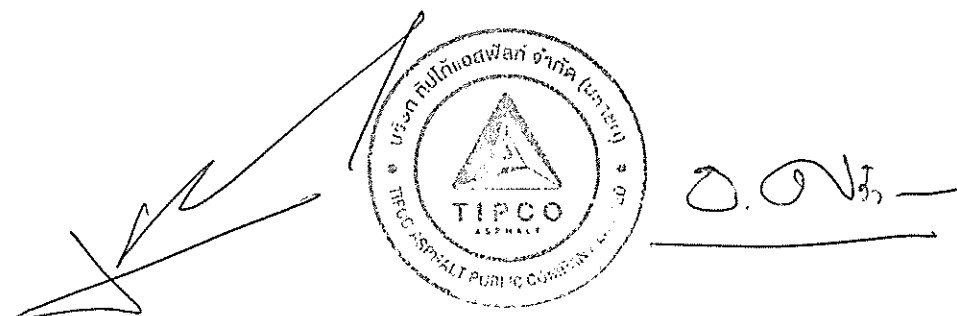
27. Tax privileges for maritime commerce

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

28. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued without consideration of exercising period.

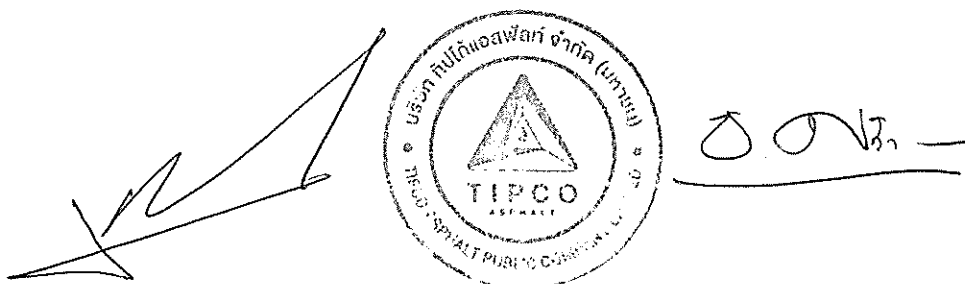


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The following tables set forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
Profit for the year		Weighted average number		Earnings per share		
		of ordinary shares				
<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	3,591,824	3,123,280	1,577,909	1,575,909	2.28	1.98
Effect of dilutive potential						
ordinary shares						
ESOP-W5	-	-	-	1,368		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares	<u>3,591,824</u>	<u>3,123,280</u>	<u>1,577,909</u>	<u>1,577,277</u>	2.28	1.98

Separate financial statements						
Profit for the year		Weighted average number		Earnings per share		
		of ordinary shares				
<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	2,486,062	2,483,605	1,577,909	1,575,909	1.58	1.58
Effect of dilutive potential						
ordinary shares						
ESOP-W5	-	-	-	1,368		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares	<u>2,486,062</u>	<u>2,483,605</u>	<u>1,577,909</u>	<u>1,577,277</u>	1.58	1.57



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) and "TPCO ASPHALT" in the center. To the right of the stamp is a handwritten signature.

29. 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 has been presented only by geographical based on locations of each company, as follows:

(Unit: Million Baht)

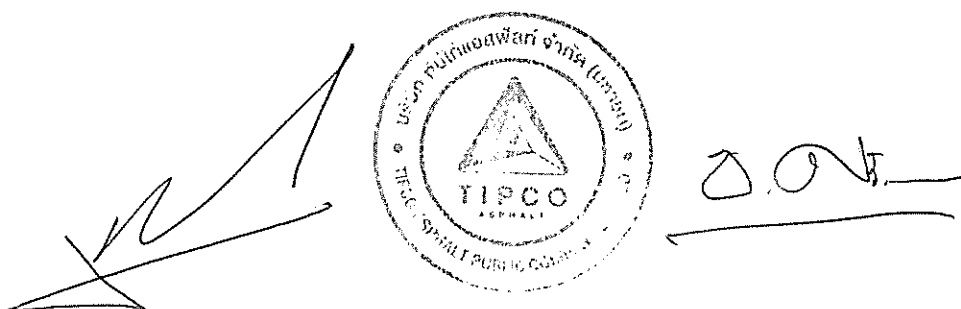
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from external customers	20,033	29,044	6,122	7,849	-	-	26,155	36,893
Intersegment revenues	4,409	6,437	2,789	1,790	(7,198)	(8,227)	-	-
Total revenue	24,442	35,481	8,911	9,639	(7,198)	(8,227)	26,155	36,893
Segment operating profit (loss)	2,674	2,540	1,114	608	(196)	(25)	3,592	3,123

Non-current assets (other than deferred tax assets-net)

(Unit: Million Baht)

	Geographic segment located in Thailand		Geographic segment located in overseas		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Non-current assets	3,267	3,264	6,745	6,646	10,012	9,910

Transfer prices between the segments are as set out in Note 8 to the consolidate financial statements.



30. Dividend

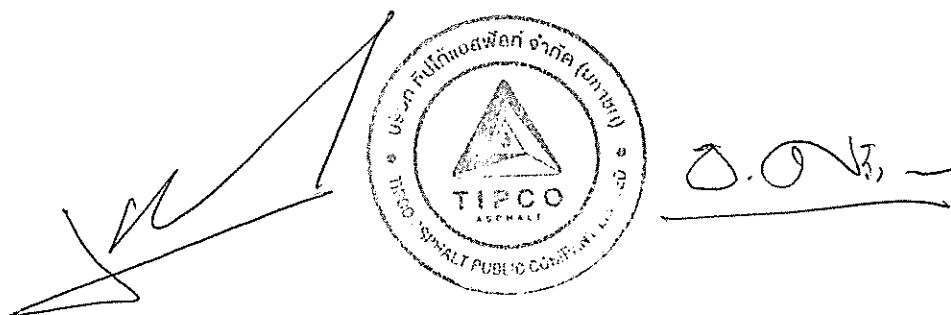
Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2018	Annual General Meeting of the shareholders on 5 April 2019	472.4	0.3
Interim dividends for 2019	Board of Directors' Meeting on 13 August 2019	630.5	0.4
Total for 2019		<u>1,102.9</u>	<u>0.7</u>
Final dividends 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 2020		<u>2,208.2</u>	<u>1.4</u>

31. Commitments and contingent liabilities

31.1 Capital commitment

As at 31 December 2020 and 2019, the Group had outstanding capital commitments relating to the purchase of machinery, equipment and construction of building, as follows:

Foreign currency	Consolidated financial statements		Separate financial statements	
	2020 (Million)	2019 (Million)	2020 (Million)	2019 (Million)
Baht	23	55	15	39
Malaysian Ringgit	26	48	-	-
Vietnam Dong	5,755	12,251	-	-



31.2 Long-term service commitments

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

Future minimum service fees payable under these agreements as at 31 December 2020 were as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Within 1 year	53	48
2 to 5 years	24	21
Total	77	69

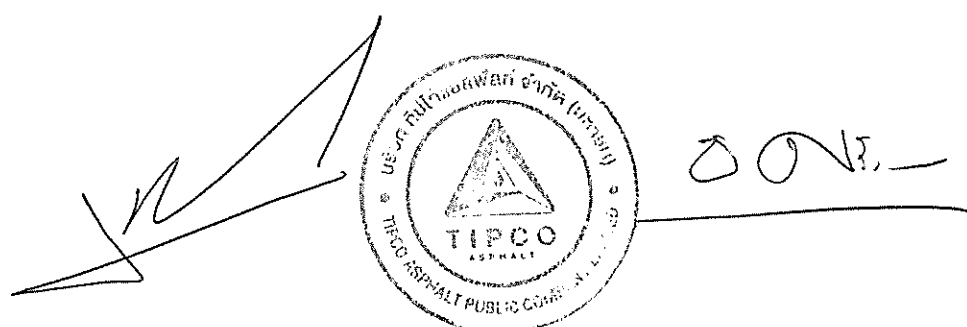
31.3 Long-term service agreement

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 years ended 31 December 2020 and 2019 amounted to approximately Baht 42 million and Baht 39 million, respectively.

31.4 Bank guarantees

As at 31 December 2020 and 2019, there were 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 which are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements	
	2020 (Million)	2019 (Million)	2020 (Million)	2019 (Million)
Baht	3	3	2	2
Malaysian Ringgit	10	9	-	-
US Dollar	1	12	1	12



31.5 Tax assessment

An overseas subsidiary, of which investment cost is Baht 3 million, has been assessed by the authority on corporate income tax, withholding tax and value added tax by approximately USD 18 million (equivalent to Baht 593 million), covering the years 2008 - 2012 and 2014. The management has appointed an independence tax advisor to appeal the assessments and the independence tax advisor is of an opinion that the case is defensible. The Group's management believes that there will not be any significant loss resulting from the assessment in excess of the investment cost.

32. Financial instruments

32.1 Derivatives and hedge accounting

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Derivative assets				
Not designated as hedging instruments				
Commodity forward contracts	144,233	164,838	144,233	164,838
Forward exchange contracts	2,929	3,338	2,929	3,338
Designated as hedging instruments				
Commodity forward contracts	-	220	-	220
Total derivative assets	<u>147,162</u>	<u>168,396</u>	<u>147,162</u>	<u>168,396</u>
Derivative liabilities				
Not designated as hedging instruments				
Commodity forward contracts	452,564	386,815	452,564	386,815
Forward exchange contracts	1,253	7,756	804	2,361
Designated as hedging instruments				
Commodity forward contracts	<u>113,717</u>	<u>193,985</u>	<u>113,717</u>	<u>193,985</u>
Total derivative liabilities	<u>567,534</u>	<u>588,556</u>	<u>567,085</u>	<u>583,161</u>

All derivatives were measured at fair value in level 2.

Derivatives not designated as hedging instruments

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



Signature

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Derivatives designated as hedging instruments

Cash flow hedges on commodity prices

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

There is an economic relationship between the hedging instruments and the hedged items as the significant terms of the commodity forward contracts, i.e. notional amount and expected payment date, match those of the forecast sales (the expected highly probable forecast transactions). The Group has established a hedge ratio of 0.97:1 for the hedging relationships.

Hedge ineffectiveness can arise from:

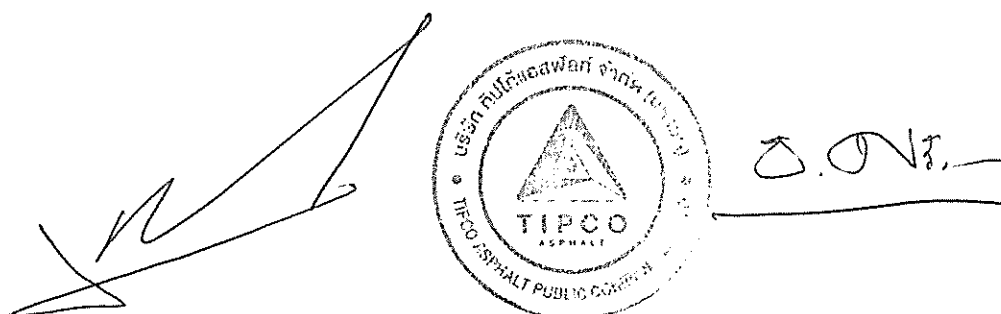
- Differences in the timing of the cash flows of hedged items and hedging instruments
- Differences in commodity indexes of hedged items and hedging instruments
- Changes to the forecasted amount of cash flows of hedged items or hedging instruments

Derivatives held by the Group as hedging instruments as at 31 December 2020 are to mature within one year and carries an average hedge rate of USD 47.9 per barrels.

The impact of hedged items on the statement of financial position as at 31 December 2020 is, as follows:

(Unit: Thousand Baht)


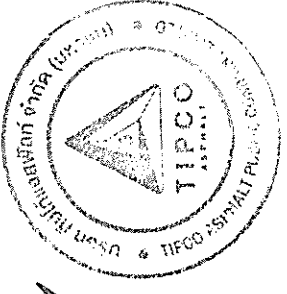

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Petroleum sales	116,249	112,665	3,584



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The impact of the hedging instruments on the statement of financial position as at 31 December 2020 and the effect of the cash flow hedge in the statement of comprehensive income for the year ended 31 December 2020 are, as follows:

Consolidated and separate financial statements										(Unit: Thousand Baht)
	Notional amounts	Carrying amount	Changes in fair value used for			Effectiveness		Line item in profit or loss	Line item in profit or loss	Amount of cash flow hedge reserve reclassified to profit or loss
			measuring ineffectiveness	comprehensive income	loss recognised in other comprehensive income	Ineffectiveness recognised in profit or loss				
Commodity forward contracts - hedge the risk arising from petroleum products sales	584,121	(113,717)	(112,665)	(112,665)	-	-	Loss from price hedging contracts			(257,707)
										Deduct sales and service income

32.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, trade and other payables and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks.

Financial instruments and cash deposits

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

Market risk

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

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



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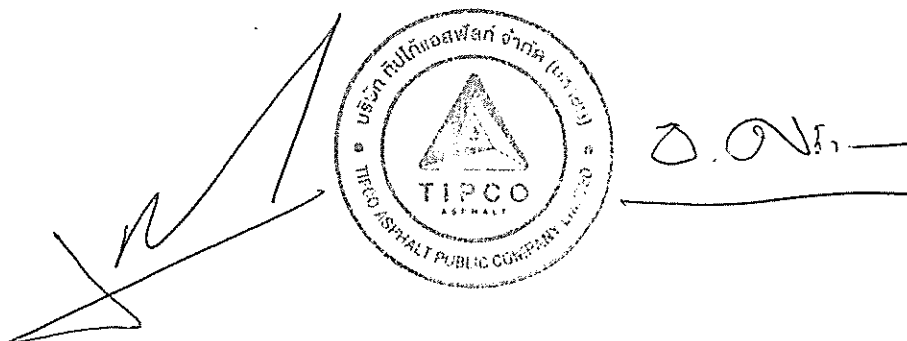
Foreign currency risk

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

As at 31 December 2020 and 2019, the balances of financial assets and liabilities of the Group denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	33	76	64	163	30.0	30.2
Euro	-	-	1	1	36.9	33.7
Yen	-	-	7	7	0.3	0.3
Ringgit	15	8	23	23	7.4	7.3

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	86	151	88	185	30.0	30.2
Euro	-	-	1	1	36.9	33.7
Renminbi	50	50	-	-	4.6	4.3
Ringgit	-	-	7	5	7.4	7.3
Indonesia Rupiah	-	-	-	26	0.0021	0.0022



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

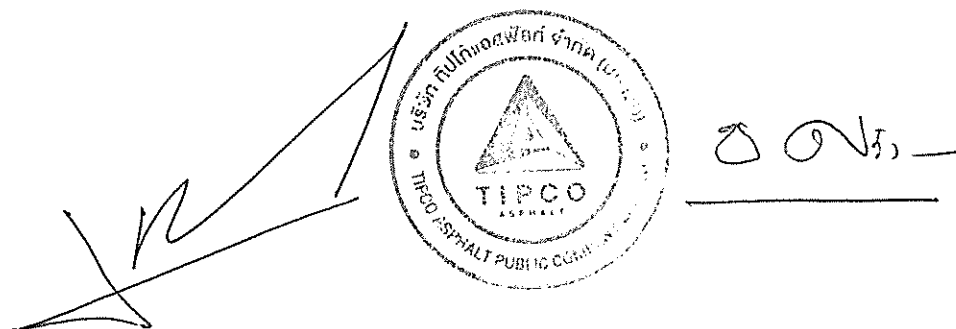
As at 31 December 2020

	Consolidated		Separate			
	financial statements		financial statements			
	Sold	Bought	Sold	Bought	Contractual exchange rate	
Foreign currency	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

As at 31 December 2019

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought	Sold	Bought
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)	(Per 1 foreign currency unit)	
US Dollar	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 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 loan from financial institution. These investments and loans are currently not hedged by derivative financial instruments.



The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in FX rate	Effect on profit before tax (Thousand Baht)
US dollar	+1%	(17,694)
	-1%	17,694

Interest rate risk

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

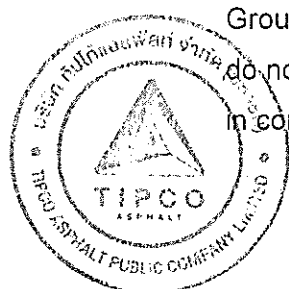
The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on loans from financial institutions affected as at 31 December 2020.

	Increase/decrease	Effect on profit before tax (Thousand Baht)
Interest rate	+1%	(1,260)
	-1%	1,260

Commodity price risk

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

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



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

Commodity price sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in commodity price, with all other variables held constant.

	Increase/decrease	Effect on profit before tax (Thousand Baht)	Effect on equity (Thousand Baht)
Crude price	+1%	(6,068)	-
	-1%	6,068	-
Petroleum price	+1%	(14,646)	(6,978)
	-1%	14,646	6,978

Liquidity risk

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

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	1,660,539	-	-	1,660,539
Trade and other payables	3,031,598	-	-	3,031,598
Lease liabilities	65,792	139,348	106,677	311,817
Long-term loan from financial institutions	37,641	-	-	37,641
Long-term loan from related party	-	-	6,789	6,789
Total non-derivatives	4,795,570	139,348	113,466	5,048,384
Derivatives				
Derivative liabilities - commodity forward contracts	562,560	3,722	-	566,282



O. O. N. J.

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(Unit: Thousand Baht)

	Separate financial statements			
	Less than	1 to 5		
	1 year	years	> 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	1,460,449	-	-	1,460,449
Trade and other payables	4,835,908	-	-	4,835,908
Lease liabilities	29,721	75,236	32,981	137,938
Total non-derivatives	6,326,078	75,236	32,981	6,434,295
Derivatives				
Derivative liabilities - commodity forward contracts	562,560	3,722	-	566,282

32.3 Fair value of financial instruments

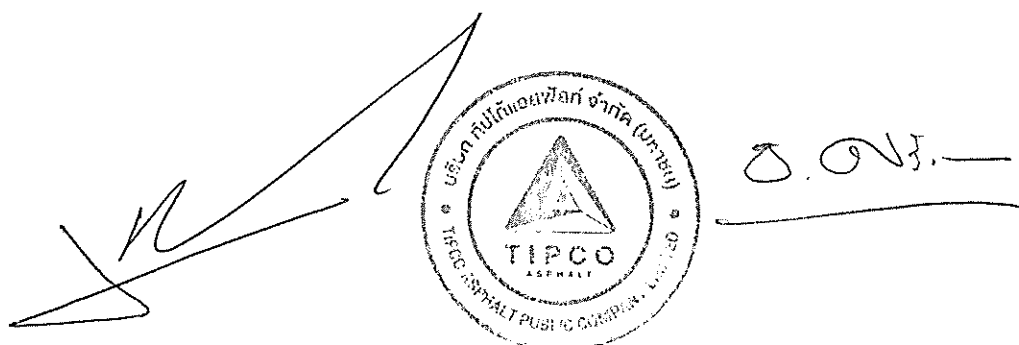
Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position. For derivatives, fair value is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

33. Capital management

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

The Group manages its capital position with reference to financial ratio. As at 31 December 2020 and 2019, these financial ratios were as follow:

Financial Ratio	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest Bearing Short-term Debt-to-Equity Ratio	0.105 : 1	0.298 : 1	0.122 : 1	0.336 : 1
Interest Bearing Long-term Debt-to-Equity Ratio	-	0.003 : 1	-	-



34. Insurance claim - net of damages and expenses from a fire at a subsidiary

During the current year, the subsidiary had incurred additional operating expenses for crude storage, logistic handling and other related expenses of 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 addition in 2020, the subsidiary received and recorded the third partial payment pursuant to its insurance claim of MYR 24 million or approximately Baht 174 million.

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

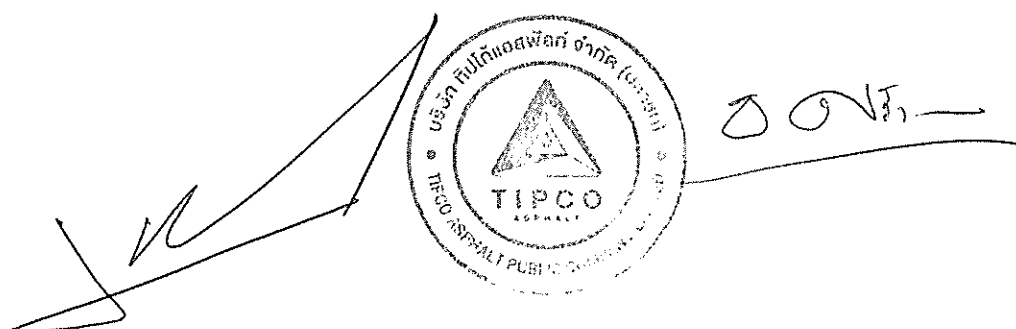
35. Events after the reporting period

On 14 January 2021, the Board of Directors' Meeting of the Company passed the following significant resolutions:

- 1) Approved a payment of interim dividend for the year 2020 of Baht 0.3 per share, a total of Baht 474 million. The Company paid the dividend on 9 February 2021.
- 2) Approved the Company's increase of its shareholding in Thai Slurry Seal Co., Ltd. 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.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 11 February 2021.



The image shows a handwritten signature in black ink, which appears to be 'D. O. V.', written over a circular official stamp. The stamp is for TPCO Asphalt Public Company Limited. The outer ring of the stamp contains the text 'บริษัท ทีพีซีแอสฟัลท์ จำกัด (มหาชน)' at the top and 'TPCO ASPHALT PUBLIC COMPANY LIMITED' at the bottom. In the center of the stamp is a triangular logo with the letters 'TIPCO' and the word 'ASPHALT' below it.