

Tipco Asphalt Public Company Limited and its subsidiaries  
Report and interim consolidated financial statements  
For the three-month and six-month periods ended 30 June 2019

## Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Tipco Asphalt Public Company Limited

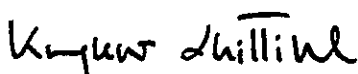
I have reviewed the accompanying consolidated statement of financial position of Tipco Asphalt Public Company Limited and its subsidiaries as at 30 June 2019, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Tipco Asphalt Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of review

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

### Conclusion

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



Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 8 August 2019

Tipco Asphalt Public Company Limited and its subsidiaries

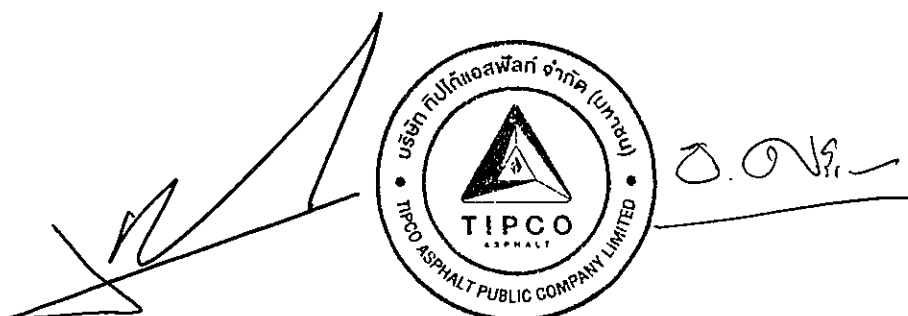
Statement of financial position

As at 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,512,661	1,103,711	613,433	269,949
Trade and other receivables	3, 4	6,184,816	5,041,904	5,372,794	4,467,235
Inventories	5	10,324,899	7,321,720	9,370,706	6,292,330
Price hedging contracts	18	170,969	660,803	170,969	660,803
Other current assets		263,290	262,350	56,612	45,053
<b>Total current assets</b>		<b>18,456,635</b>	<b>14,390,488</b>	<b>15,584,514</b>	<b>11,735,370</b>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	7,717,240	7,693,265
Investments in joint ventures		140,496	130,496	67,553	67,553
Investments in associates		560,278	540,899	243,447	243,447
Long-term loans to related parties	4	-	-	1,024,976	1,248,756
Investment properties		256,933	256,933	94,342	94,342
Property, plant and equipment	7	7,759,802	8,127,640	945,125	900,029
Goodwill		146,294	146,294	-	-
Other intangible assets		211,273	230,016	78,492	87,874
Leasehold rights		296,817	318,526	2,621	2,735
Deferred tax assets - net		88,517	94,055	71,180	96,470
Other non-current assets		18,479	18,119	3,949	3,932
<b>Total non-current assets</b>		<b>9,478,889</b>	<b>9,862,978</b>	<b>10,248,925</b>	<b>10,438,403</b>
<b>Total assets</b>		<b>27,935,524</b>	<b>24,253,466</b>	<b>25,833,439</b>	<b>22,173,773</b>

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



Tipco Asphalt Public Company Limited and its subsidiaries

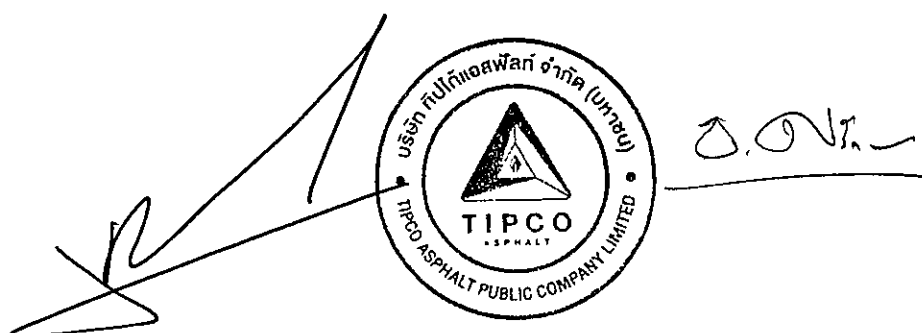
Statement of financial position (continued)

As at 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions		5,585,125	6,936,126	5,025,696	6,450,174
Trade and other payables	4, 8	8,591,138	4,015,397	9,224,384	4,544,661
Short-term loan from related party	4	-	-	80,000	25,000
Current portion of long-term loans from financial institutions	9	96,388	131,615	-	-
Income tax payable		158,296	127,569	98,208	76,260
Price hedging contracts	18	118,222	152,721	118,222	152,721
Other current liabilities		57,572	116,591	18,606	110,706
<b>Total current liabilities</b>		<b>14,606,741</b>	<b>11,480,019</b>	<b>14,565,116</b>	<b>11,359,522</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions -					
net of current portion	9	57,811	79,906	-	-
Long-term loan from related party	4	6,574	6,944	-	-
Provision for long-term employee benefits		176,753	149,496	123,339	107,684
<b>Total non-current liabilities</b>		<b>241,138</b>	<b>236,346</b>	<b>123,339</b>	<b>107,684</b>
<b>Total liabilities</b>		<b>14,847,879</b>	<b>11,716,365</b>	<b>14,688,455</b>	<b>11,467,206</b>

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Tipco Asphalt Public Company Limited and its subsidiaries

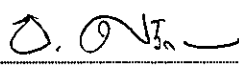
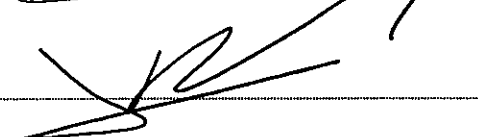
Statement of financial position (continued)

As at 30 June 2019

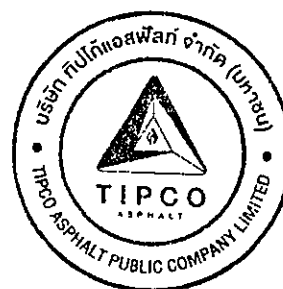
(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital	13				
Registered					
1,579,883,570 ordinary shares of Baht 1 each		1,579,884	1,579,884	1,579,884	1,579,884
Issued and fully paid					
1,575,570,570 ordinary shares (2018: 1,573,821,570 ordinary shares) of Baht 1 each		1,575,571	1,573,822	1,575,571	1,573,822
Premium on share capital		1,131,261	1,118,474	1,131,261	1,118,474
Share subscription	13	6,856	8,074	6,856	8,074
Non-controlling interests of subsidiary acquired by the Company at price lower than book value		6,238	6,238	-	-
Change in the Company's interest in subsidiaries which did not result in a loss of control		(570,311)	(570,311)	-	-
Capital reserve for share-based payment transactions		174,753	174,753	174,753	174,753
Retained earnings					
Appropriated - statutory reserve		172,123	172,123	172,123	172,123
Unappropriated		11,461,405	10,163,249	8,092,332	7,259,324
Other components of shareholders' equity		(1,033,675)	(264,281)	(7,912)	399,997
Equity attributable to owners of the Company		12,924,221	12,382,141	11,144,984	10,706,567
Non-controlling interests of the subsidiaries		163,424	154,960	-	-
<b>Total shareholders' equity</b>		<b>13,087,645</b>	<b>12,537,101</b>	<b>11,144,984</b>	<b>10,706,567</b>
<b>Total liabilities and shareholders' equity</b>		<b>27,935,524</b>	<b>24,253,466</b>	<b>25,833,439</b>	<b>22,173,773</b>

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

Directors



(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the three-month period ended 30 June 2019

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

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues					
Sales and service income		10,783,937	5,766,292	9,927,621	5,374,974
Other income					
Dividend income from subsidiaries		-	-	223,500	362,181
Dividend income from an associate		-	-	41,750	12,433
Gain on exchange		98,761	509	99,021	10,523
Others		23,583	25,638	32,505	32,873
Total revenues		10,906,281	5,792,439	10,324,397	5,792,984
Expenses					
Cost of sales and services		9,822,401	5,058,637	9,287,364	4,951,698
Loss from price hedging contracts	18	35,614	188,107	39,721	180,367
Reduction of cost of inventories to net realisable value	5	9,445	1,004	8,524	1,542
		9,867,460	5,247,748	9,335,609	5,133,607
Selling expenses		46,853	43,800	27,786	23,992
Administrative expenses		250,452	304,849	151,919	154,926
Other expenses					
Bad debt and allowance for doubtful accounts		7,968	1,201	3,120	1,350
Insurance claim - net of damages and expenses from a fire at a subsidiary	19	(422,456)	-	-	-
Total expenses		9,750,277	5,597,598	9,518,434	5,313,875
Profit before share of profit from investment in joint ventures, associates, finance cost and income tax					
		1,156,004	194,841	805,963	479,109
Share of profit from investments in joint ventures		10,327	1,504	-	-
Share of profit from investments in associates		29,775	23,625	-	-
Profit before finance cost and income tax		1,196,106	219,970	805,963	479,109
Finance cost		(53,419)	(37,258)	(34,772)	(21,655)
Profit before income tax		1,142,687	182,712	771,191	457,454
Income tax	11	(83,650)	(57,378)	(71,661)	(42,597)
Profit for the period		1,059,037	125,334	699,530	414,857
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currencies		(250,097)	932,684	-	-
Change in fair value of hedging instruments of cash flow hedges - net of income tax		112,581	10,041	112,581	10,041
Other comprehensive income for the period		(137,516)	342,725	112,581	10,041
Total comprehensive income for the period		921,521	468,059	812,111	424,898

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

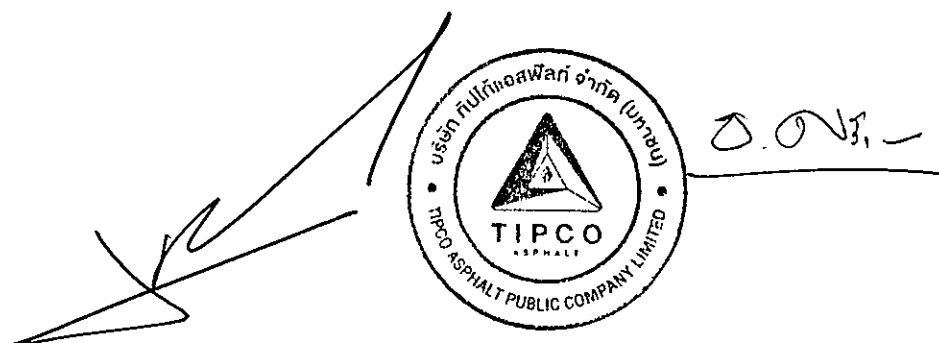
Statement of comprehensive income (continued)

For the three-month period ended 30 June 2019

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

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Profit attributable to:					
Equity holders of the Company		1,052,888	121,188	699,530	414,857
Non-controlling interests of the subsidiaries		6,149	4,146		
		1,059,037	125,334		
Total comprehensive income attributable to:					
Equity holders of the Company		923,529	461,981	812,111	424,898
Non-controlling interests of the subsidiaries		(2,008)	6,078		
		921,521	468,059		
Earnings per share (Baht)					
	12				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.67	0.08	0.44	0.27
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.67	0.08	0.44	0.26

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



(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the six-month period ended 30 June 2019

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

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
<b>Revenues</b>					
Sales and service income		17,875,219	11,029,406	16,125,379	9,907,083
Other income					
Dividend income from subsidiaries		-	-	223,500	362,181
Dividend income from an associate		-	-	41,750	12,433
Gain on exchange		207,767	31,284	204,634	33,100
Others		43,535	44,817	69,802	68,488
<b>Total revenues</b>		<b>18,126,521</b>	<b>11,105,507</b>	<b>16,665,065</b>	<b>10,383,285</b>
<b>Expenses</b>					
Cost of sales and services		16,504,164	9,703,530	15,634,148	9,071,076
Loss from price hedging contracts	18	67,816	217,577	71,923	212,477
Reduction of cost of inventories to net realisable value (reversal)	5	(781,288)	(17,456)	(913,361)	1,542
		15,790,692	9,903,651	14,792,710	9,285,095
Selling expenses		81,653	80,668	47,312	44,097
Administrative expenses		515,809	590,322	302,053	307,751
Other expenses					
Bad debt and allowance for doubtful accounts		15,042	1,998	1,312	258
Insurance claim - net of damages and expenses from a fire at a subsidiary	19	(279,718)	-	-	-
<b>Total expenses</b>		<b>16,123,478</b>	<b>10,576,639</b>	<b>15,143,387</b>	<b>9,637,201</b>
<b>Profit before share of profit from investment in joint ventures, associates, finance cost and income tax</b>		<b>2,003,043</b>	<b>528,868</b>	<b>1,521,678</b>	<b>746,084</b>
Share of profit (loss) from investments in joint ventures		15,002	(368)	-	-
Share of profit from investments in associates		64,561	64,359	-	-
<b>Profit before finance cost and income tax</b>		<b>2,082,606</b>	<b>592,859</b>	<b>1,521,678</b>	<b>746,084</b>
Finance cost		(113,636)	(64,966)	(75,225)	(35,003)
<b>Profit before income tax</b>		<b>1,968,970</b>	<b>527,893</b>	<b>1,446,453</b>	<b>711,081</b>
Income tax	11	(189,325)	(98,299)	(141,037)	(65,020)
<b>Profit for the period</b>		<b>1,779,645</b>	<b>429,594</b>	<b>1,305,416</b>	<b>646,061</b>
<b>Other comprehensive income:</b>					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currencies		(370,094)	68,984	-	-
Change in fair value of hedging instruments of cash flow hedges - net of income tax		(407,909)	(27,590)	(407,909)	(27,590)
<b>Other comprehensive income for the period</b>		<b>(778,003)</b>	<b>41,394</b>	<b>(407,909)</b>	<b>(27,590)</b>
<b>Total comprehensive income for the period</b>		<b>1,001,642</b>	<b>470,988</b>	<b>897,507</b>	<b>618,471</b>

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

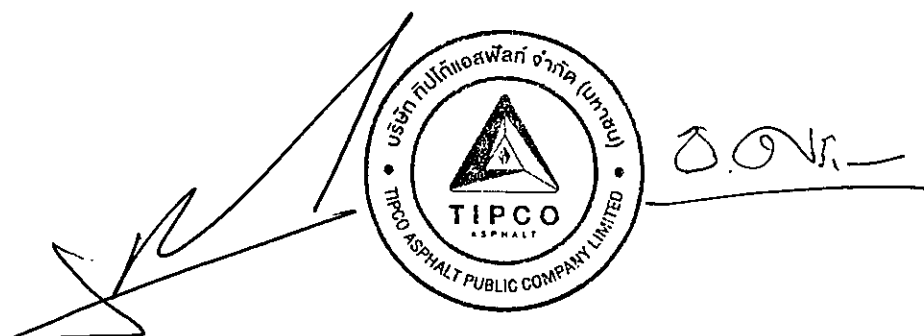
Statement of comprehensive income (continued)

For the six-month period ended 30 June 2019

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		1,770,564	425,266	<u>1,305,416</u>	<u>646,061</u>
Non-controlling interests of the subsidiaries		<u>9,081</u>	<u>4,328</u>		
		<u>1,779,645</u>	<u>429,594</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		1,001,170	465,982	<u>897,507</u>	<u>618,471</u>
Non-controlling interests of the subsidiaries		<u>472</u>	<u>5,006</u>		
		<u>1,001,642</u>	<u>470,988</u>		
<b>Earnings per share (Baht)</b>					
	12				
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		<u>1.12</u>	<u>0.27</u>	<u>0.83</u>	<u>0.41</u>
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company		<u>1.12</u>	<u>0.27</u>	<u>0.83</u>	<u>0.41</u>

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



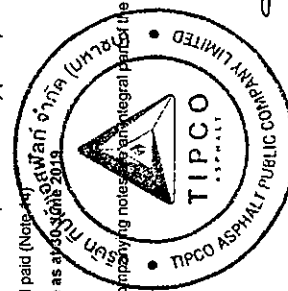
## For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

**Equity attributable to owners of the Company**

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(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

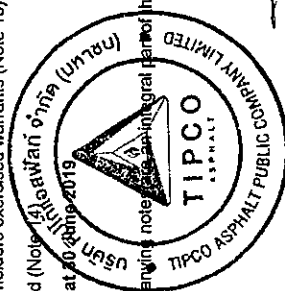
For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

## Separate financial statements

	Other components of equity									
	Other comprehensive income					Total other components of shareholders' equity				
	Issued and paid-up share capital	Premium on share capital	Share subscription	Capital reserve for share-based payment transactions	Appropriated statutory reserve	Retained earnings	Change in fair value of hedging instruments of cash flow hedges	Unappropriated	Unappropriated	Total
Balance as at 1 January 2018	1,562,465	1,046,879	8,639	155,756	172,123	7,874,174	-	7,874,174	-	10,820,036
Profit for the period	-	-	-	-	-	646,061	-	646,061	-	646,061
Other comprehensive income for the period	-	-	-	-	-	-	(27,590)	-	(27,590)	(27,590)
Total comprehensive income for the period	-	-	-	-	-	-	(27,590)	-	(27,590)	618,471
The warrant holders exercised warrants (Note 13)	2,396	9,661	(8,639)	-	-	-	-	-	-	3,418
Cash receipts from share subscription (Note 13)	-	-	38,920	-	-	-	-	-	-	38,920
Share-based payment transactions	-	-	-	13,494	-	-	-	-	-	13,494
Dividend paid (Note 14)	-	-	-	-	-	(1,407,766)	-	(1,407,766)	-	(1,407,766)
Balance as at 30 June 2018	1,564,861	1,056,540	38,920	169,250	172,123	7,112,469	(27,590)	7,112,469	(27,590)	10,086,573
Balance as at 1 January 2019	1,573,822	1,118,474	8,074	174,753	172,123	7,259,324	399,997	7,259,324	399,997	10,706,567
Profit for the period	-	-	-	-	-	1,305,416	-	1,305,416	-	1,305,416
Other comprehensive income for the period	-	-	-	-	-	-	(407,909)	-	(407,909)	(407,909)
Total comprehensive income for the period	-	-	-	-	-	-	(407,909)	-	(407,909)	897,507
The warrant holders exercised warrants (Note 13)	1,749	12,787	(1,218)	-	-	1,305,416	-	1,305,416	-	13,318
Dividend paid (Note 14)	-	-	-	-	-	(472,408)	-	(472,408)	-	(472,408)
Balance as at 30 June 2019	1,575,571	1,131,261	6,856	174,753	172,123	8,092,332	(7,912)	8,092,332	(7,912)	11,144,984

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



Signature: D. O. N. T. (D. O. N. T.)

(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

## Cash flow statement

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities:</b>				
Profit before income tax	1,968,970	527,893	1,446,453	711,081
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	443,774	488,776	100,921	131,201
Written off withholding tax	49	-	-	-
Written off inventories	198	-	-	-
Bad debt and allowance for doubtful accounts	15,042	1,998	1,312	258
Reduction of cost of inventories to net realisable value (reversal)	(781,288)	(17,456)	(913,361)	1,542
Dividend income from subsidiaries	-	-	(223,500)	(362,181)
Dividend income from an associate	-	-	(41,750)	(12,433)
Unrealised (gain) loss on exchange	(38,484)	73,834	17,130	57,791
Gain on sales of equipment	(449)	(753)	(392)	(2,126)
Share of (profit) loss from investments in joint ventures	(15,002)	368	-	-
Share of profit from investments in associates	(64,561)	(64,359)	-	-
Share-based payment transactions	-	13,494	-	10,774
Provision for long-term employee benefits	26,277	8,245	18,722	4,589
Change in fair value of forward exchange contracts	(16,165)	15,256	(6,283)	13,976
Change in fair value of price hedging contracts	29,612	(354,668)	29,612	(354,668)
Change in fair value of interest rate swap contracts	-	(736)	-	(890)
Interest expenses	101,101	58,299	72,262	33,812
Profit from operating activities before changes in operating assets and liabilities	1,669,074	750,191	501,126	232,726
(Increase) decrease in operating assets				
Trade and other receivables	(1,159,047)	(217,290)	(944,768)	(375,528)
Inventories	(2,221,691)	(918,428)	(2,165,015)	(387,192)
Other current assets	(25,004)	(136,155)	(23,326)	(133,639)
Other non-current assets	(410)	(28,523)	(16)	247
Increase (decrease) in operating liabilities				
Trade and other payables	4,676,420	(9,190)	4,934,368	328,566
Other current liabilities	(55,864)	84,139	(44,400)	(126,173)
Other non-current liabilities	(3,067)	(139)	(3,067)	(127)
<b>Cash flows from (used in) operating activities</b>	<b>2,880,415</b>	<b>(475,395)</b>	<b>2,254,902</b>	<b>(461,120)</b>
Cash paid for interest expenses	(98,632)	(32,000)	(72,032)	(34,502)
Cash paid for corporate income tax	(135,719)	(78,917)	(75,986)	(12,980)
<b>Net cash flows from (used in) operating activities</b>	<b>2,646,064</b>	<b>(586,312)</b>	<b>2,106,884</b>	<b>(508,602)</b>

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

(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities:</b>				
Cash paid for investment in subsidiary	-	-	(54,985)	(23,892)
Cash paid for investment in joint venture	-	(32,180)	-	(28,180)
Dividend income from subsidiaries	-	-	223,500	362,181
Dividend income from an associate	-	12,433	-	12,433
Decrease in long-term loan to related party	-	-	9,540	-
Cash paid for acquisition of equipment	(315,008)	(221,286)	(107,855)	(52,853)
Cash paid for acquisition of computer software	(5,086)	(10,400)	(4,366)	(9,686)
Proceeds from sales of equipment	1,226	4,343	847	2,217
<b>Net cash flows from (used in) investing activities</b>	<b>(318,868)</b>	<b>(247,090)</b>	<b>66,681</b>	<b>262,220</b>
<b>Cash flows from financing activities:</b>				
Cash receipts from share subscription of subsidiary	10,896	7,969	-	-
Increase (decrease) in short-term loans from financial institutions	(1,334,019)	2,045,992	(1,424,477)	1,854,983
Increase (decrease) in short-term loan from related party	-	-	55,000	(256,000)
Cash paid under finance lease agreements	(127)	(126)	-	-
Repayment of long-term loans	(51,683)	(157,540)	-	-
Cash receipts from increase in capital	6,462	3,418	6,462	3,418
Cash receipts from share subscription	6,856	38,920	6,856	38,920
Dividend paid to shareholders	(473,922)	(1,405,779)	(473,922)	(1,405,779)
<b>Net cash flows from (used in) financing activities</b>	<b>(1,835,537)</b>	<b>532,854</b>	<b>(1,830,081)</b>	<b>235,542</b>
<b>Exchange differences on translation of</b>				
<b>financial statements in foreign currencies</b>	<b>(82,709)</b>	<b>(50,016)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>408,950</b>	<b>(350,564)</b>	<b>343,484</b>	<b>(10,840)</b>
Cash and cash equivalents at beginning of period	1,103,711	1,025,410	269,949	153,903
<b>Cash and cash equivalents at end of period</b>	<b>1,512,661</b>	<b>674,846</b>	<b>613,433</b>	<b>143,063</b>

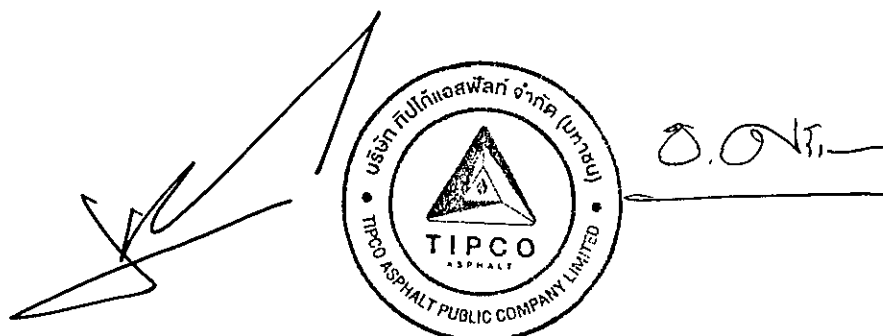
## Supplemental cash flows information

## Non-cash transactions:

Purchase of equipment for which cash has not been paid

- 11,452 - -

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



**Tipco Asphalt Public Company Limited and its subsidiaries**  
**Notes to the interim consolidated financial statements**  
**For the three-month and six-month periods ended 30 June 2019**

**1. General information**

**1.1 Basis for the preparation of interim financial statements**

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

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

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

**1.2 Basis of consolidation**

The consolidated interim financial statements include the financial statements of Tipco Asphalt Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2018.

**1.3 New financial reporting standards**

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

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. 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 Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below.



## **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

### **(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve 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:

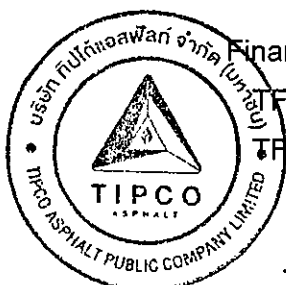
TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations:

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



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

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### **TFRS 16 Leases**

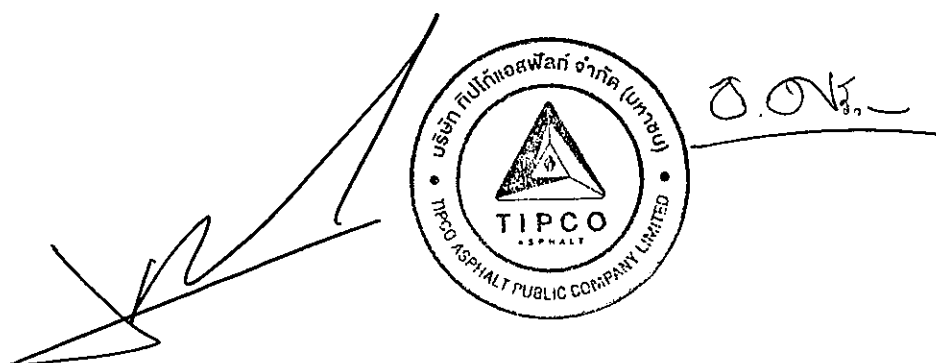
TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the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

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted

## **2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018.



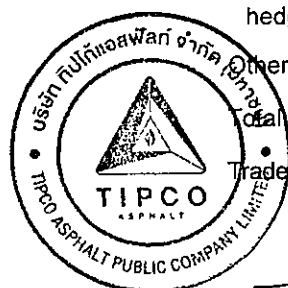
A handwritten signature in black ink is written over a circular stamp. The stamp features a central logo with a triangle and the text 'TIPCO ASPHALT' below it. The outer ring of the stamp contains the text 'บริษัท ปูนซิเมนต์ไทย จำกัด (มหาชน)' at the top and 'TIPCO ASPHALT PUBLIC COMPANY LIMITED' at the bottom.



## 3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<b><u>Trade receivables - related parties</u></b> (Note 4)				
Aged on the basis of due dates				
Not yet due	462,921	366,725	1,226,115	1,051,575
Past due				
Up to 3 months	32,848	49,900	205,014	294,008
3 - 6 months	14,866	-	24,720	232,569
6 - 9 months	-	-	8,898	563
9 - 12 months	-	-	35,550	5,699
Over 12 months	-	-	227,394	235,325
Total	510,635	416,625	1,727,691	1,819,739
Less: Allowance for doubtful accounts	-	-	(218,809)	(230,936)
Total trade receivables - related parties, net	510,635	416,625	1,508,882	1,588,803
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	4,356,897	3,275,547	3,309,427	2,060,353
Past due				
Up to 3 months	758,641	656,903	103,864	205,283
3 - 6 months	297,952	199,723	73,814	15,502
6 - 9 months	62,170	50,682	4,536	23,917
9 - 12 months	29,135	48,300	1,179	10,796
Over 12 months	326,325	315,601	70,189	69,664
Total	5,831,120	4,546,756	3,563,009	2,385,515
Less: Allowance for doubtful accounts	(318,623)	(313,455)	(71,332)	(70,021)
Total trade receivables - unrelated parties, net	5,512,497	4,233,301	3,491,677	2,315,494
Total trade receivables - net	6,023,132	4,649,926	5,000,559	3,904,297
<b><u>Other receivables</u></b>				
Amounts due from related parties (Note 4)	69,772	29,104	282,965	203,526
Accounts receivable from price				
hedging contracts	86,489	355,905	86,489	355,905
Other receivables	5,423	6,969	2,781	3,507
Total other receivables	161,664	391,978	372,235	562,938
Trade and other receivables - net	6,184,816	5,041,904	5,372,794	4,467,235

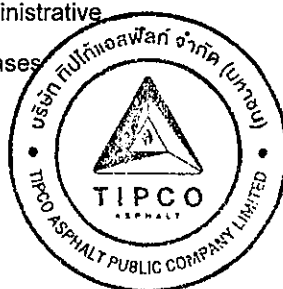


#### 4. Related party transactions

During the periods, the Company and its subsidiaries 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 among the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policies
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	1,845	1,697	Cost plus certain margin
Rental and service income	-	-	2	3	Contract price
Technical and administrative assistance income	-	-	12	20	Contract price
Interest income	-	-	11	8	At rate of 2.0 - 2.5 percent and LIBOR plus 1.50 percent per annum
Dividend income	-	-	223	362	
Purchase of goods	-	-	2	1	Cost plus certain margin
Rental and service expenses	-	-	637	485	Contract price
<b><u>Transactions with joint ventures</u></b>					
Sales and service income	677	136	677	135	Market price / Contract price
Purchase of goods	-	56	-	-	Market price / Contract price
<b><u>Transactions with associates</u></b>					
Sales and service income	33	40	29	39	Market price / Contract price
Rental and service income	1	1	1	1	Contract price
Dividend income	-	-	42	12	
<b><u>Transactions with related companies</u></b>					
Sales and service income	455	482	450	482	Market price / Contract price
Rental and service income	1	1	1	1	Contract price
Rental and service expenses	24	21	21	20	Contract price
Technical and administrative assistance expenses	10	7	10	7	Contract price

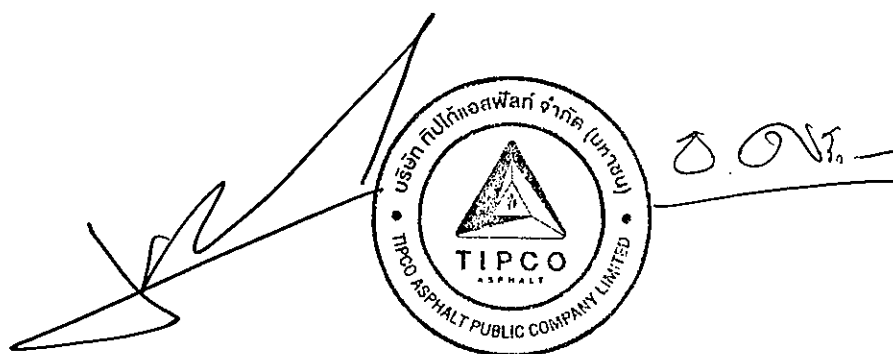


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(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June					
	Consolidated		Separate		Transfer pricing policies
	financial statements		financial statements		
	2019	2018	2019	2018	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	3,117	2,877	Cost plus certain margin
Rental and service income	-	-	5	3	Contract price
Technical and administrative assistance income	-	-	24	36	Contract price
Interest income	-	-	20	17	At rate of 1.4 - 2.5 percent and LIBOR plus 1.50 percent per annum
Dividend income	-	-	223	362	
Purchase of goods	-	-	6	18	Cost plus certain margin
Rental and service expenses	-	-	1,203	864	Contract price
<b><u>Transactions with joint ventures</u></b>					
Sales and service income	1,026	149	1,026	146	Market price / Contract price
Purchase of goods	-	111	-	-	Market price / Contract price
<b><u>Transactions with associates</u></b>					
Sales and service income	77	100	53	90	Market price / Contract price
Rental and service income	1	1	1	1	Contract price
Dividend income	-	-	42	12	
<b><u>Transactions with related companies</u></b>					
Sales and service income	781	1,023	772	1,023	Market price / Contract price
Rental and service income	1	1	1	1	Contract price
Rental and service expenses	43	40	40	38	Contract price
Technical and administrative assistance expenses	24	15	24	15	Contract price

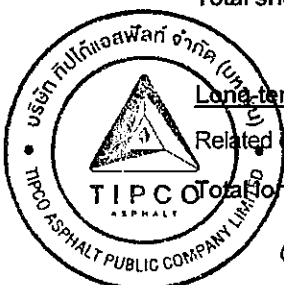


(Unaudited but reviewed)

The balances of the accounts as at 30 June 2019 and 31 December 2018 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018 (Audited)	30 June 2019	31 December 2018 (Audited)
<b><u>Trade and other receivables - related parties</u> (Note 3)</b>				
Subsidiaries	-	-	1,480,314	1,629,441
Joint ventures	328,648	140,949	326,901	138,953
Associates	125,768	97,043	88,902	63,840
Related companies (common shareholders and directors)	125,991	207,737	114,539	191,031
Total trade and other receivables - related parties	580,407	445,729	2,010,656	2,023,265
Less : Allowance for doubtful accounts	-	-	(218,809)	(230,936)
Total trade and other receivables - related parties, net	580,407	445,729	1,791,847	1,792,329
<b><u>Long-term loans to related parties</u></b>				
Subsidiaries	-	-	1,024,976	1,248,756
Total long-term loans to related parties	-	-	1,024,976	1,248,756
<b><u>Trade and other payables - related parties</u> (Note 8)</b>				
Subsidiaries	-	-	1,183,956	1,115,471
Joint ventures	399	399	399	399
Associates	640	194	125	98
Related companies (common shareholders and directors)	118,623	78,707	118,063	78,048
Total trade and other payables - related parties	119,662	79,300	1,302,543	1,194,016
<b><u>Advance received from customer - related parties</u></b>				
Subsidiary	-	-	-	53,399
Related company (common shareholder and directors)	90	224	90	224
Total advance received from customer - related parties	90	224	90	53,623
<b><u>Short-term loan from related party</u></b>				
Subsidiary	-	-	80,000	25,000
Total short-term loan from related party	-	-	80,000	25,000
<b><u>Long-term loan from related party</u></b>				
Related company (shareholder of subsidiary)	6,574	6,944	-	-
Total long-term loan from related party	6,574	6,944	-	-



(Unaudited but reviewed)

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

(Unit: Thousand Baht)

		Consolidated financial statements		
		Exchange differences on translation of financial statements		
Company's name	Related by	Balance as at 31 December 2018		Balance as at 30 June 2019
(Audited)				

**Long-term loan from related party**

Zhenjiang Highway Materials Company	Shareholder of subsidiary	6,944	(370)	6,574
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(Unit: Thousand Baht)

		Separate financial statements				
		Balance as at	Increase	Decrease		
		31 December	during	during	Loss on	Balance as at
Company's name	Related by	2018	the period	the period	exchange	30 June 2019
(Audited)						

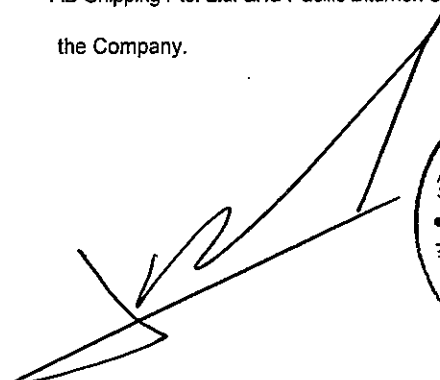

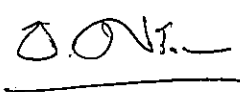
**Long-term loans to related parties**

AD Shipping Pte. Ltd.	Subsidiary	225,994	-	(38,301) *	(5,580)	182,113
Reta Link Pte. Ltd.	Subsidiary	145,282	-	(9,540)	(7,334)	128,408
Pacific Bitumen Shipping Pte. Ltd.	Subsidiary	877,480	-	(135,778) *	(27,247)	714,455
<b>Total</b>		<b>1,248,756</b>	<b>-</b>	<b>(183,619)</b>	<b>(40,161)</b>	<b>1,024,976</b>

**Short-term loan from related party**

Raycol Asphalt Co., Ltd.	Subsidiary	25,000	80,000	(25,000)	-	80,000
<b>Total</b>		<b>25,000</b>	<b>80,000</b>	<b>(25,000)</b>	<b>-</b>	<b>80,000</b>

\* AD Shipping Pte. Ltd. and Pacific Bitumen Shipping Pte. Ltd. offset their long-term loans to be repaid with outstanding account payable from the Company.

(Unaudited but reviewed)

Directors and management's benefits

For the three-month and six-month periods ended 30 June 2019 and 2018, the Company and its subsidiaries had employee benefit expenses of their directors and management as detailed below.

(Unit: Million Baht)

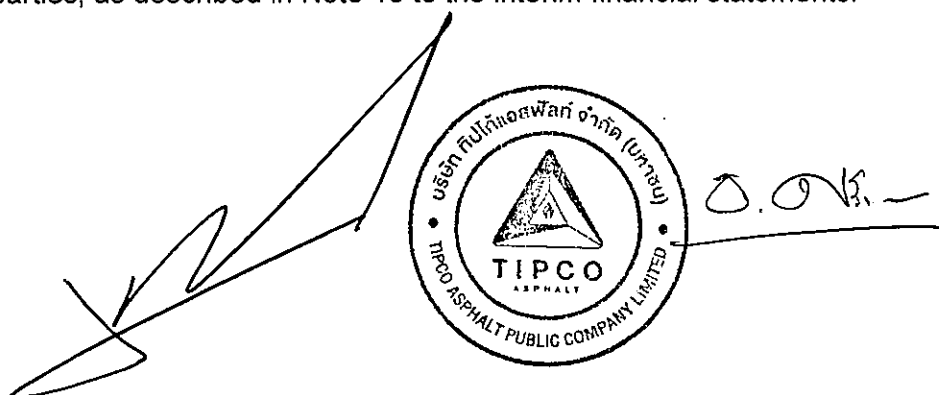
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	36	39	33	36
Post-employment benefits	1	2	1	1
Share-based payment transactions	-	3	-	3
Total	37	44	34	40

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	74	77	67	71
Post-employment benefits	2	3	2	2
Share-based payment transactions	-	8	-	7
Total	76	88	69	80

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 10 to the interim financial statements.



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## 5. Inventories

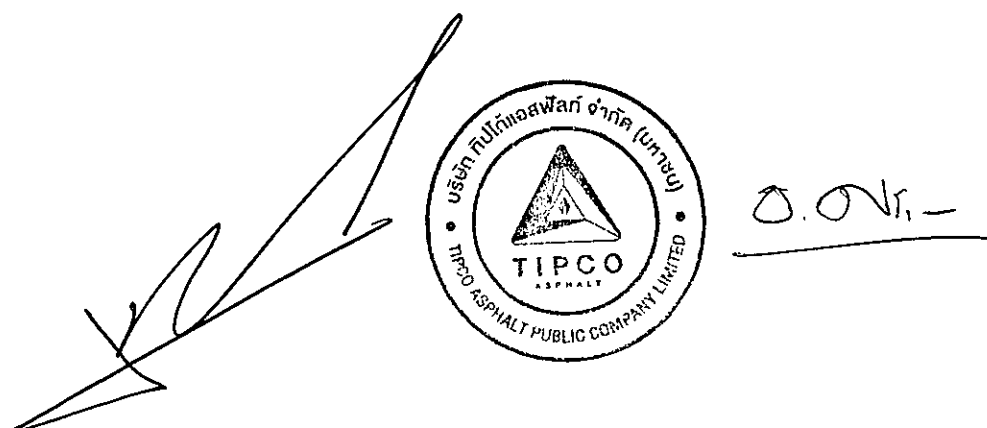
Movements in the reduction of cost to net realisable value of inventory account during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2019</b>	977,910	934,348
Reversal of reduction of cost to net realisable value of inventory account during the period	(781,288)	(913,361)
Written-off of inventories damaged by a fire	(169,902)	-
Exchange differences on translation of financial statements	(399)	-
<b>Balance as at 30 June 2019</b>	<u>26,321</u>	<u>20,987</u>

## 6. Investments in subsidiaries

In March 2018, Tipco Asphalt Lao Company Limited ("TAL") called for a payment for shares at 70 percent of the registered share capital from shareholders or amounting to LAK 18,673 million. The Company needed to pay for such shares at 75 percent or amounting to LAK 14,004 million (approximately Baht 55 million). During 2018, the Company already paid for such share capital amounting to LAK 6,133 million (approximately Baht 24 million).

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).



The image shows a handwritten signature on the left and a circular official stamp in the center. The stamp contains the text 'บริษัท ทีพีซีแอสฟัลต์ จำกัด (มหาชน)' (Tipco Asphalt Public Company Limited) around the perimeter and 'TIPCO ASPHALT' in the center. To the right of the stamp is another handwritten signature.

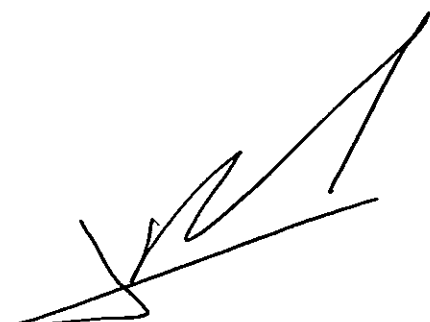
## 7. Property, plant and equipment

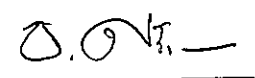
Movements of the property, plant and equipment account during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2019</b>	8,127,640	900,029
Acquisitions during the period - at cost	286,953	107,855
Disposals/written-off during the period - net book value		
at disposal/written-off date	(777)	(455)
Depreciation for the period	(377,404)	(62,304)
Exchange differences on translation of		
financial statements	(276,610)	-
<b>Net book value as at 30 June 2019</b>	<b>7,759,802</b>	<b>945,125</b>

## 8. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Trade payables	7,727,366	3,228,501	7,511,098	2,998,782
Trade payables - related parties (Note 4)	1,237	352	1,154,887	917,035
Other payables - related parties (Note 4)	118,425	78,948	147,656	276,981
Accounts payable from price hedging				
contracts	94,511	53,518	94,511	53,518
Accrued expenses	649,599	654,078	316,232	298,345
<b>Total trade and other payables</b>	<b>8,591,138</b>	<b>4,015,397</b>	<b>9,224,384</b>	<b>4,544,661</b>







## 9. Long-term loans from financial institutions

Movements in the long-term loan account during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2019	211,521
Repayments	(51,683)
Unrealised gain on exchange	(5,639)
Balance as at 30 June 2019	154,199
Less: Current portion	(96,388)
Long-term loans - net of current portion	57,811

### Loan covenants

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

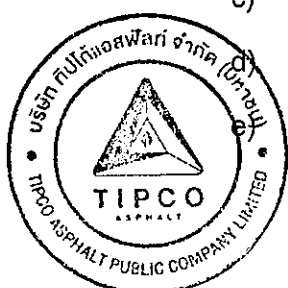
## 10. Credit facilities

The credit facilities of the Company and its subsidiaries granted by financial institutions are secured by the following collaterals:

- The guarantees of the Company, its subsidiaries and a shareholder of a subsidiary;
- The pledges/mortgages of the assets of subsidiaries which the net book values as at 30 June 2019 and 31 December 2018 are summarised below.

	(Unit: Million Baht)	
	Consolidated financial statements	
	30 June 2019	31 December 2018
		(Audited)
Leasehold rights - net	128	137
Property, plant and equipment - net	2,508	3,166

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

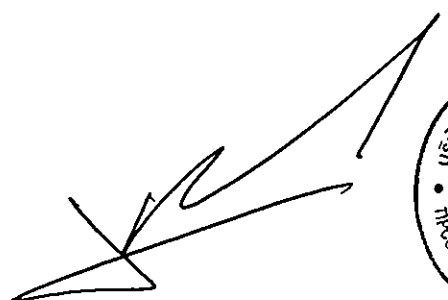


**11. Income tax**

Income tax for the three-month and six-month periods ended 30 June 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Current income tax charge	(71,374)	(56,949)	(55,444)	(43,004)
Adjustment in respect of income tax of previous year	(850)	-	898	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(11,426)	(429)	(17,115)	407
<b>Income tax reported in the statement of comprehensive income</b>	<u>(83,650)</u>	<u>(57,378)</u>	<u>(71,661)</u>	<u>(42,597)</u>

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Current income tax charge	(165,125)	(88,378)	(98,832)	(56,170)
Adjustment in respect of income tax of previous year	(850)	-	898	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(23,350)	(9,921)	(43,103)	(8,850)
<b>Income tax reported in the statement of comprehensive income</b>	<u>(189,325)</u>	<u>(98,299)</u>	<u>(141,037)</u>	<u>(65,020)</u>





(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2019 and 2018 are as follows:


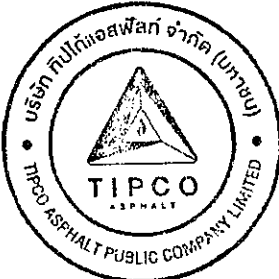

	(Unit: Thousand Baht)	
	For the three-month periods ended 30 June	
	Consolidated / Separate financial statements	
	<u>2019</u>	<u>2018</u>
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	<u>(2,937)</u>	<u>(1,175)</u>

	(Unit: Thousand Baht)	
	For the six-month periods ended 30 June	
	Consolidated / Separate financial statements	
	<u>2019</u>	<u>2018</u>
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	<u>17,814</u>	<u>1,391</u>

## 12. Earnings per share

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

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

(Unaudited but reviewed)

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

Consolidated financial statements						
For the three-month periods ended 30 June						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	1,052,888	121,188	1,575,597	1,564,825	0.67	0.08
<b>Effect of potential ordinary shares</b>						
ESOP-W3	-	-	-	99		
ESOP-W4	-	-	-	1,572		
ESOP-W5	-	-	1,518	5,614		
	-	-	1,518	7,285		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	1,052,888	121,188	1,577,115	1,572,110	0.67	0.08

Separate financial statements						
For the three-month periods ended 30 June						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	699,530	414,857	1,575,597	1,564,825	0.44	0.27
<b>Effect of potential ordinary shares</b>						
ESOP-W3	-	-	-	99		
ESOP-W4	-	-	-	1,572		
ESOP-W5	-	-	1,518	5,614		
	-	-	1,518	7,285		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	699,530	414,857	1,577,115	1,572,110	0.44	0.26



(Unaudited but reviewed)

## Consolidated financial statements

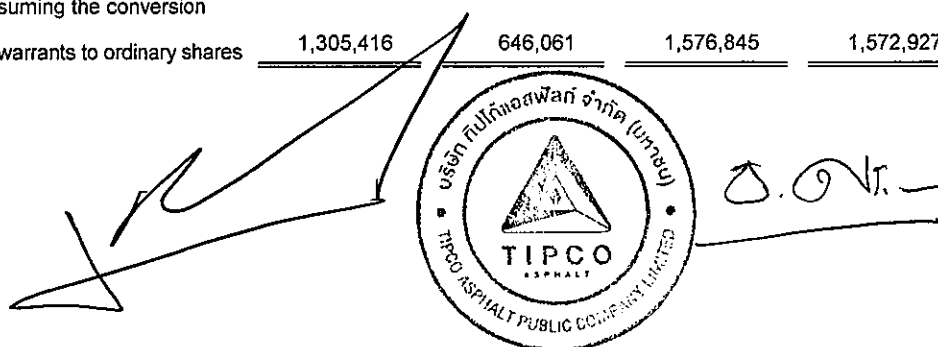
For the six-month periods ended 30 June

	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	1,770,564	425,266	1,575,221	1,564,519	1.12	0.27
<b>Effect of potential ordinary shares</b>						
ESOP-W3	-	-	-	237		
ESOP-W4	-	-	-	1,728		
ESOP-W5	-	-	1,624	6,443		
	-	-	1,624	8,408		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	1,770,564	425,266	1,576,845	1,572,927	1.12	0.27

## Separate financial statements

For the six-month periods ended 30 June

	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	1,305,416	646,061	1,575,221	1,564,519	0.83	0.41
<b>Effect of potential ordinary shares</b>						
ESOP-W3	-	-	-	237		
ESOP-W4	-	-	-	1,728		
ESOP-W5	-	-	1,624	6,443		
	-	-	1,624	8,408		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	1,305,416	646,061	1,576,845	1,572,927	0.83	0.41



**13. Share capital**

Below is the summary of the share registration from exercise of ESOP-W4 and ESOP-W5 warrants during the current period.

	First quarter	Second quarter	Total
Number of warrants exercised (units)	882,500	754,000	1,636,500
Number of ordinary shares issued (shares)	995,000	754,000	1,749,000
Amount of cash received (Baht)	8,073,525	6,461,780	14,535,305
Share registration date	10 January 2019	11 April 2019	
Paid-up capital after share registration	Baht 1,574,816,570	Baht 1,575,570,570	
	(1,574,816,570	(1,575,570,570	
	ordinary shares of	ordinary shares	
	Baht 1 each)	of Baht 1 each)	

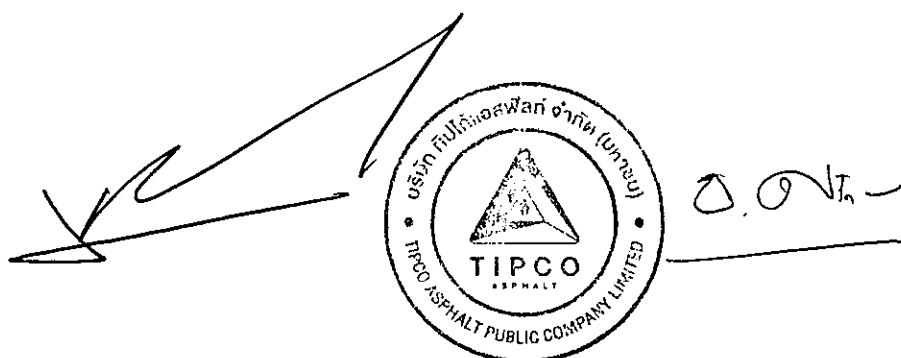
As at 30 June 2019, the Company received advance subscription from the exercise of ESOP-W5 warrants as follows:

	ESOP-W5
Number of warrants exercised (units)	800,000
Number of ordinary shares issued (shares)	800,000
Amount of cash received (Baht)	6,856,000

The Company registered the paid-up capital increase from exercise of such warrants with the Ministry of Commerce on 4 July 2019. The paid-up capital after share registration is Baht 1,576,370,570 (1,576,370,570 ordinary shares of Baht 1 each).

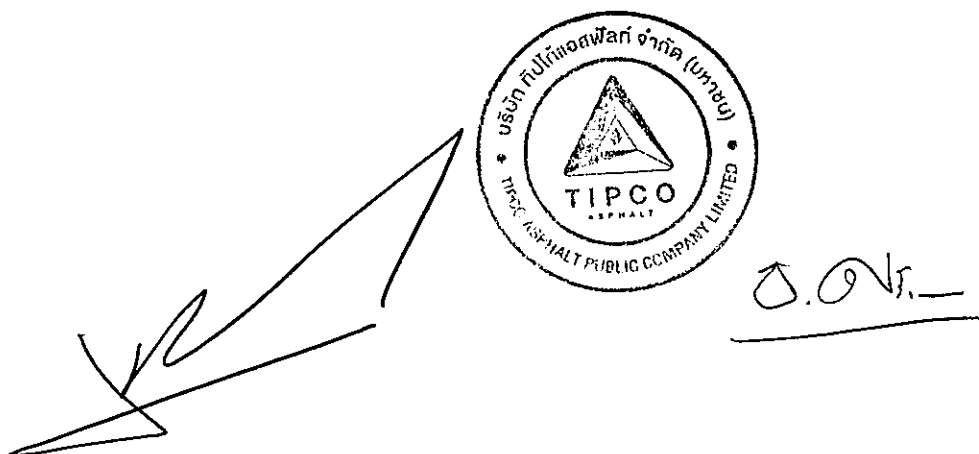
As at 30 June 2019 and 31 December 2018, the remaining unexercised of warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Company and its subsidiaries are summarised below.

	30 June 2019	31 December 2018
		(Audited)
ESOP-W4	-	46,100 units
ESOP-W5	1,991,000 units	3,545,000 units



## 14. Dividend

Dividends	Approved by	Total dividend (Million Baht)	Dividend per share (Baht per share)
Final dividend for 2017	Annual General Meeting of the shareholders on 5 April 2018	1,407.8	0.9
Total for the six-month period ended 30 June 2018		1,407.8	0.9
Final dividend for 2018	Annual General Meeting of the shareholders on 5 April 2019	472.4	0.3
Total for the six-month period ended 30 June 2019		472.4	0.3



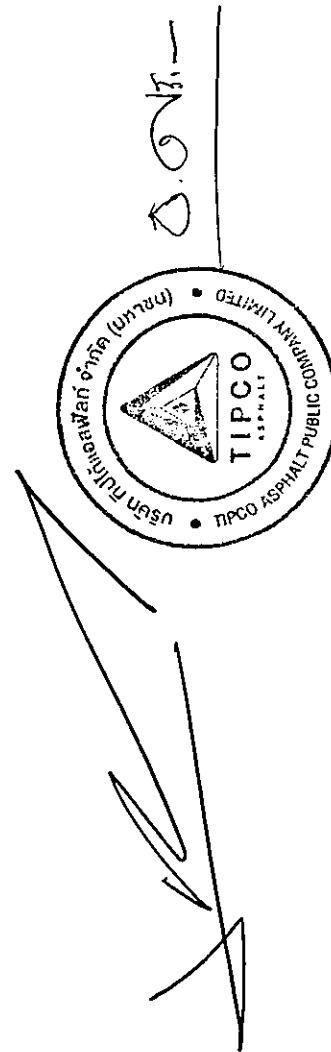
The image shows a large, stylized handwritten signature on the left. To its right is a circular official stamp. The stamp contains a triangle logo with the letters 'TIPCO' and 'ASPHALT' below it. The text around the triangle reads 'บริษัท ทีพีซีแอสฟัลท์ จำกัด (มหาชน)' at the top and 'TIPCO ASPHALT PUBLIC COMPANY LIMITED' at the bottom. To the right of the stamp is another handwritten signature, 'อ.อ.ร.', which appears to be a name or title.

**15. Segment information**

The Company and its subsidiaries are 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 Company and its subsidiaries. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment. Therefore, financial information by segment for the three-month and six-month periods ended 30 June 2019 and 2018 have been presented only by geographical area, as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June						
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Revenues from external customers	8,568	4,093	2,216	1,673	-	-	5,766
Inter-segment revenues	1,709	1,613	33	9	(1,742)	(1,622)	-
Total revenues	<u>10,277</u>	<u>5,706</u>	<u>2,249</u>	<u>1,682</u>	<u>(1,742)</u>	<u>(1,622)</u>	<u>5,766</u>
Segment operating profit attributable to equity holders of the company	724	62	293	63	36	(4)	1,053
							121





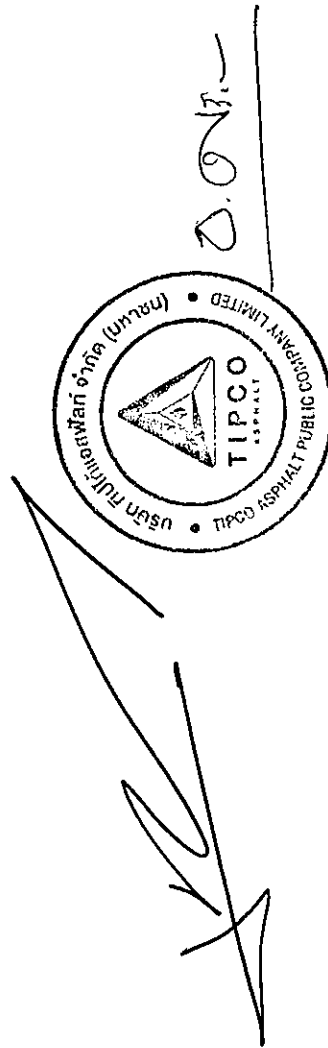
(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external customers	14,385	8,097	3,490	2,932	-	-	17,875	11,029
Inter-segment revenues	2,855	2,522	40	117	(2,895)	(2,639)	-	-
Total revenues	17,240	10,619	3,530	3,049	(2,895)	(2,639)	17,875	11,029
Segment operating profit attributable to equity holders of the company	1,439	377	304	60	28	(12)	1,771	425

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

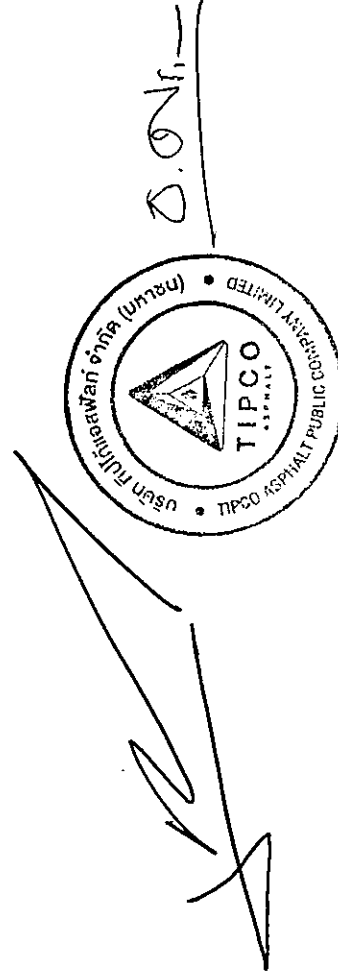


The stamp is circular with the text "TPCO ASPHALT PUBLIC COMPANY LIMITED" around the perimeter. Inside the circle, there is a logo consisting of a triangle with the letters "TPCO" inside it. The Thai text "บริษัท ทีพีซีแอสฟัลท์ จำกัด (มหาชน)" is also present around the inner circle.

**16. Commitments and contingent liabilities****16.1 Capital commitments**

The Company and its subsidiaries 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		(Unit: Million)
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	
Baht	88	115	82	109	(Audited)
Malaysia Ringgit	80	63	-	-	
Vietnam Dong	20,816	26,742	-	-	



The image shows a handwritten signature in black ink over a circular official stamp. The stamp contains the text 'TISCO' in the center, with 'TIPCO ROYALTY PUBLIC COMPANY LIMITED' around the perimeter. There is also Thai text at the top of the stamp. To the right of the stamp, the handwritten text 'D. ONI' is visible.

**16.2 Operating lease commitments**

The Company and its subsidiaries have entered into several agreements in respect of the lease of buildings, warehouses, motor vehicles, and other service agreements.

Future minimum rental and service fees payable under these agreements are as follows:

(Unit: Million)

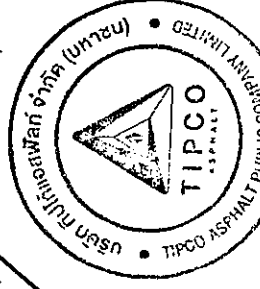
As at 30 June 2019

Payable within:	Consolidated financial statements					Separate financial statements
	Baht	US Dollar	Vietnam Dong	Indonesia Rupiah	Malaysia Ringgit	Baht
1 year	77	-	3,154	889	1	63
2 to 5 years	83	-	7,524	2,667	1	71
Over 5 years	-	1	28,520	3,111	-	-

(Unit: Million)

As at 31 December 2018 (Audited)

Payable within:	Consolidated financial statements					Separate financial statements
	Baht	US Dollar	Vietnam Dong	Indonesia Rupiah	Malaysia Ringgit	Baht
1 year	68	1	4,510	1,486	2	59
2 to 5 years	32	1	7,873	2,722	-	28
Over 5 years	-	1	28,648	3,444	-	-



### 16.3 Long-term service commitments

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 Company and its subsidiaries generated from the stipulated products. The fees for the six-month periods ended 30 June 2019 and 2018 amounted to approximately Baht 24.0 million and Baht 14.5 million, respectively.

### 16.4 Crude oil purchase commitments

During the year 2014, the Company entered into an agreement with a company in Venezuela to purchase crude oil amounting to 44 million barrels. The term of the agreement is 4 years and ends in December 2017. However, on 25 May 2016, the Company has amended such agreement to increase the crude oil quantity by another 33 million barrels, to totaling 77 million barrels, and extend the term of agreement to another 3 years ending in December 2020.

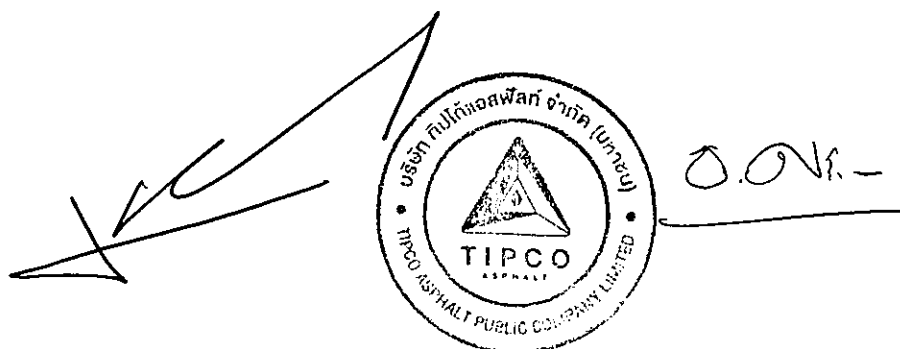
As at 30 June 2019, the Company had outstanding commitment in respect of receiving crude oil under such purchase agreement of approximately 22 million barrels.

### 16.5 Bank guarantees

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

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018 (Audited)	30 June 2019	31 December 2018 (Audited)
Baht	3	3	2	2
Malaysia Ringgit	8	9	-	-

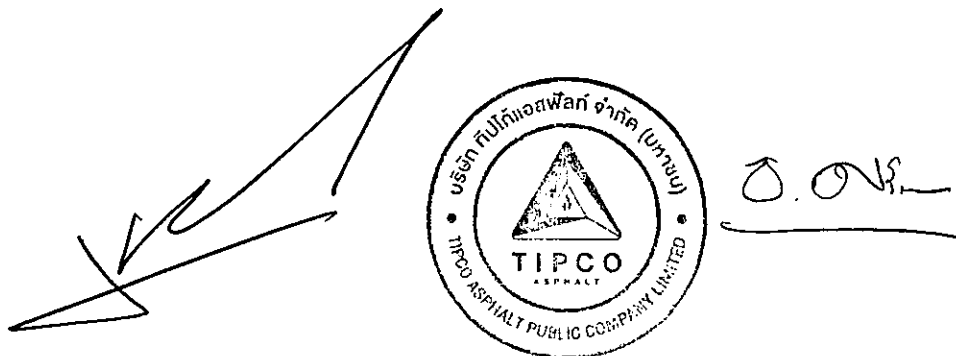


**17. Foreign currency risk**

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

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2019	2018	2019	2018	2019	2018
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit) (Audited)	
US Dollar	86	37	83	148	30.7	32.4
Euro	-	-	3	2	34.9	37.1
Yen	-	-	1	1	0.3	0.3
Malaysia Ringgit	20	-	11	-	7.4	7.8
Myanmar Kyat	-	-	-	2	0.0203	0.0209

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2019	2018	2019	2018	2019	2018
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit) (Audited)	
US Dollar	152	112	100	164	30.7	32.4
Euro	-	-	3	2	34.9	37.1
Renminbi	61	52	-	-	4.5	4.7
Malaysia Ringgit	-	-	7	3	7.4	7.8
Indonesia Rupiah	-	-	-	76	0.0022	0.0022
Myanmar Kyat	-	-	-	2	0.0203	0.0209



(Unaudited but reviewed)

The Company and its subsidiaries had the following outstanding foreign exchange contracts of which maturity dates are within one year.

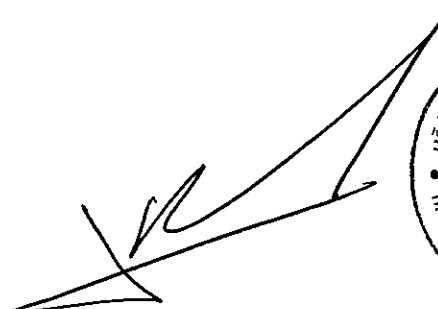
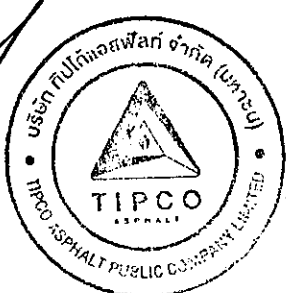
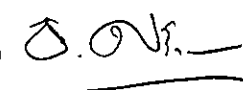
As at 30 June 2019

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold amount	Bought amount	Sold amount	Bought amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Per 1 foreign currency unit)	
US Dollar	39	15	39	15	30.7 - 31.9 Baht	30.8 - 31.9 Baht
US Dollar	-	5	-	-	-	23,348 - 23,350 Vietnam Dong
US Dollar	-	5	-	-	-	14,237 - 14,556 Indonesia Rupiah

As at 31 December 2018 (Audited)

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold amount	Bought amount	Sold amount	Bought amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Per 1 foreign currency unit)	
US Dollar	6	8	6	7	32.4 - 32.7 Baht	32.6 - 33.0 Baht
US Dollar	-	5	-	-	-	23,245 - 23,348 Vietnam Dong
US Dollar	-	11	-	-	-	14,458 - 15,391 Indonesia Rupiah
Euro	-	12	-	12	-	1.1 US Dollar

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

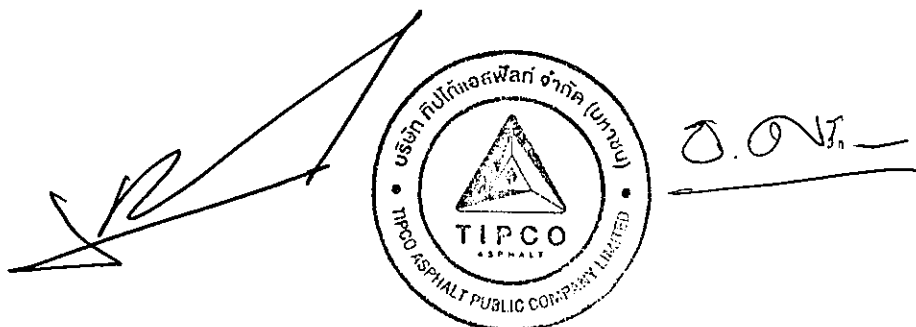
**18. Raw materials and finished goods price risk**

As at 30 June 2019 and 31 December 2018, the Company had outstanding price hedging contracts which are presented in the statements of financial position at fair value and were summarised below.

		(Unit: Million Baht)	
		Consolidated/Separate financial statements	
Contract type	Type of product	30 June 2019	31 December 2018
			(Audited)
<u>Contracts presented as assets</u>			
Sold forward contract	Crude oil	19	27
Sold forward contract	Petroleum product	152	634
Total price hedging contracts presented as assets		171	661
<u>Contracts presented as liabilities</u>			
Sold forward contract	Crude oil	54	9
Bought forward contract	Petroleum product	4	-
Sold forward contract	Petroleum product	60	22
Four-way collar options	Crude oil	-	122
Total price hedging contracts presented as liabilities		118	153

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

		(Unit: Million Baht)			
		Consolidated/Separate financial statements			
		For the three-month periods ended 30 June		For the six-month periods ended 30 June	
		2019	2018	2019	2018
Gain (loss) arising from changes in fair value of forward contract in other comprehensive income		116	11	(426)	(29)



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

A fire broke out on 5 July 2018 at a subsidiary's crude oil tanks in Malaysia, resulting in the carrying value of damaged assets totaling USD 8.8 million, or equivalent to Baht 289.9 million, and related expenses totaling USD 2.1 million, or equivalent to Baht 68.2 million, was recorded in the statement of comprehensive income for the year ended 31 December 2018.

During the six-month period ended 30 June 2019, the subsidiary had incurred additional operating expense for crude storage, logistic handling and other related expenses amounted to USD 5.4 million or Baht 170 million. Some of these expenses will be recurring until the damaged crude tanks are back in service.

In May 2019, the subsidiary received a partial payment pursuant to its insurance claim to MYR 60 million or approximately Baht 450 million which was presented under the caption "Insurance claim - net of damages and expenses from a fire at a subsidiary" in the statement of comprehensive income for the three-month and six-month periods ended 30 June 2019.

The management of the Company and its subsidiary believed that there would be no substantial loss resulting from the incident because of insurance coverage for the assets and business interruption. Currently, the management of the Company and its subsidiary is in the process of negotiating insurance claim to the insurance company.

**20. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's authorised directors on 8 August 2019.

