

Tipco Asphalt Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2019

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 2019, 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 2019, 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.

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 financial instruments

The Group has entered into the financial instruments to protect the exposure from the fluctuation in price of raw materials and finished goods and exchange rate of foreign currency, with many counterparties, and presented the fair value of such financial instruments 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 financial instruments presented in the financial statements.

I gained an understanding of the transaction and recording process of fair value of financial instruments. I recalculated the fair value of such financial instruments. I sent the confirmation 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 judgment. This is because such estimation requires significant assumptions based on market price of crude oil and petroleum products which fluctuate according to the economic circumstances and the situation within the industry and also effect in determining the allowance set aside for diminution in the value of inventory causing the value 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.



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

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

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



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From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit 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 2020

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents		1,999,417,098	1,103,710,709	977,613,102	269,948,936
Trade and other receivables	6, 7	5,233,998,235	5,041,903,953	4,920,327,802	4,467,234,602
Short-term loan to related party	7	-	-	13,000,000	-
Inventories	8	7,466,934,929	7,321,720,492	6,608,237,558	6,292,329,561
Price hedging contracts	32, 33	165,058,497	660,802,762	165,058,497	660,802,762
Other current assets		296,902,939	262,350,558	37,336,005	45,053,649
Total current assets		15,162,311,698	14,390,488,474	12,721,572,964	11,735,369,510
Non-current assets					
Investments in subsidiaries	9	-	-	7,717,239,560	7,693,264,766
Investments in joint ventures	10	112,623,805	130,496,162	67,552,611	67,552,611
Investments in associates	11	606,402,277	540,898,893	243,447,034	243,447,034
Long-term loans to related parties	7	-	-	1,479,030,234	1,248,755,789
Investment properties	12	256,932,559	256,932,559	94,342,234	94,342,234
Property, plant and equipment	13	8,285,711,701	8,127,640,054	984,241,398	900,028,849
Goodwill		146,293,504	146,293,504	-	-
Intangible assets	14	195,513,583	230,015,833	71,616,529	87,873,685
Leasehold rights	15	287,084,216	318,525,947	2,506,924	2,734,827
Deferred tax assets - net	25	189,312,186	94,054,596	172,751,233	96,469,896
Other non-current assets		19,717,442	18,120,153	3,982,734	3,933,452
Total non-current assets		10,099,591,273	9,862,977,701	10,836,710,491	10,438,403,143
Total assets		25,261,902,971	24,253,466,175	23,558,283,455	22,173,772,653

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



Tipco Asphalt Public Company Limited and its subsidiaries

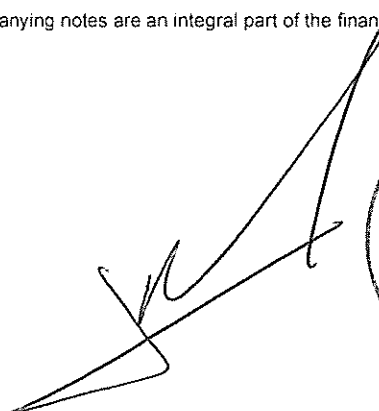
Statement of financial position (continued)


As at 31 December 2019


(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	16	4,013,131,149	6,936,125,867	3,716,103,109	6,450,173,607
Trade and other payables	7, 17	6,316,114,486	4,015,396,838	7,088,061,139	4,544,660,701
Short-term loan from related party	7	-	-	160,000,000	25,000,000
Current portion of long-term loans from financial institutions	18	37,610,812	131,614,800	-	-
Income tax payable		390,757,940	127,568,575	334,927,690	76,259,882
Price hedging contracts	32, 33	580,799,812	152,720,526	580,799,812	152,720,526
Other current liabilities		134,093,350	116,591,974	10,320,343	110,707,183
Total current liabilities		11,472,507,549	11,480,018,580	11,890,212,093	11,359,521,899
Non-current liabilities					
Long-term loans from financial institutions -					
net of current portion	18	36,700,873	79,906,260	-	-
Long-term loan from related party	7	6,342,609	6,943,839	-	-
Provision for long-term employee benefits	20	167,693,463	149,496,442	119,181,799	107,683,832
Total non-current liabilities		210,736,945	236,346,541	119,181,799	107,683,832
Total liabilities		11,683,244,494	11,716,365,121	12,009,393,892	11,467,205,731

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







Tipco Asphalt Public Company Limited and its subsidiaries

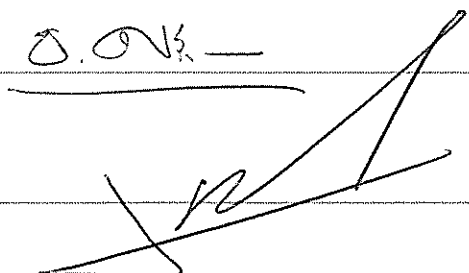
Statement of financial position (continued)

As at 31 December 2019

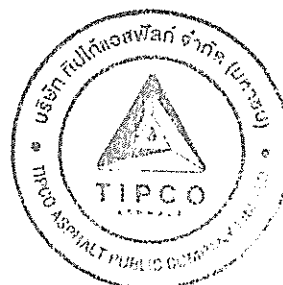
(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital	21				
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					
1,576,763,070 ordinary shares (2018: 1,573,821,570 ordinary shares) of Baht 1 each		1,576,763,070	1,573,821,570	1,576,763,070	1,573,821,570
Premium on share capital		1,140,287,855	1,118,474,325	1,140,287,855	1,118,474,325
Share subscription	21	2,571,000	8,073,525	2,571,000	8,073,525
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	22	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		12,183,030,275	10,163,249,305	8,640,022,009	7,259,324,083
Other components of shareholders' equity		(1,278,228,961)	(264,281,730)	(157,631,121)	399,996,669
Equity attributable to owners of the Company		13,407,226,942	12,382,140,698	11,548,889,563	10,706,566,922
Non-controlling interests of the subsidiaries		171,431,535	154,960,356	-	-
Total shareholders' equity		13,578,658,477	12,537,101,054	11,548,889,563	10,706,566,922
Total liabilities and shareholders' equity		25,261,902,971	24,253,466,175	23,558,283,455	22,173,772,653

The accompanying notes are an integral part of the financial statements



Directors



Tipco Asphalt Public Company Limited and its subsidiaries

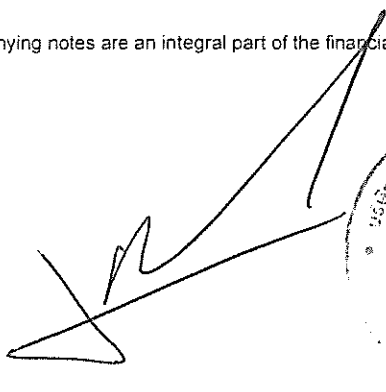

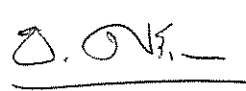
Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Sales and service income		36,892,972,824	27,631,919,678	33,640,723,535	24,683,028,049
Other income					
Dividend income from subsidiaries and associates	9, 11	-	-	326,616,573	442,392,992
Gain on exchange		467,016,586	122,473,322	469,488,434	154,504,134
Others		133,516,131	110,151,645	174,180,702	152,107,966
Total revenues		37,493,505,541	27,864,544,645	34,611,009,244	25,432,033,141
Expenses					
Cost of sales and services		33,422,244,862	24,487,808,333	31,685,926,692	22,784,446,600
(Gain) loss from price hedging contracts	32, 33	90,079,004	(2,121,615)	94,186,207	(6,570,846)
Reduction of cost of inventory to net realisable value (reversal)	8	(793,837,504)	782,445,589	(928,467,798)	935,401,371
		32,718,486,362	25,268,132,307	30,851,645,101	23,713,277,125
Selling expenses		166,189,176	166,044,813	97,378,117	90,918,709
Administrative expenses		1,087,117,374	1,180,074,246	663,910,699	596,915,180
Other expenses					
Bad debt and allowance for doubtful accounts (reversal)		1,573,179	6,394,352	(3,785,962)	6,862,848
Damages and expenses from a fire - net of insurance claim	8, 35	(205,903,100)	358,115,207	-	-
Total expenses		33,767,462,991	26,978,760,925	31,609,147,955	24,407,973,862
Profit before share of profit from investments in joint ventures and associates, finance cost and income tax		3,726,042,550	885,783,720	3,001,861,289	1,024,059,279
Share of profit from investments in joint ventures and associates	10, 11	132,821,585	98,198,509	-	-
Profit before finance cost and income tax		3,858,864,135	983,982,229	3,001,861,289	1,024,059,279
Finance cost		(204,129,675)	(169,217,353)	(125,046,704)	(102,929,326)
Profit before income tax		3,654,734,460	814,764,876	2,876,814,585	921,129,953
Income tax	25	(508,999,279)	(234,454,946)	(393,209,400)	(116,848,100)
Profit for the year		3,145,735,181	580,309,930	2,483,605,185	804,281,853

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

Tipco Asphalt Public Company Limited and its subsidiaries

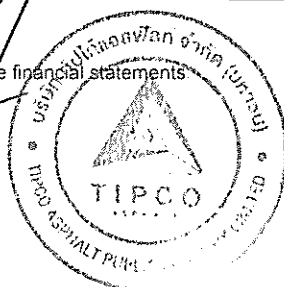
Statement of comprehensive income (continued)

For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Exchange differences on translation of					
financial statements in foreign currencies		(470,294,768)	(81,965,707)	-	-
Change in fair value of hedging instruments					
of cash flow hedges - net of income tax	25, 33	(557,627,790)	399,996,669	(557,627,790)	399,996,669
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(1,027,922,558)	318,030,962	(557,627,790)	399,996,669
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods:					
Actuarial loss - net of income tax	20, 25	(592,002)	(2,398,426)	-	(11,365,455)
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(592,002)	(2,398,426)	-	(11,365,455)
Other comprehensive income for the year		(1,028,514,560)	315,632,536	(557,627,790)	388,631,214
Total comprehensive income for the year		2,117,220,621	895,942,466	1,925,977,395	1,192,913,067
Profit attributable to:					
Equity holders of the Company		3,123,280,231	564,465,981	2,483,605,185	804,281,853
Non-controlling interests of the subsidiaries		22,454,950	15,843,949		
		3,145,735,181	580,309,930		
Total comprehensive income attributable to:					
Equity holders of the Company		2,108,740,998	887,536,096	1,925,977,395	1,192,913,067
Non-controlling interests of the subsidiaries		8,479,623	8,406,370		
		2,117,220,621	895,942,466		
Earnings per share	28				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.98	0.36	1.58	0.51
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.98	0.36	1.57	0.51

The accompanying notes are an integral part of the financial statements



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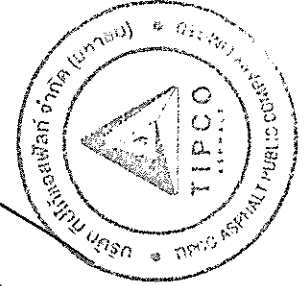
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Tipec Asphalt Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Issued and paid-up share capital	Premium on share capital	Share subscription	Non-controlling interests of subsidiary acquired by the Company	Change in the Company's interest in subsidiaries which did not result in a loss of control	Capital reserve for share-based payment transactions	Retained earnings	Other components of equity					
								Exchange differences on translation of financial statements in foreign currencies	Change in fair value of hedging instruments of cash flow hedges	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2018	1,592,464,570	1,046,878,673	8,638,781	-	(570,310,802)	155,755,068	172,123,329	(589,750,271)	-	(589,750,271)	12,800,966,056	128,253,492	12,929,239,548
Profit for the year	-	-	-	-	-	-	-	-	-	-	564,465,981	15,843,949	580,309,930
Other comprehensive income for the year	-	-	-	-	-	-	-	(74,528,128)	399,995,669	325,468,541	323,070,115	(7,437,579)	315,632,536
Total comprehensive income for the year	-	-	-	-	-	-	-	(74,528,128)	399,995,669	325,468,541	887,536,096	8,406,370	895,942,466
Warrant holders exercised warrants (Note 21)	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in share capital in subsidiary (Note 9)	11,357,000	71,595,652	(565,256)	-	-	-	-	-	-	-	-	-	82,387,396
Share-based payment transactions (Note 22)	-	-	-	-	-	18,997,353	-	-	-	-	18,997,353	-	18,997,353
Dividend paid (Note 30)	-	-	-	-	-	-	-	-	-	-	(1,407,766,203)	-	(1,407,766,203)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	1,573,821,570	1,118,474,325	8,073,525	6,237,755	(570,310,802)	174,753,421	172,123,329	(694,278,399)	399,995,669	(264,281,730)	12,382,140,693	154,960,356	12,537,101,054
Profit for the year	-	-	-	-	-	-	-	-	-	-	12,382,140,698	154,960,356	12,537,101,054
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	3,123,280,231	22,454,950	3,145,735,181
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	(1,013,947,231)	(13,975,327)	(1,028,514,560)
Warrant holders exercised warrants (Note 21)	-	-	-	-	-	-	-	(458,319,441)	(557,627,790)	(1,013,947,231)	2,108,740,998	8,479,623	2,117,220,621
Increase in share capital in subsidiary (Note 9)	2,941,500	21,813,530	(5,502,525)	-	-	-	-	-	-	-	19,252,505	-	19,252,505
Dividend paid (Note 30)	-	-	-	-	-	-	-	-	-	-	-	7,991,598	7,991,598
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(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	6,237,755	(570,310,802)	174,753,421	172,123,329	(1,120,597,840)	(157,631,121)	(1,278,228,961)	13,407,226,942	171,431,535	13,578,658,477

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)

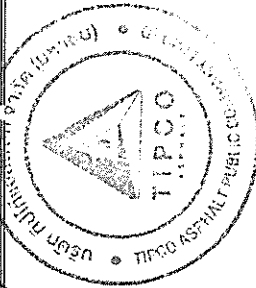
For the year ended 31 December 2019

(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	Other comprehensive income	Total other components of shareholders' equity	
									Change in fair value of hedging instruments of cash flow hedges
Balance as at 1 January 2018	1,562,464,570	1,046,878,673	8,638,781	155,756,068	172,123,329	7,874,173,888	-	-	10,820,035,309
Profit for the year	-	-	-	-	-	804,281,853	-	-	804,281,853
Other comprehensive income for the year	-	-	-	-	-	(11,365,455)	399,996,669	399,996,669	388,631,214
Total comprehensive income for the year	-	-	-	-	-	792,916,398	399,996,669	399,996,669	1,192,913,067
Warrant holders exercised warrants	11,357,000	71,595,652	(565,256)	-	-	-	-	-	82,387,396
Share-based payment transactions (Note 22)	-	-	-	18,997,353	-	-	-	-	18,997,353
Dividend paid (Note 30)	-	-	-	-	-	(1,407,766,203)	-	-	(1,407,766,203)
Balance as at 31 December 2018	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
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 (Note 21)	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

The accompanying notes are an integral part of the financial statements

3



Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2019

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:				
Profit before income tax	3,654,734,460	814,764,876	2,876,814,585	921,129,953
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	874,626,042	1,001,210,295	198,275,244	267,723,151
Written off withholding tax	49,372	-	-	-
Written off inventories	198,214	-	-	-
Bad debt and allowance for doubtful accounts (reversal)	1,573,179	6,394,352	(3,785,962)	6,862,848
Reduction of cost of inventory to net realisable value (reversal)	(793,837,504)	782,445,589	(928,467,798)	935,401,371
Allowance for loss on impairment from fire incident at a subsidiary	-	289,935,903	-	-
Allowance for impairment loss on equipment	796,559	2,385,481	-	-
Dividend income from subsidiaries and associates	-	-	(326,616,573)	(442,392,992)
Unrealised gain on exchange	(149,455,494)	(31,776,619)	(63,336,331)	(16,250,698)
Loss (gain) on sales of equipment	(9,318,889)	12,113,306	(18,118,946)	(5,611,325)
Share of profit from investments in joint ventures and associates	(132,821,585)	(98,198,509)	-	-
Share-based payment transactions	-	18,997,353	-	11,766,711
Provision for long-term employee benefits	35,521,231	19,242,301	24,415,853	11,334,528
Change in fair value of forward exchange contracts	(5,778,852)	9,143,858	(1,288,474)	(1,270,504)
Change in fair value of price hedging contracts	310,953,117	(521,878,361)	310,953,117	(521,878,361)
Change in fair value of interest rate swap contracts	-	(735,522)	-	(889,671)
Interest expenses	165,651,523	153,176,429	118,095,787	99,280,606
Profit from operating activities before changes in operating assets and liabilities	3,952,891,373	2,457,220,732	2,186,940,502	1,265,205,617
(Increase) decrease in operating assets				
Trade and other receivables	(194,623,104)	(1,364,882,082)	(479,493,156)	(1,360,880,651)
Inventories	649,104,530	(4,383,178,628)	612,559,801	(4,154,740,106)
Other current assets	(114,637,335)	(75,589,574)	(34,398,119)	(100,686,171)
Other non-current assets	(1,633,067)	27,832,647	(49,281)	(1,725,145)
Increase (decrease) in operating liabilities				
Trade and other payables	2,544,965,606	998,122,451	2,848,416,476	1,107,132,738
Other current liabilities	(51,948,945)	38,275,343	(41,861,061)	21,773,174
Other non-current liabilities	(17,232,249)	(8,265,084)	(12,917,886)	(5,397,652)
Cash flows from (used in) operating activities	6,766,886,809	(2,310,464,195)	5,079,197,276	(3,229,318,196)
Cash paid for interest expenses	(167,064,677)	(120,155,104)	(122,160,293)	(95,425,590)
Cash paid for corporate income tax	(277,086,894)	(190,116,875)	(155,580,284)	(67,661,350)
Net cash flows from (used in) operating activities	6,322,735,238	(2,620,736,174)	4,801,456,699	(3,392,405,136)

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 (continued)

For the year ended 31 December 2019

(Unit: Baht)

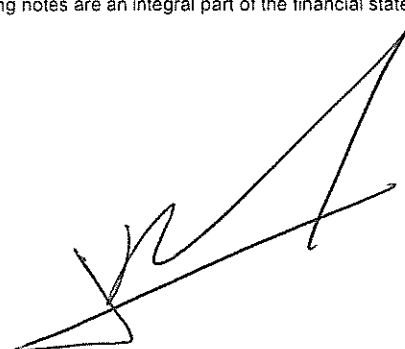


	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities:				
Cash paid for investment in subsidiary	-	-	(54,984,642)	(23,891,805)
Cash paid for investment in joint venture	-	(85,924,733)	-	(67,552,611)
Dividend received from subsidiaries and associates	41,749,883	80,211,962	326,616,573	442,392,992
Decrease (increase) in short-term loans to related party	-	-	(13,000,000)	32,566,400
Decrease (increase) in long-term loans to related parties	-	-	(464,515,534)	32,566,400
Acquisition of equipment	(1,333,693,805)	(574,127,523)	(213,353,595)	(159,951,270)
Acquisition of computer software	(13,274,589)	(16,355,308)	(11,342,368)	(11,626,961)
Proceeds from sales of computer software	243,860	-	25,888	7,200
Proceeds from sales of equipment	85,469,743	32,465,675	21,002,056	6,945,645
Net cash flows from (used in) investing activities	(1,219,504,908)	(563,729,927)	(409,551,622)	251,455,990
Cash flows from financing activities:				
Cash receipts from shares subscription of subsidiary	17,950,848	7,968,551	-	-
Increase (decrease) in short-term loans from financial institutions	(2,901,822,002)	4,970,382,227	(2,734,070,497)	4,811,391,613
Increase (decrease) in short-term loans from related party	-	-	135,000,000	(231,000,000)
Cash paid under finance lease agreements	(127,328)	(265,074)	-	-
Repayment of long-term loans	(129,912,500)	(324,438,621)	-	-
Cash receipts from increase in capital	16,681,505	74,313,871	16,681,505	74,313,871
Cash receipts from share subscription	2,571,000	8,073,525	2,571,000	8,073,525
Dividend paid to shareholders	(1,104,422,919)	(1,405,784,232)	(1,104,422,919)	(1,405,784,232)
Dividend paid to non-controlling interests of subsidiaries	(42)	(57)	-	-
Net cash flows from (used in) financing activities	(4,099,081,438)	3,330,250,190	(3,684,240,911)	3,256,994,777
Exchange differences on translation of				
financial statements in foreign currencies	(108,442,503)	(67,483,801)	-	-
Net increase in cash and cash equivalents	895,706,389	78,300,288	707,664,166	116,045,631
Cash and cash equivalents at beginning of year	1,103,710,709	1,025,410,421	269,948,936	153,903,305
Cash and cash equivalents at end of year	1,999,417,098	1,103,710,709	977,613,102	269,948,936

Supplemental cash flows information

Non-cash transactions

Purchase of equipment for which cash has not been paid	31,014,066	28,054,921	-
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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 2019

1. General information

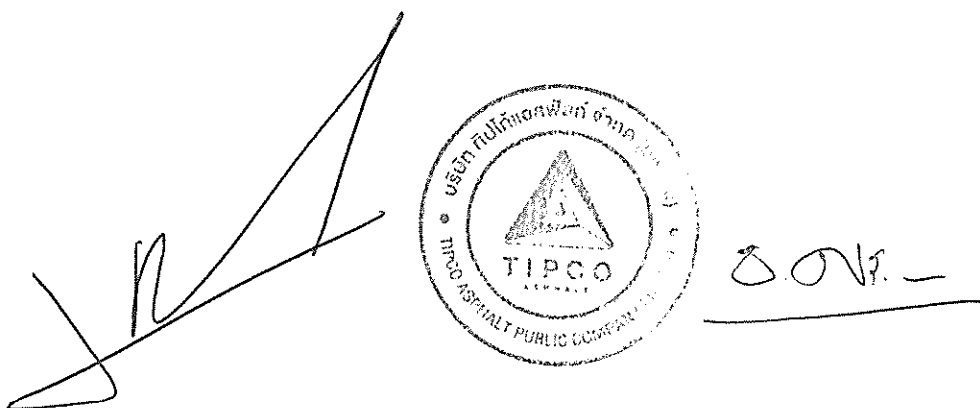
Tipco Asphalt Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The major shareholders of the Company are Supsakorn family and Colas Group, a company incorporated in French Republic. The Company is principally engaged in the manufacture and distribution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

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 dated 11 October 2016, 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.




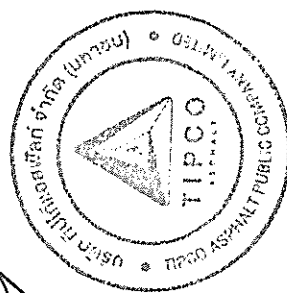
The image shows a handwritten signature on the left, a circular official stamp in the center, and another handwritten signature on the right. The circular stamp contains the Thai text 'บริษัท อสฟัลท์ จำกัด', the English text 'TIPCO ASPHALT PUBLIC COMPANY LIMITED', and a central logo featuring a triangle with the word 'TIPCO' inside.

2.2 Basis of consolidation

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

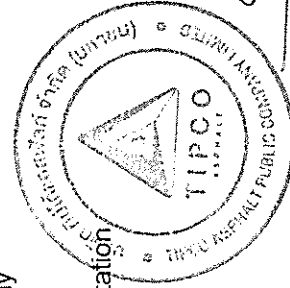
Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		<u>2019</u> (Million Baht)	<u>2018</u> (Million Baht)	<u>2019</u> (%)	<u>2018</u> (%)
<u>Subsidiaries incorporated in Thailand</u>					
Raycol Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	111	111	100.00	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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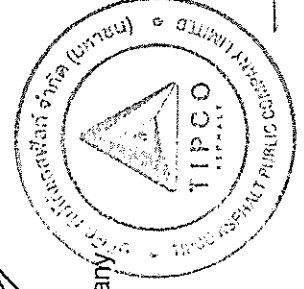
Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
				(%)	(%)
<u>Subsidiaries incorporated in Malaysia</u>					
Kemaman Oil Corporation Sdn Bhd ("KOC")	Holding company and manufacture and distribution of asphalt and petroleum products	151.96 Million ringgit	151.96 Million ringgit	100.00	100.00
Kemaman Bitumen Company Sdn Bhd ("KBC")	Manufacture and distribution of asphalt and petroleum products	305.55 Million ringgit	305.55 Million ringgit	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 ringgit	0.30 Million ringgit	30.00	30.00
<u>Subsidiaries incorporated in Singapore</u>					
Highway Resources Trading Pte. Ltd. (100% owned by HR, previously known as KBC Energy Pte. Ltd. which 100% owned by KOC)	Dormant	0.01 Million USD	0.01 Million USD	100.00	100.00
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
AD Shipping Pte. Ltd.	Marine transportation	7.13 Million SGD	7.13 Million SGD	100.00	100.00




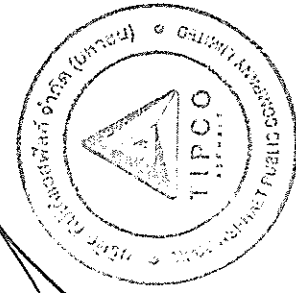

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Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		2019	2018	2019	2018
				(%)	(%)
Reta Link Pte. Ltd.	Marine transportation	0.05 Million SGD	0.05 Million SGD	100.00	100.00
<u>Subsidiary incorporated in Vietnam</u>					
Asphalt 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



Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</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
<u>Subsidiaries incorporated in Lao People's Democratic Republic</u>					
Tipco Asphalt Lao Company Limited	Manufacture and distribution of asphalt products	26,675 Million LAK	18,673 Million LAK	75.00	75.00

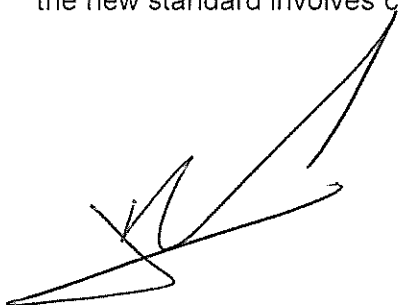
- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from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

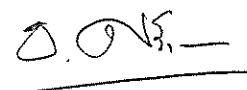
2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

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 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 financial statements of the Group. 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.



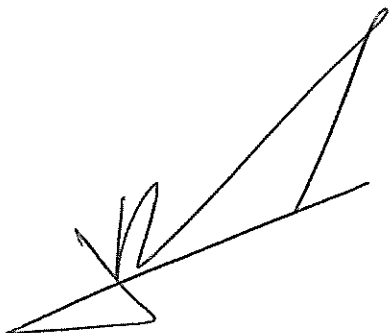
TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	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 financial statements of the Group.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised 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 except the following new standards which 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
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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

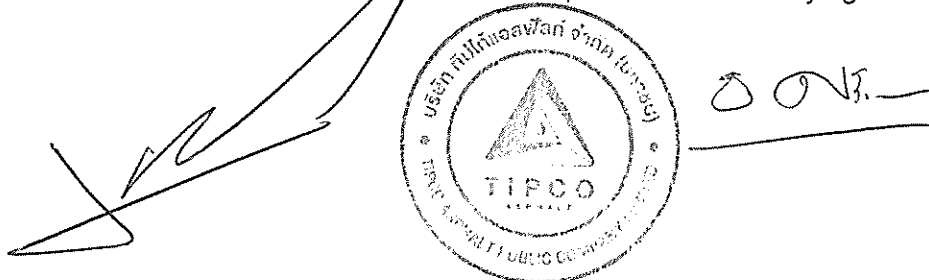
These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), 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 Group expects the adoption of these accounting standards to result in recognition of credit losses. The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The management of the Group 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.

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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 Group is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 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, discounts, allowances and price promotions 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.

Interest income

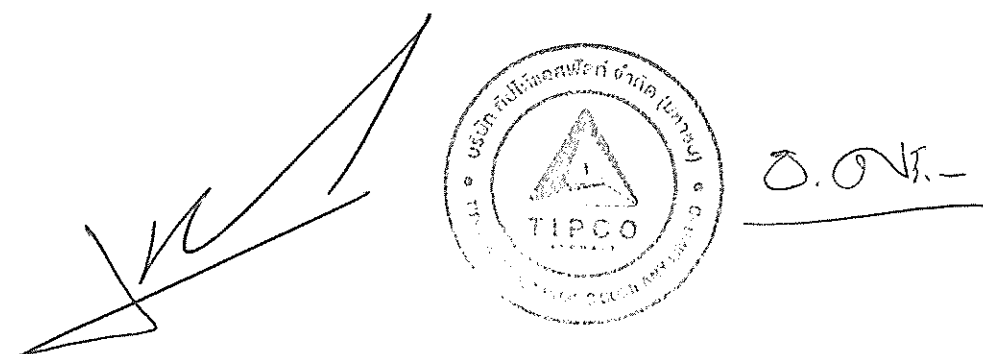
Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

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

4.2 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.

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4.3 Trade and other receivables

Trade and other receivables 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.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (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.

4.5 Investments

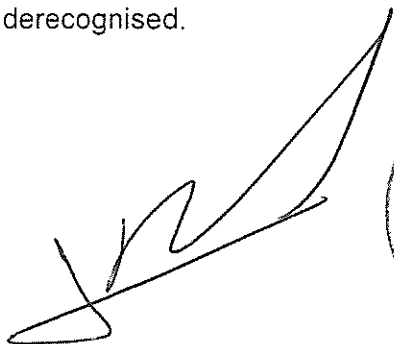
- a) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries, joint venture and associates are accounted for in the separate financial statements using the cost method less allowance for loss on impairment.

4.6 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.



4.7 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.

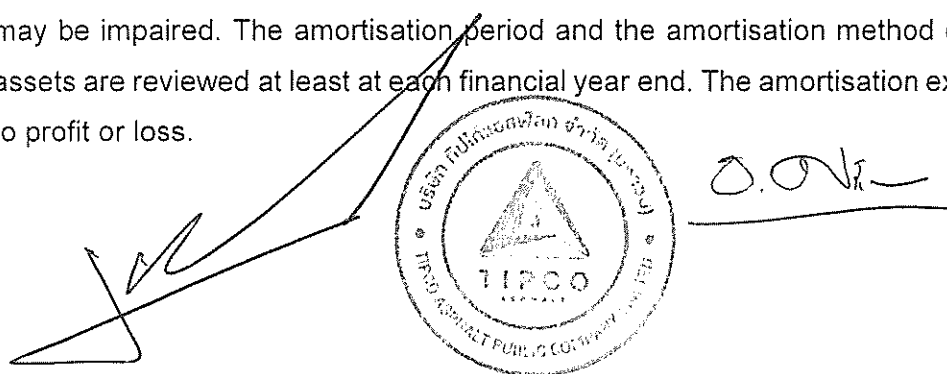
No depreciation is provided on land, construction in progress and equipment under installation.

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.

4.8 Intangible assets

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).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.



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

4.9 Goodwill

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.

Goodwill is carried at cost less allowance for impairment loss (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

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 estimate 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.

4.10 Leasehold rights

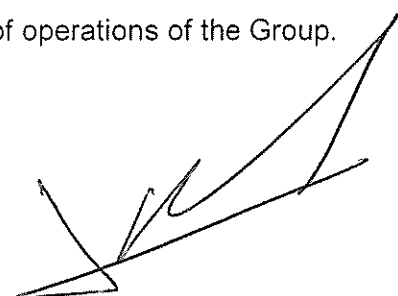
Leasehold rights are stated at cost less accumulated amortisation and less allowance for impairment loss of leasehold rights (if any). Amortisation is calculated by reference to cost on a straight-line basis over the lease periods.

The amortisation is included in profit or loss.

4.11 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 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.



4.12 Long-term leases

Leases of 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 are depreciated over the shorter of the useful life of the assets and the lease period, if the Group expect not to purchase such assets at the end of the lease period.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.13 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.

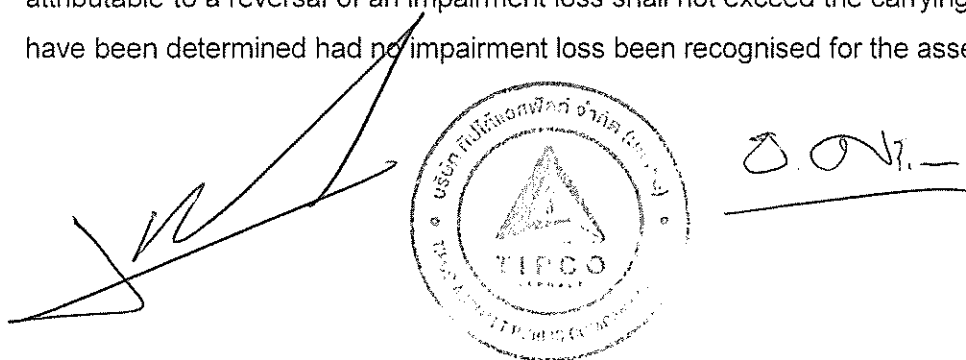
Gains and losses on exchange are included in profit or loss.

4.14 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.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, such reversal except for that of goodwill, is recognised in profit or loss. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.



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4.15 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.

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

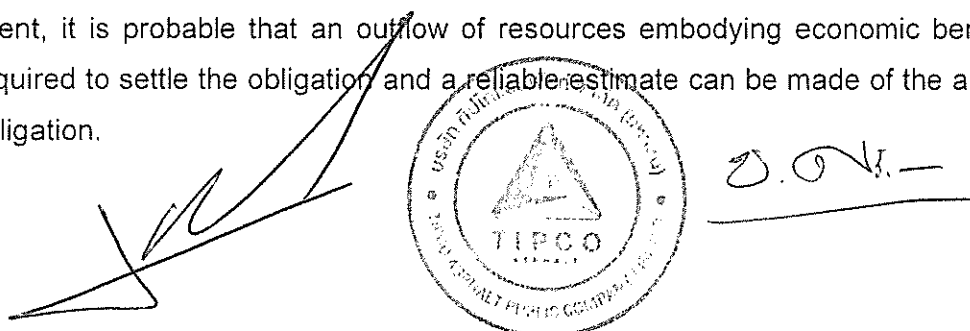
Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

4.16 Equity-settled share-based payment transactions

The Group recognises the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

4.17 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.



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4.18 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.

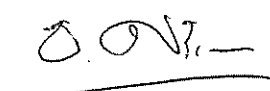
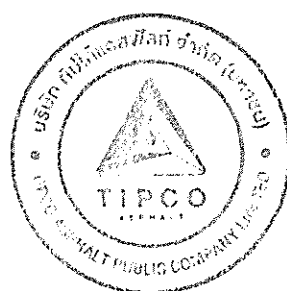
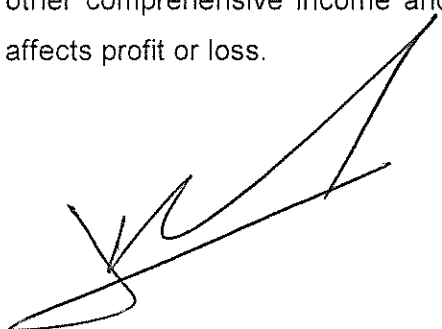
At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

4.19 Derivatives

The Group uses derivative financial instruments, such as forward currency contracts and forward commodity contracts, to hedge its foreign currency risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss.



The Company applies cash flow hedging to mitigate the risk exposures relating to price fluctuations on the Company's forecasted sales. The Company designated the forecasted sales as hedged items in a cash flow hedge using forward contracts as hedging instruments. Such accounting method is applied only when the Company has clearly identified the risks to be hedged, when economic relationship has been established and when the hedge effectiveness can be reliably assessed. Gains or losses arising from changes in the fair value of hedging instruments that effectively hedge the identified risk exposures are recognised directly in other comprehensive income and are subsequently reclassified in profit or loss when the forecasted transaction occurs. Any ineffectiveness measured shall be recognised immediately in profit or loss. In the event that the hedged item is no longer expected to occur, any gains or losses from changes in the fair value of the hedging instrument are recognised immediately to profit or loss.

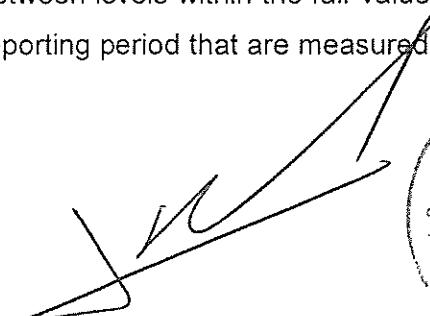

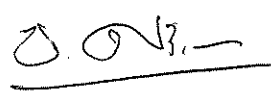
4.20 Fair value measurement

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.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards accounting principles at times 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 doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

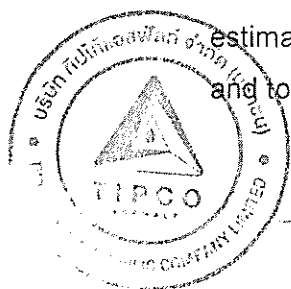
In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these 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.

Property plant and equipment/Depreciation

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



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

Goodwill and intangible assets

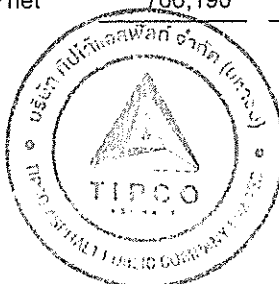
The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

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

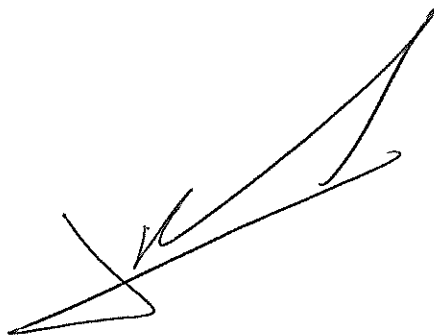
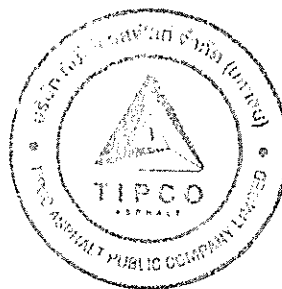
6. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties</u> (Note 7)				
Aged on the basis of due dates				
Not yet due	511,415	366,725	1,300,331	1,051,575
Past due				
Up to 3 months	227,813	49,900	361,864	294,008
3 - 6 months	26,962	-	92,963	232,569
6 - 9 months	-	-	20,796	563
9 - 12 months	-	-	4,469	5,699
Over 12 months	-	-	207,852	235,325
Total	766,190	416,625	1,988,275	1,819,739
Less: Allowance for doubtful accounts	-	-	(210,742)	(230,936)
Total trade receivables - related parties, net	766,190	416,625	1,777,533	1,588,803



(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	3,513,056	3,275,547	2,535,804	2,060,353
Past due				
Up to 3 months	586,895	656,903	153,988	205,283
3 - 6 months	164,381	199,723	36,566	15,502
6 - 9 months	92,377	50,682	35,594	23,917
9 - 12 months	41,432	48,300	3,810	10,796
Over 12 months	313,220	315,601	64,556	69,664
Total	4,711,361	4,546,756	2,830,318	2,385,515
Less: Allowance for doubtful accounts	(299,928)	(313,455)	(66,186)	(70,021)
Total trade receivables - unrelated parties, net	4,411,433	4,233,301	2,764,132	2,315,494
Total trade receivables - net	5,177,623	4,649,926	4,541,665	3,904,297
<u>Other receivables</u>				
Amounts due from related parties (Note 7)	17,195	29,104	341,719	203,526
Accounts receivable from price				
hedging contracts	34,066	355,905	34,066	355,905
Other receivables	5,114	6,969	2,878	3,507
Total other receivables	56,375	391,978	378,663	562,938
Trade and other receivables - net	5,233,998	5,041,904	4,920,328	4,467,235

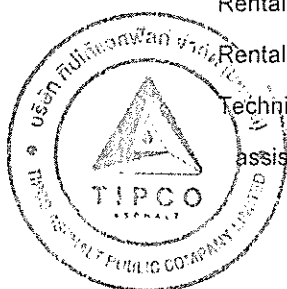




7. Related party transactions

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		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	6,771	6,437	Cost plus certain margin
Rental and service income	-	-	9	20	Contract price
Technical and administrative assistance income	-	-	59	49	Contract price
Interest income	-	-	40	36	At rate of 1.0 - 2.5 percent and LIBOR plus 1.5 percent per annum
Purchases of goods	-	-	11	18	Cost plus certain margin
Rental and service expenses	-	-	2,425	1,888	Contract price
Interest expense	-	-	1	1	At rate of 1.0 percent per annum
Dividend income	-	-	285	362	
<u>Transactions with joint ventures</u>					
Sales and service income	2,420	633	2,420	630	Market price / contract price
Rental and service income	-	1	-	1	Contract price
Purchases of goods	-	57	-	-	Contract price
<u>Transactions with associates</u>					
Sales and service income	253	256	214	219	Market price / contract price
Rental and service income	1	1	1	1	Contract price
Dividend income	-	-	42	80	
<u>Transactions with related companies</u>					
Sales and service income	1,456	2,212	1,438	2,179	Market price / contract price
Rental and service income	1	2	1	2	Contract price
Rental and service expenses	82	78	76	72	Contract price
Technical and administrative assistance expenses	39	38	39	38	Contract price



The balances of the accounts between the Group and those related companies as at 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade and other receivables- related parties</u> (Note 6)				
Subsidiaries	-	-	1,576,406	1,629,441
Joint ventures	443,250	140,949	441,348	138,953
Associates	182,968	97,043	160,163	63,840
Related companies (common shareholders and directors)	157,167	207,737	152,077	191,031
Total trade and other receivables - related parties	783,385	445,729	2,329,994	2,023,265
Less: Allowance for doubtful accounts	-	-	(210,742)	(230,936)
Total trade and other receivables - related parties, net	783,385	445,729	2,119,252	1,792,329

Short-term loan to related party

Subsidiary	-	-	13,000	-
Total short-term loan to related party	-	-	13,000	-

Long-term loans to related parties

Subsidiaries	-	-	1,479,030	1,248,756
Total long-term loans to related parties	-	-	1,479,030	1,248,756

Trade and other payables - related parties (Note 17)

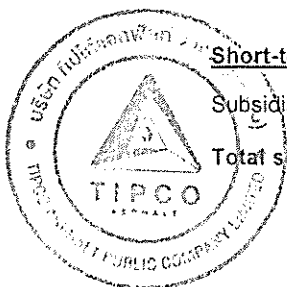
Subsidiaries	-	-	1,368,406	1,115,471
Joint venture	244	399	244	399
Associates	63	194	4	98
Related companies (common shareholders and directors)	81,058	78,707	79,582	78,048
Total trade and other payables - related parties	81,365	79,300	1,448,236	1,194,016

Advance received from customers - related parties

Subsidiary	-	-	-	53,399
Related company (common shareholders and directors)	-	224	-	224
Total advance received from customers - related parties	-	224	-	53,623

Short-term loan from related party

Subsidiary	-	-	160,000	25,000
Total short-term loans from related parties	-	-	160,000	25,000



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(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Long-term loan from related party</u>				
Related company (shareholder of subsidiary)	6,343	6,944	-	-
Total long-term loan from related party	6,343	6,944	-	-

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		
Company's name	Related by	Balance as at	on translation of	Balance as at
		31 December	financial statements in	31 December
		2018	foreign currencies	2019
<u>Long-term loan from related party</u>				
Zhenjiang Highway Materials Company	Shareholder of subsidiary	6,944	(601)	6,343

(Unit: Thousand Baht)

		Separate financial statements				
Company's name	Related by	Balance as at	Increase	Decrease	Gain (Loss)	Balance as at
		31 December	during	during	on	31 December
		2018	the year	the year	exchange	2019
<u>Short-term loan to related party</u>						
Alpha Maritime Co., Ltd.	Subsidiary	-	13,000	-	-	13,000

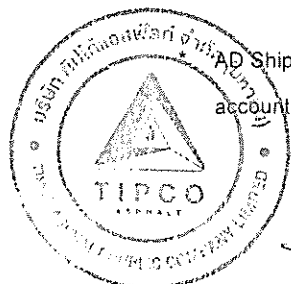
Long-term loans to related parties

AD Shipping Pte. Ltd.	Subsidiary	225,994	-	(38,301) *	(9,134)	178,559
Reta Link Pte. Ltd.	Subsidiary	145,282	474,056	(9,540)	(9,840)	599,958
Pacific Bitumen Shipping Pte. Ltd.	Subsidiary	877,480	-	(135,778) *	(41,189)	700,513
Total		1,248,756	474,056	(183,619)	(60,163)	1,479,030

Short-term loan from related party

Raycol Asphalt Co., Ltd.	Subsidiary	25,000	160,000	(25,000)	-	160,000
Total		25,000	160,000	(25,000)	-	160,000

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



Directors and management's benefits

During 2019 and 2018, the Group had employee benefit expenses of their directors and management as detailed below.

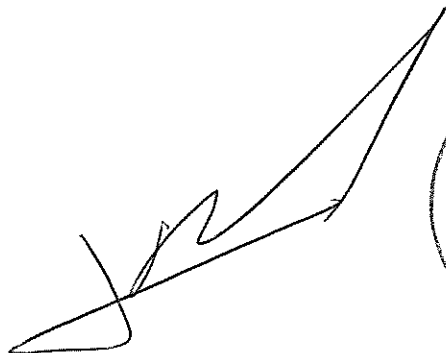
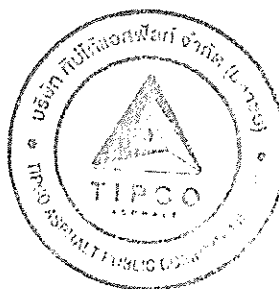
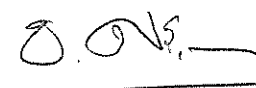
	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	162	142	149	129
Post-employment benefits and other long-term benefits (Note 20)	3	4	3	4
Share-based payment transactions (Note 22)	-	8	-	7
Total	<u>165</u>	<u>154</u>	<u>152</u>	<u>140</u>

Guarantee obligations with related parties

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

8. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods	1,410,270	1,833,510	(7,427)	(188,299)	1,402,843	1,645,211
Raw materials	1,706,891	1,789,471	(5,561)	(445,592)	1,701,330	1,343,879
Packaging materials, spare parts and factory supplies	110,349	96,489	(502)	(489)	109,847	96,000
Goods in transit	<u>4,252,915</u>	<u>4,580,160</u>	<u>-</u>	<u>(343,530)</u>	<u>4,252,915</u>	<u>4,236,630</u>
Total	<u>7,480,425</u>	<u>8,299,630</u>	<u>(13,490)</u>	<u>(977,910)</u>	<u>7,466,935</u>	<u>7,321,720</u>



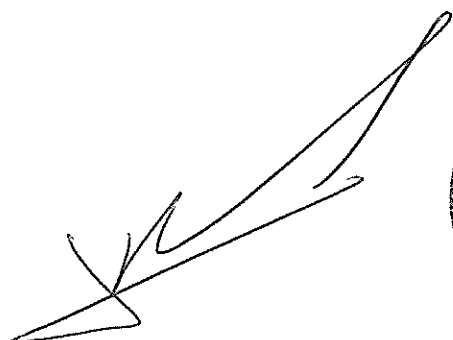
(Unit: Thousand Baht)

Separate financial statements

	Cost		Reduction of cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	1,018,640	1,373,518	(5,379)	(210,540)	1,013,261	1,162,978
Raw materials	1,454,735	1,288,734	-	(289,615)	1,454,735	999,119
Packaging materials, spare parts and factory supplies	8,919	10,086	(502)	(489)	8,417	9,597
Goods in transit	4,131,825	4,554,340	-	(433,704)	4,131,825	4,120,636
Total	6,614,119	7,226,678	(5,881)	(934,348)	6,608,238	6,292,330

During the current year, the Group reversed reduction of cost of inventory to net realisable value of Baht 794 million by deducting from cost of sales (2018: write-down of Baht 782 million) (The Company only: Baht 928 million (2018: write-down of Baht 935 million)).

In addition, a subsidiary in Malaysia recorded the amount of inventories damaged by a fire of Baht 170 million in 2018, presented under the caption "Damages and expenses from a fire - net of insurance claim" in the statement of comprehensive income. In the current year, the Group has already written off the damaged inventories and reversed reduction of cost of inventory to net realisable value.

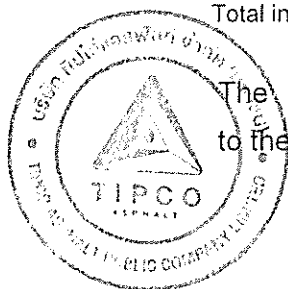


9. Investments in subsidiaries

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	
	2019	2018	2019	2018
<u>Domestic subsidiaries</u>				
Raycol Asphalt Co., Ltd.	580,712	580,712	111,000	111,000
Thai Bitumen Co., Ltd.	374,916	374,916	112,500	187,500
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.	417,216	417,216	-	-
Add: Additional investment cost from the acquisition of subsidiary under common control	115,849	115,849	-	-
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	61,367	63,681
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	54,902	-	-
Total investments in subsidiaries	7,678,476	7,654,501	284,867	362,181
Cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees (Note 22)	38,764	38,764		
Total investments in subsidiaries - net	7,717,240	7,693,265		

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



Warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees

During 2018, the Company recorded cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees (Note 22) amounted to Baht 7.2 million, as a cost of investments in subsidiaries.

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

In March 2018, 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).

10. Investments in joint ventures

10.1 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		Cost		Carrying amounts based on equity method	
		2019 percentage (%)	2018 percentage (%)	2019	2018	2019	2018
Asia Bitumen Trading Pte. Ltd. (Owned by TIHK)	Distribution of asphalt and petroleum products	50	50	242	242	31,901	42,849
Borneo Asphalt Sdn Bhd (Owned by KBC)	Distribution of asphalt products	50	50	23,815	23,815	15,451	20,017
Phoenix Asphalt Philippines Inc.	Manufacture and distribution of asphalt and petroleum products	40	40	67,553	67,553	65,272	67,630
				91,610	91,610	112,624	130,496



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(Unit: Thousand Baht)

Joint venture	Separate financial statements					
	Shareholding		Cost		Carrying amounts based	
	percentage				on cost method	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(%)	(%)				
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

10.2 Share of comprehensive income

The Group recognised their 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	
	<u>2019</u>	<u>2018</u>
Asia Bitumen Trading Pte. Ltd.	23,053	4,833
Borneo Asphalt Sdn Bhd	(2,945)	(2,665)
Phoenix Asphalt Philippines Inc.	274	(374)
Total	20,382	1,794

10.3 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 2019 and 2018:

(Unit: Million Baht)

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	182.5	182.9
Trade and other receivables	593.7	508.1
Other assets	2.4	2.4
Trade and other payables	(689.0)	(599.4)
Other liabilities	(25.8)	(8.3)
Net assets	63.8	85.7
Shareholding percentage (%)	50	50
Carrying amounts of joint venture based on equity method	31.9	42.9



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Summarised information about profit and loss for the years ended 31 December 2019 and 2018:

	(Unit: Million Baht)	
	<u>2019</u>	<u>2018</u>
Total revenues	5,528.9	3,636.2
Cost of goods sold	(5,439.2)	(3,587.5)
Total expenses	(43.6)	(39.0)
Profit for the year	46.1	9.7

During the current year, ABT paid dividend amounting to USD 2 million or approximately Baht 69 million (2018: None).

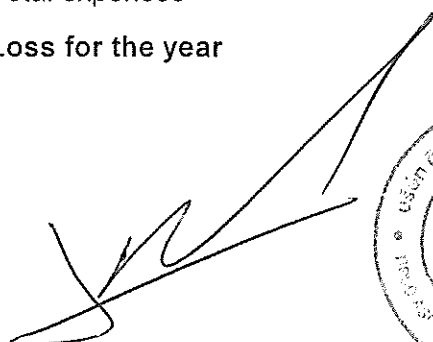
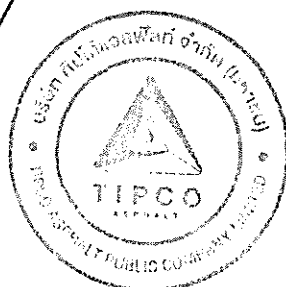
Financial information of Borneo Asphalt Sdn Bhd

Summarised information about financial position as at 31 December 2019 and 2018:

	(Unit: Million Baht)	
	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	7.9	40.8
Trade and other receivables	0.7	1.0
Other assets	154.9	123.4
Trade and other payables	(0.2)	(18.0)
Other liabilities	(132.1)	(108.0)
Net assets	31.2	39.2
Shareholding percentage (%)	50	50
Carrying amounts of joint venture based on equity method	15.6	19.6

Summarised information about profit and loss for the years ended 31 December 2019 and 2018:

	(Unit: Million Baht)	
	<u>2019</u>	<u>2018</u>
Total revenues	1.2	0.4
Cost of goods sold	(0.7)	(0.3)
Total expenses	(6.2)	(5.6)
Loss for the year	(5.7)	(5.5)


Financial information of Phoenix Asphalt Philippines Inc.

Summarised information about financial position as at 31 December 2019 and 2018:

(Unit: Million Baht)

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	44.1	165.8
Trade and other receivables	15.8	2.5
Other assets	123.8	7.4
Trade and other payables	(10.3)	(3.9)
Other liabilities	(10.1)	(2.6)
Net assets	163.3	169.2
Shareholding percentage (%)	50	50
Carrying amounts of joint venture based on equity method	81.6	84.6

Summarised information about profit and loss for the years ended 31 December 2019 and 2018:

(Unit: Million Baht)

	<u>2019</u>	<u>2018</u>
Total revenues	73.4	4.3
Cost of goods sold	(66.7)	(3.9)
Total expenses	(6.0)	(1.3)
Profit (loss) for the year	0.7	(0.9)

11. Investments in associates

11.1 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(%)	(%)				
Colasie Co., Ltd.	Holding company	40	40	18,404	18,404	366,275	301,600
PT Sarana Distribusi	Barge rental service						
Aspal Nusantara							
(Owned by ABS)		49	49	1,313	1,313	253	431
Thal Slurry Seal	Road rehabilitation						
Company Limited	contractor	25	25	225,043	225,043	239,874	238,868
Total investments in associates				244,760	244,760	606,402	540,899



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(Unit: Thousand Baht)

Company's name	Nature of business	Separate financial statements					
		Shareholding		Cost		Carrying amounts	
		percentage				based on	
		2019	2018	2019	2018	2019	2018
		(%)	(%)				
Colasie Co., Ltd.	Holding company	40	40	18,404	18,404	18,404	18,404
Thai Slurry Seal Company Limited	Road rehabilitation contractor						
(Owned by ABS)		25	25	225,043	225,043	225,043	225,043
Total investments in associates				243,447	243,447	243,447	243,447

11.2 Share of comprehensive income and dividend received

The Group recognised their 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	
	2019	2018	2019	2018
Colasie Co., Ltd.	111,602	99,342	41,750	67,779
PT Sarana Distribusi Aspal Nusantara	(169)	(76)	-	-
Thai Slurry Seal Company Limited	1,006	(2,861)	-	12,433
Total	112,439	96,405	41,750	80,212

11.3 Summarised financial information about material associates

Financial information of Colasie Co., Ltd.

Financial information of Colasie Co., Ltd. as at 31 December 2019 and 2018 and for the years then ended are summarised below.

(Unit: Million Euro)

	2019	2018
Paid-up capital	1.04	1.04
Total assets	5.37	4.19
Total liabilities	0.03	0.01
Total revenues	4.25	2.97
Profit for the year	4.18	3.02



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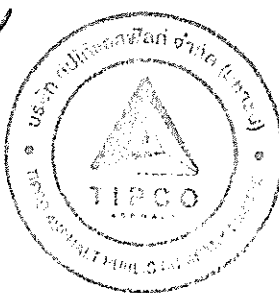

Financial information of Thai Slurry Seal Company Limited

Summarised information about financial position of Thai Slurry Seal Company Limited as at 31 December 2019 and 2018 are as follows:

	(Unit: Million Baht)	
	<u>2019</u>	<u>2018</u>
Current assets	792	603
Non-current assets	639	662
Current liabilities	(457)	(322)
Non-current liabilities	(124)	(97)
Net assets	850	846
Net assets attributable to the Company's investment (25%)	213	212
Goodwill	27	27
Carrying amounts of the associate based on equity method	240	239

Summarised information about comprehensive income for the year ended 31 December 2019 and 2018 are summarised below.

	(Unit: Million Baht)	
	<u>2019</u>	<u>2018</u>
Total revenues	1,264	1,152
Cost of goods sold	(1,144)	(1,049)
Total expenses	(116)	(114)
Profit (loss) for the year	4	(11)

12. 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 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

As at 31 December 2018:

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

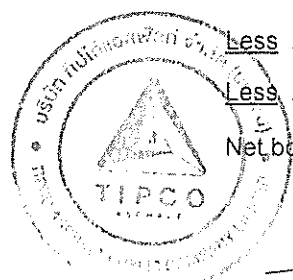
(Unit: Thousand Baht)

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 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

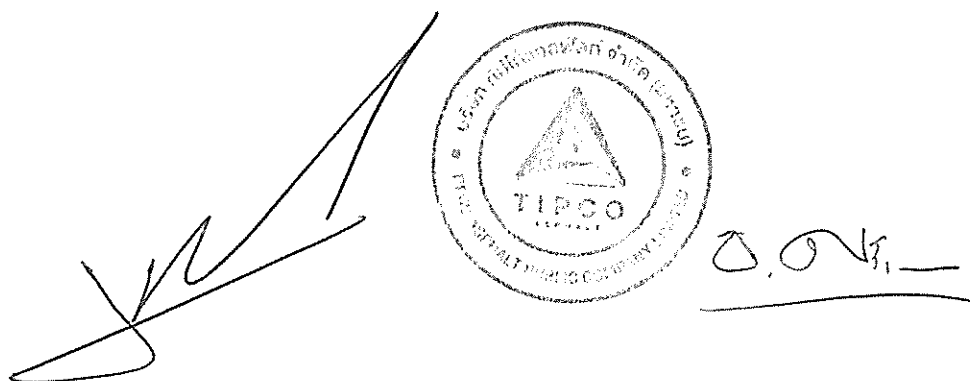
As at 31 December 2018:

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




The fair values of the investment properties, appraised by an independent professional valuer using the Sales Comparison Approach, as at 31 December 2019 and 2018 are stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</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	219,908	219,908	-	-



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(Unit: Thousand Baht)

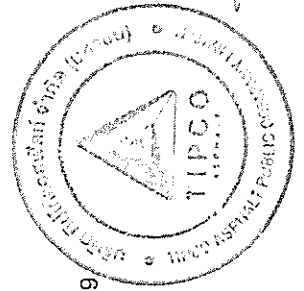


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(Unit: Thousand Baht)

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	Total
Accumulated depreciation							
As at 1 January 2018	327,285	489,854	3,148,918	712,835	874,861	-	5,553,753
Depreciation for the year	12,095	27,533	391,373	133,266	213,887	-	778,154
Accumulated depreciation on disposals/write-off	-	(8,386)	(32,527)	(78,082)	(67,826)	-	(186,821)
As at 31 December 2018	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/write-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
Allowance for impairment loss							
As at 1 January 2018	1,183	50,431	21,312	1,985	-	2,828	77,739
Increase during the year	-	338	88,169	85	-	31,397	119,989
As at 31 December 2018	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



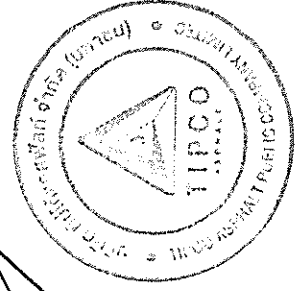
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(Unit: Thousand Baht)

Consolidated financial statements

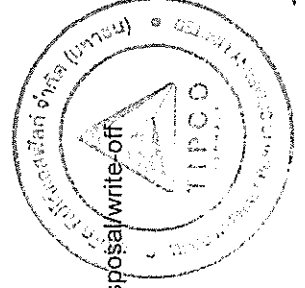
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	Total
Translation adjustments							
As at 1 January 2018	-	28,430	(152,031)	(10,859)	(64,622)	27,515	(171,567)
Translation adjustments during the year	-	(4,282)	(23,125)	(2,405)	(41,133)	(2,517)	(73,462)
As at 31 December 2018	-	24,148	(175,156)	(13,264)	(105,755)	24,998	(245,029)
Translation adjustments during the year	-	(14,728)	(189,218)	(10,423)	(119,108)	(54,367)	(387,844)
As at 31 December 2019	-	9,420	(3764,374)	(23,687)	(224,863)	(29,369)	(632,873)
Net book value							
As at 31 December 2018	334,112	324,280	3,393,288	594,851	3,095,234	385,875	8,127,640
As at 31 December 2019	335,303	357,028	3,118,649	519,330	3,214,014	741,388	8,285,712
Depreciation for the year							
2018 (Baht 626 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							778,154
2019 (Baht 680 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							748,153



(Unit: Thousand Baht)

Separate financial statements

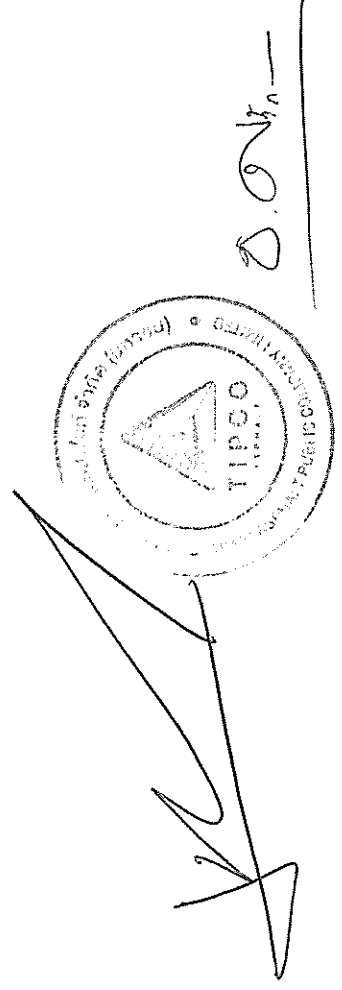
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Construction in progress and equipment under installation	Total
Cost						
As at 1 January 2018	480,536	265,341	602,440	839,672	66,770	2,254,759
Additions	3,924	4,222	26,091	5,067	120,647	159,951
Disposals/write-off	-	-	(11,503)	(47,539)	-	(59,042)
Transfer in (transfer out)	4,944	17,533	14,363	49,853	(86,693)	-
As at 31 December 2018	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/write-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
Accumulated depreciation						
As at 1 January 2018	239,222	193,918	494,207	461,161	-	1,388,508
Depreciation for the year	9,059	6,573	34,607	73,408	-	123,647
Accumulated depreciation on disposal/write-off	-	-	(11,480)	(46,219)	-	(57,699)
As at 31 December 2018	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/write-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



(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
Allowance for impairment loss					Total
As at 31 December 2018	1,183	-	-	-	1,183
As at 31 December 2019	1,183	-	-	-	1,183
Net book value					
As at 31 December 2018	239,940	86,605	114,057	358,703	900,029
As at 31 December 2019	240,771	136,779	144,959	327,210	984,242
Depreciation for the year					
2018 (Baht 106 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)					123,647
2019 (Baht 111 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)					126,259

As at 31 December 2019, 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 3,034 million (2018: Baht 2,774 million) (The Company only: Baht 1,316 million (2018: Baht 1,337 million)).

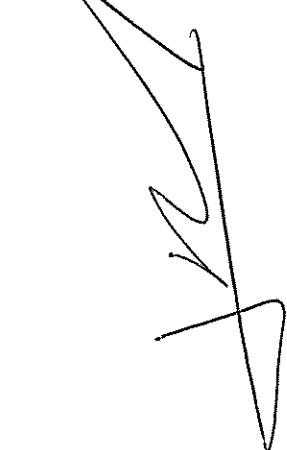
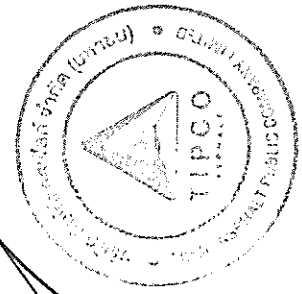


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14. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements		
	Computer software	Customer relationship	Non-competition clause	Computer software under installation	Computer software	Computer software under installation	Total
As at 31 December 2019:							
Cost	176,262	177,083	11,724	8,799	144,322	8,799	153,121
<u>Less</u> Accumulated amortisation	(110,331)	(59,028)	(9,820)	-	(81,504)	-	(81,504)
Translation adjustments	1,819	-	(994)	-	-	-	-
Net book value	67,750	118,055	910	8,799	62,818	8,799	71,617
As at 31 December 2018:							
Cost	177,549	177,083	11,724	96	147,648	96	147,744
<u>Less</u> Accumulated amortisation	(85,569)	(44,271)	(7,588)	-	(59,870)	-	(59,870)
Translation adjustments	1,914	-	(922)	-	-	-	-
Net book value	93,894	132,812	3,214	96	87,778	96	87,874



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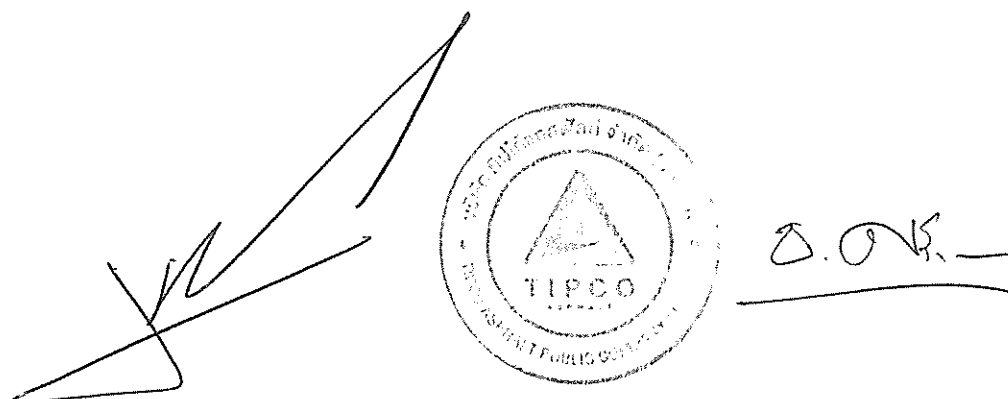
A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	230,016	260,995	87,874	103,482
Acquisition of computer software	13,275	16,355	11,342	11,627
Amortisation	(47,170)	(46,542)	(27,571)	(27,235)
Disposal/Write-off	(246)	(302)	(28)	-
Translation adjustments	(361)	(490)	-	-
Net book value at end of year	<u>195,514</u>	<u>230,016</u>	<u>71,617</u>	<u>87,874</u>

15. Leasehold rights

The Group entered into agreements to lease buildings and land. The lease agreements can be summarised below.

Leasee	Country the leased asset located in	Lease period (year)	Lease agreement ending year	Prepaid lease amount at inception of the lease
1. The Company	China	30	2031	1.4 million renminbi
2. A subsidiary in China	China	30	2029	5.7 million renminbi
3. A subsidiary in China	China	50	2050	6.9 million renminbi
4. A subsidiary in China	China	45	2055	2.5 million renminbi
5. A subsidiary in Malaysia	Malaysia	50	2055	19.8 million ringgit
6. A subsidiary in Malaysia	Malaysia	50	2063	11.0 million ringgit
7. A subsidiary in Vietnam	Vietnam	20	2032	36,257 million Vietnam Dong



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The book value of the leasehold rights as at 31 December 2019 and 2018 can be summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost	427,284	427,284	6,837	6,837
<u>Less</u> Accumulated amortisation	(97,400)	(86,921)	(4,330)	(4,102)
<u>Less</u> Allowance for impairment loss	(12,019)	(12,019)	-	-
Translation adjustments	(30,781)	(9,818)	-	-
Net book value	<u>287,084</u>	<u>318,526</u>	<u>2,507</u>	<u>2,735</u>

A reconciliation of the net book value of leasehold rights for the years 2019 and 2018 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	318,526	331,791	2,735	2,963
Amortisation	(9,822)	(9,721)	(228)	(228)
Translation adjustments	(21,620)	(3,544)	-	-
Net book value at end of year	<u>287,084</u>	<u>318,526</u>	<u>2,507</u>	<u>2,735</u>

16. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Bank overdrafts	-	12,781	-	12,781
Trust receipts	2,716,103	5,631,793	2,716,103	5,631,793
Promissory note	1,000,000	805,600	1,000,000	805,600
Loans in Vietnam Dong	26,030	138,722	-	-
Loan in Indonesia Rupiah	270,998	347,230	-	-
Total	<u>4,013,131</u>	<u>6,936,126</u>	<u>3,716,103</u>	<u>6,450,174</u>



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Bank overdrafts from local bank carry interest at the rate 7.43 percent per annum.

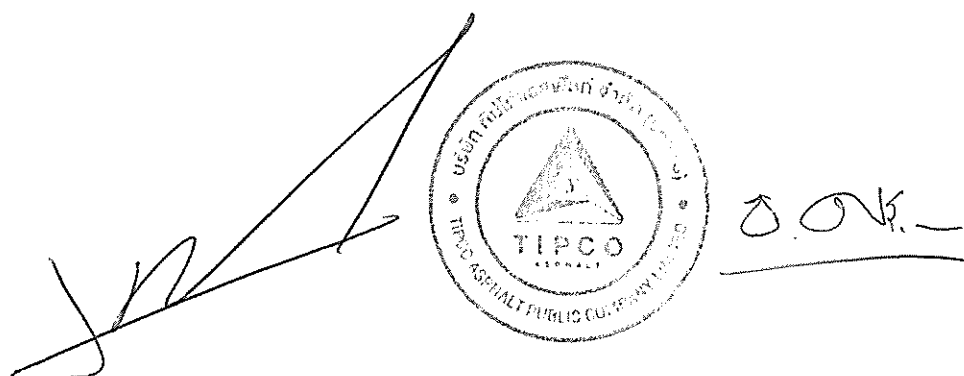
The trust receipts are revolving in nature and used to fund the working capital of crude inventory and receivables which have less than four-month cash conversion cycle.

Short-term loans from local banks carry interest at the rates ranging from 1.40 to 2.10 percent per annum (2018: 1.65 to 3.08 percent per annum).

Short-term loans from overseas financial institutions, located in the same country of overseas subsidiaries, carry interest at the rates ranging from 5.00 to 8.35 percent per annum (2018: 5.95 to 10.13 percent per annum).

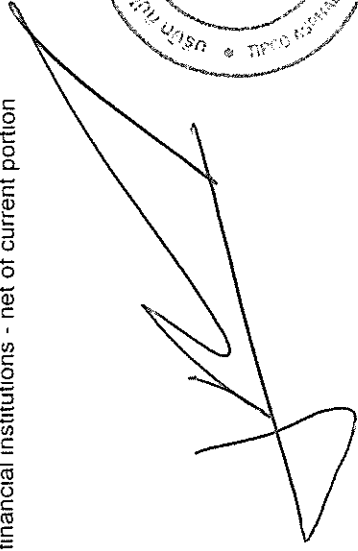
17. Trade and other payables

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables - related parties (Note 7)	2,037	352	1,326,321	917,035
Trade payables - unrelated parties	5,435,791	3,228,501	5,265,585	2,998,782
Amounts due to related parties (Note 7)	79,328	78,948	121,915	276,981
Accounts payable from price hedging contracts	8,101	53,518	8,102	53,518
Other payables and accrued expenses	790,857	654,078	366,138	298,345
Total trade and other payables	<u>6,316,114</u>	<u>4,015,397</u>	<u>7,088,061</u>	<u>4,544,661</u>



18. Long-term loans from financial institutions

Loan	Borrower	Interest rate	Repayment schedule	(Unit: Thousand Baht)	
				Consolidated financial statements	
				<u>2019</u>	<u>2018</u>
Long-term loans in Baht from bank in Thailand					
(1)	Thai Bitumen Company Limited	Fixed rate	Quarterly installments, as stipulated in the agreement, commencing from November 2014	-	99,000
Long-term loans in USD from bank in Thailand					
(2)	Alpha Maritime Company Limited	Rate referenced to LIBOR	Quarterly installments as stipulated in the agreements, commencing from July 2015	74,312	112,521
Total				74,312	211,521
Less: Current portion				(37,611)	(131,615)
Long-term loans from financial institutions - net of current portion				36,701	79,906







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, restriction on dividend payment, the maintenance of shareholders and the limitation on creation of additional long-term debt.

19. Credit facilities

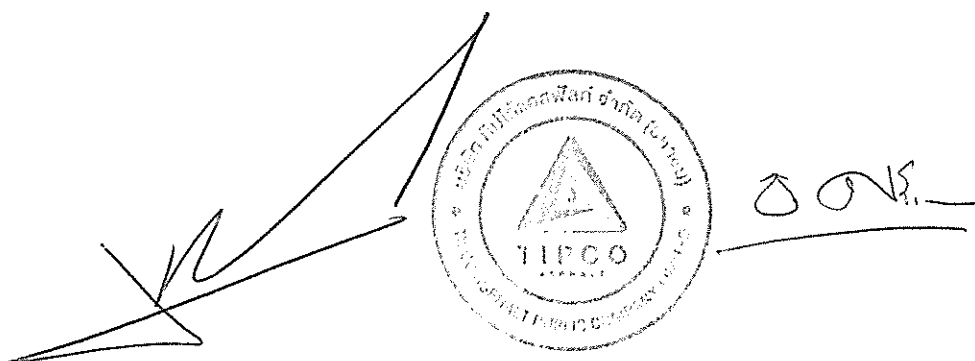
The credit facilities of the Group granted by financial institutions are secured by the following collaterals:

- a) The guarantees by the Company, its subsidiaries and a shareholder of a subsidiary.
- b) The pledges/mortgages by the assets of subsidiaries of which the net book value as at 31 December 2019 and 2018 of the assets are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
Leasehold rights - net	124	137
Property, plant and equipment - net	2,683	3,088

- c) The prohibition from creating lien over assets of the Group.
- d) Financial support letters provided by the Group to banks.
- e) 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.



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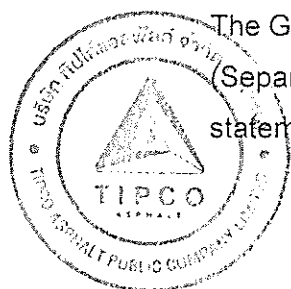
20. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Provision for long-term employee				
benefits at beginning of year	149,496	137,624	107,684	87,540
Included in profit or loss:				
Defined benefit plans				
Current service cost	14,159	11,697	9,081	6,584
Past service cost	16,638	-	13,028	-
Interest cost	3,979	4,300	1,752	2,116
Long service award	745	3,245	555	2,635
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	1,067	-	849
Financial assumptions changes	849	(5,137)	-	34
Experience adjustments	(60)	6,888	-	13,324
Benefits paid during the year	(17,232)	(8,265)	(12,918)	(5,398)
Translation adjustments	(881)	(1,923)	-	-
Provision for long-term employee				
benefits at end of year	<u>167,693</u>	<u>149,496</u>	<u>119,182</u>	<u>107,684</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 for the current year.

The Group expect to pay Baht 8 million of long-term employee benefits during the next year (Separate financial statements: Baht 6 million) (2018: Baht 48 million, separate financial statements: Baht 45 million).



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As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit was between 4 - 15 years (Separate financial statements: 4 years) (2018: 4 - 11 years, separate financial statements: 4 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.5 - 8.3	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

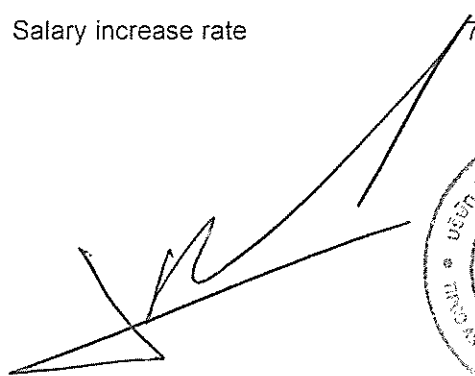


The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(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)

(Unit: Million Baht)

	31 December 2018			
	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)

21. Share capital

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

	2019
Number of warrants exercised (warrants)	2,829,000
Number of ordinary shares issued (shares)	2,941,500
Amount of cash received (Baht)	24,755,030
Paid-up capital after share registration (Baht)	1,576,763,070

As at 31 December 2019, the Company received advance subscription from the exercise of and ESOP-W5 warrants as follows:

	ESOP-W5
Number of warrants exercised (warrants)	300,000
Number of ordinary shares issued (shares)	300,000
Amount of cash received (Baht)	2,571,000

The Company registered the capital increase from the exercise of such warrants with the Ministry of Commerce on 10 January 2020. The paid-up capital after share registration is Baht 1,577,063,070 (1,577,063,070 ordinary shares of Baht 1 each).

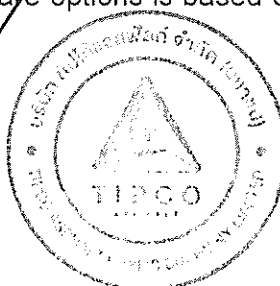
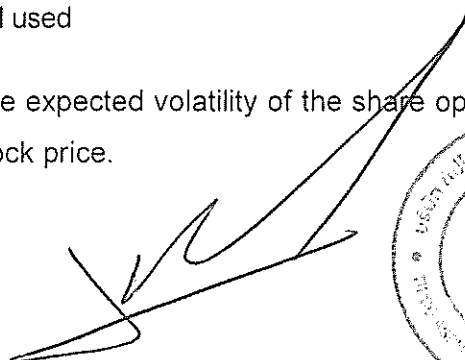
22. Warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Group ("ESOP")

The expenses recognised for employee services received during 2018 of the Group were totaled Baht 19 million (the Company only: Baht 12 million).

As at 31 December 2019, the fair value of remaining option granted and the inputs of the model used were summarised below.

	ESOP-W5
Fair value of options granted	Baht 9.02 per share
Dividend yield	2.48%
Expected stock volatility*	40.3%
Risk-free interest rate	1.77%
Expected life of share options	3 years
Model used	Black-Scholes

* The expected volatility of the share options is based on historical data of the Company's stock price.



As at 31 December 2019 and 2018, the remain unexercised of ESOP are summarised below.

	<u>2019</u>	<u>2018</u>
ESOP-W4	-	46,100 units
ESOP-W5	1,298,500 units	3,545,000 units

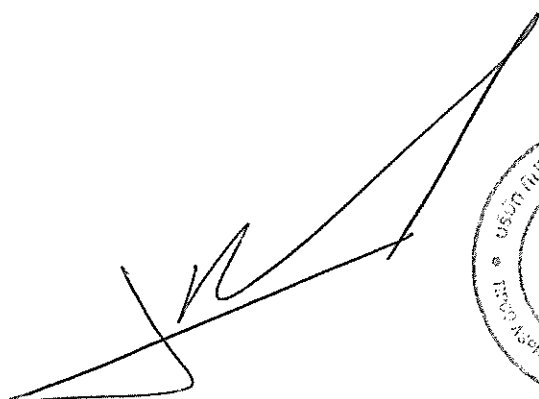
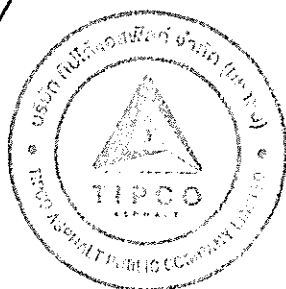
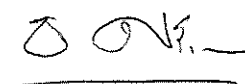
23. Statutory reserve

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:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Salary, wages and other employee benefits	1,108	1,090	552	468
Depreciation and maintenance expenses	927	961	221	219
Costs related to production of goods and services (excluding of staff cost, depreciation and maintenance expenses)	32,218	22,437	31,449	22,098

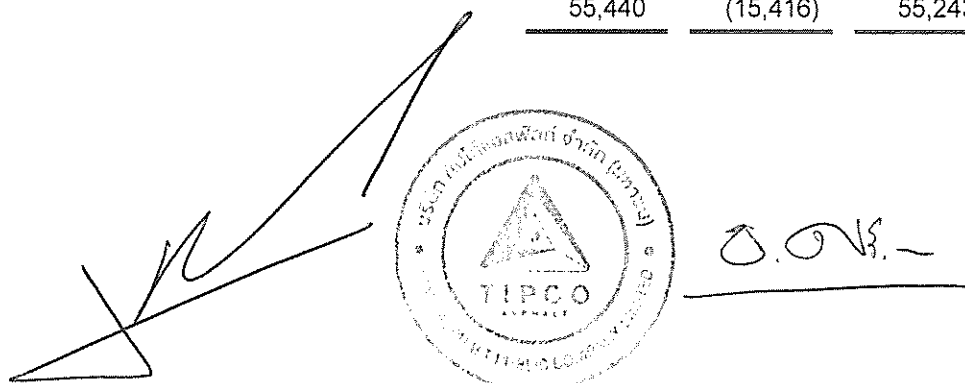
25. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Current income tax charge	(548,663)	(260,131)	(415,146)	(133,683)
Adjustment in respect of income tax of previous year	(548)	(2,744)	898	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>40,212</u>	<u>28,420</u>	<u>21,039</u>	<u>16,835</u>
Income tax expense reported in the statement of comprehensive income	<u>(508,999)</u>	<u>(234,455)</u>	<u>(393,209)</u>	<u>(116,848)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to actuarial loss	197	419	-	2,841
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	<u>55,243</u>	<u>(15,835)</u>	<u>55,243</u>	<u>(15,835)</u>
	<u>55,440</u>	<u>(15,416)</u>	<u>55,243</u>	<u>(12,994)</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 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting profit before tax	3,654,734	814,765	2,876,815	921,130
Income tax at Thai corporate income tax rate of 20%	(730,947)	(162,953)	(575,363)	(184,226)
Adjustment in respect of income tax of previous year	(548)	(2,744)	898	-
Utilisation of previously unrecognised tax losses and capital allowance	86,774	2,235	-	-
Unused tax loss which has not recognised as deferred tax assets	(20,725)	(33,727)	-	-
Difference of tax rate in group companies	(16,462)	(12,512)	-	-
Effects of:				
Non-deductible expenses	(81,672)	(52,974)	(609)	(1,816)
Additional expenses deductions allowed	14,061	14,151	10,108	9,841
Exemption of income	86,360	23,345	44,700	62,187
Promotional privileges (Note 26)	14,292	7,254	-	-
Tax privilege for a company that operates as an international trading center	2,392	31,288	2,392	31,288
Temporary difference of tax privilege for a company that operates as an international trading center	90,008	(62,622)	90,008	(62,622)
Tax privilege for a company that operates as an international headquarters	2,182	5,879	2,182	32,171
Tax privilege for a company that operates as an international business center	3,589	-	24,212	-
Tax privileges for maritime commerce (Note 27)	7,982	3,970	-	-
Share of profit from investment in joint ventures and associates	26,558	19,640	-	-
Others	7,157	(14,685)	8,263	(3,671)
Total	172,909	(24,754)	181,256	67,378
Income tax expenses reported in the statement of comprehensive income	(508,999)	(234,455)	(393,209)	(116,848)



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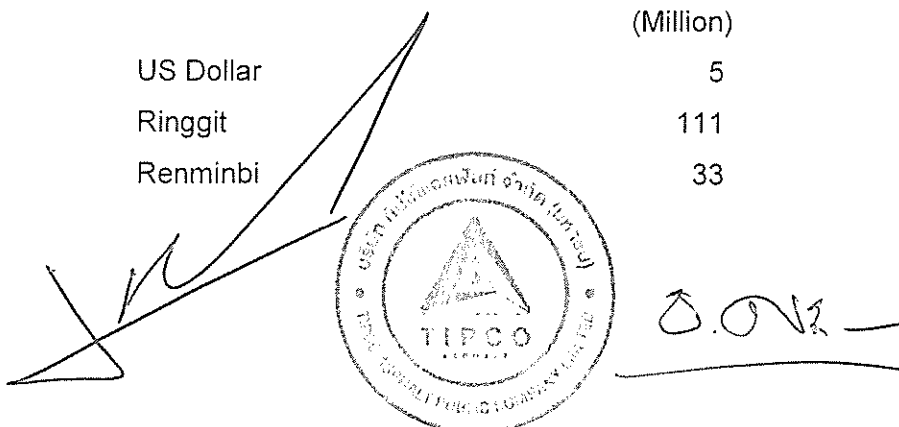
The tax rates enacted at the end of the reporting period of the Group is 0% to 25% (2018: 0% to 25%).

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets				
Allowance for doubtful accounts	38,530	38,278	55,385	60,191
Reduction of cost of inventories to net realisable value	1,457	35,351	1,176	36,968
Fair value of price hedging contracts	155,568	1,158	155,568	1,158
Allowance for asset impairment	51,519	51,519	17,614	17,614
Provision for long-term employee benefits	35,347	30,651	23,836	21,537
Others	31,732	15,613	14,916	4,717
Total	314,153	172,570	268,495	142,185
Deferred tax liabilities				
Fair value of price hedging contracts	(72,419)	(25,168)	(72,419)	(25,168)
Difference depreciation for tax purpose	(25,968)	(23,161)	(22,657)	(20,504)
Fair value of forward exchange contracts	(668)	(47)	(668)	(43)
Fair value adjustment of assets from investments in subsidiaries	(25,786)	(30,139)	-	-
Total	(124,841)	(78,515)	(95,744)	(45,715)
Deferred tax assets - net	189,312	94,055	172,751	96,470

As at 31 December 2019 and 2018, 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:

	<u>2019</u>	<u>2018</u>
	(Million)	(Million)
US Dollar	5	13
Ringgit	111	98
Renminbi	33	33



26. Promotional privileges

The subsidiaries were granted investment promotional privileges by the Board of Investment for marine transportation. Important tax privileges granted to the companies is exemption of corporate income tax not exceeding of the stipulated amount for 8 years commencing from the following date.

<u>Alpha Maritime Company Limited</u>	<u>Bitumen Marine Company Limited</u>	<u>Tasco Shipping Company Limited</u>
9 October 2014	29 October 2015	27 May 2011
		11 January 2013

In addition, Kemaman Bitumen Company Sdn Bhd was granted tax privilege for a corporate income tax reduction in Malaysia from the stipulated investment amount.

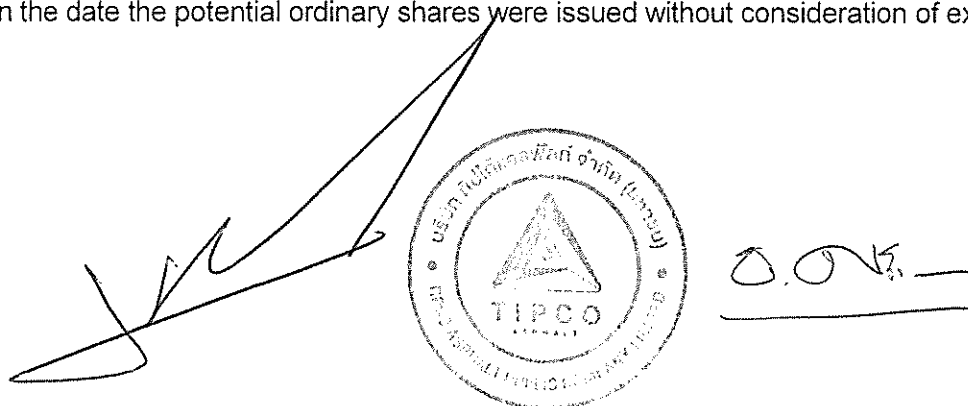
27. Tax privileges for maritime commerce

The subsidiaries in Thailand which 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.

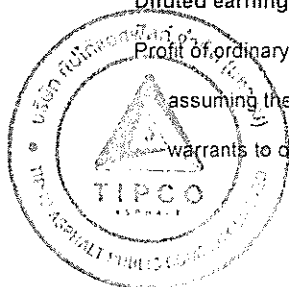


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The following tables set forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders						
of the Company	3,123,280	564,466	1,575,909	1,568,222	1.98	0.36
Effect of dilutive potential						
ordinary shares						
ESOP-W3	-	-	-	112		
ESOP-W4	-	-	-	1,183		
ESOP-W5	-	-	1,368	4,614		
	-	-	1,368	5,909		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares	<u>3,123,280</u>	<u>564,466</u>	<u>1,577,277</u>	<u>1,574,131</u>	1.98	0.36

Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity						
holders of the Company	2,483,605	804,282	1,575,909	1,568,222	1.58	0.51
Effect of dilutive potential						
ordinary shares						
ESOP-W3	-	-	-	112		
ESOP-W4	-	-	-	1,183		
ESOP-W5	-	-	1,368	4,614		
	-	-	1,368	5,909		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares	<u>2,483,605</u>	<u>804,282</u>	<u>1,577,277</u>	<u>1,574,131</u>	1.57	0.51



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)

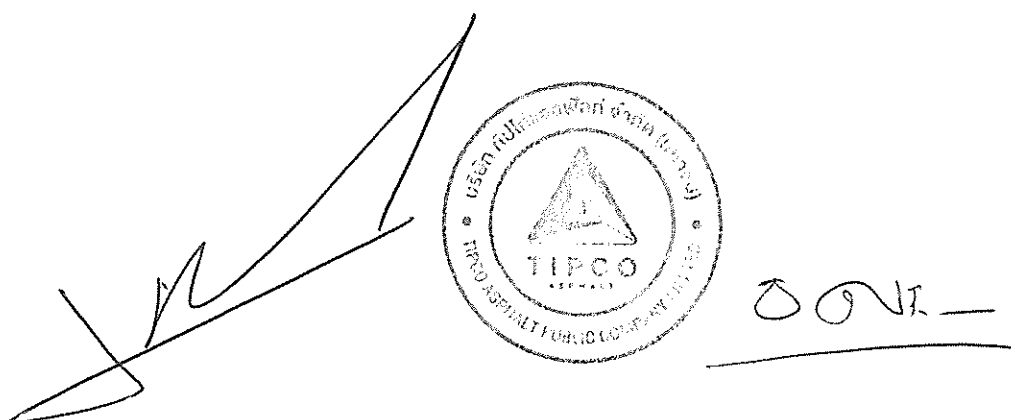
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue from external customers	29,044	20,372	7,849	7,260	-	-	36,893	27,632
Intersegment revenues	6,437	5,826	1,790	226	(8,227)	(6,052)	-	-
Total revenue	35,481	26,198	9,639	7,486	(8,227)	(6,052)	36,893	27,632
Segment operating profit (loss)	2,540	721	608	(81)	(25)	(76)	3,123	564

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

(Unit: Million Baht)

	Geographic segment located in Thailand		Geographic segment located in overseas		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Non-current assets	3,264	3,347	6,646	6,422	9,910	9,769

Transfer prices between the segments are as set out in Note 7 to the financial statements.



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30. Dividend

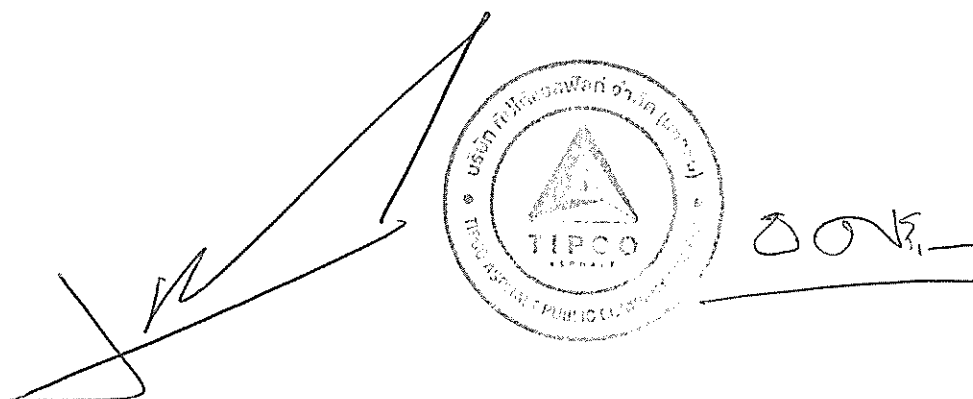
Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2017	Annual General Meeting of the shareholders on 5 April 2018	1,407.8	0.9
Total for 2018		1,407.8	0.9
Final dividends for 2018	Annual General Meeting of the shareholders on 5 April 2019	472.4	0.3
Interim dividends for 2019	Board of Directors' Meeting on 13 August 2019	630.5	0.4
Total for 2019		1,102.9	0.7

31. Commitments and contingent liabilities

31.1 Capital commitment

As at 31 December 2019 and 2018, the Group had outstanding capital commitments relating to the purchase of machinery, equipment and computer software, as follows:

Foreign currency	Consolidated financial statements		Separate financial statements	
	2019 (Million)	2018 (Million)	2019 (Million)	2018 (Million)
Baht	55	115	39	109
Ringgit	48	63	-	-
Vietnam Dong	12,251	26,742	-	-



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31.2 Operating lease commitments

The Group has entered into several agreements in respect of the lease of buildings, warehouses and motor vehicles, and other service agreements. The terms of the agreements are generally between 1 and 5 years.

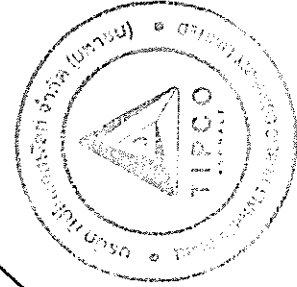
Future minimum rental and service fees payable under these agreements as at 31 December 2019 and 2018 were as follows:

As at 31 December 2019					(Unit: Million)
Payable within:	Consolidated financial statements			Separate financial statements	
	Baht	US Dollar	Vietnam Dong	Indonesia Rupiah	Baht
1 year	77	-	3,339	722	69
2 to 5 years	71	1	7,972	2,667	62
Over 5 years	-	1	27,606	2,778	-

(Unit: Million)

As at 31 December 2018							(Unit: Million)
Payable within:	Consolidated financial statements				Separate financial statements		
	Baht	US Dollar	Vietnam Dong	Indonesia Rupiah	Malaysian 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	29,649	3,444	-	-	

(Unit: Million)



31.3 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 Group generated from the stipulated products. The fees for the year-ended 31 December 2019 and 2018 amounted to approximately Baht 39 million and Baht 38 million, respectively.

31.4 Crude oil purchase contract

The Company had a crude supply contract under which the Company will receive approximately 12 million barrels yearly (2018: 12 million barrels yearly).

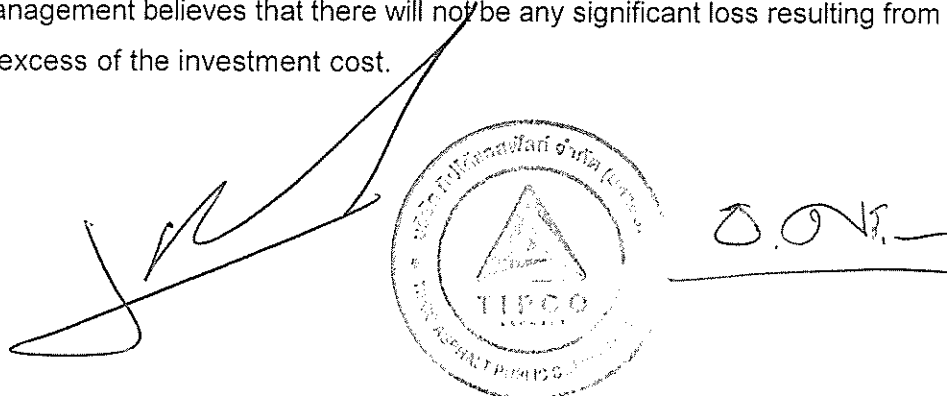
31.5 Bank guarantees

As at 31 December 2019 and 2018, 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	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)	(Million)	(Million)	(Million)
Baht	3	3	2	2
Ringgit	9	9	-	-
US Dollar	12	-	12	-

31.6 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.



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32. Fair value of financial instruments

The assets and liabilities of the Group that were measured at fair value are derivatives. The level in determining the fair value of such assets and liabilities is level 2.

As at 31 December 2019 and 2018, the fair value of such assets and liabilities are presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Financial assets measured at fair value				
Forward exchange contracts	3,338	1,238	3,338	1,238
Price hedging contracts	165,058	660,803	165,058	660,803
Financial liabilities measured at fair value				
Forward exchange contracts	7,756	11,435	2,361	1,550
Price hedging contracts	580,800	152,721	580,800	152,721

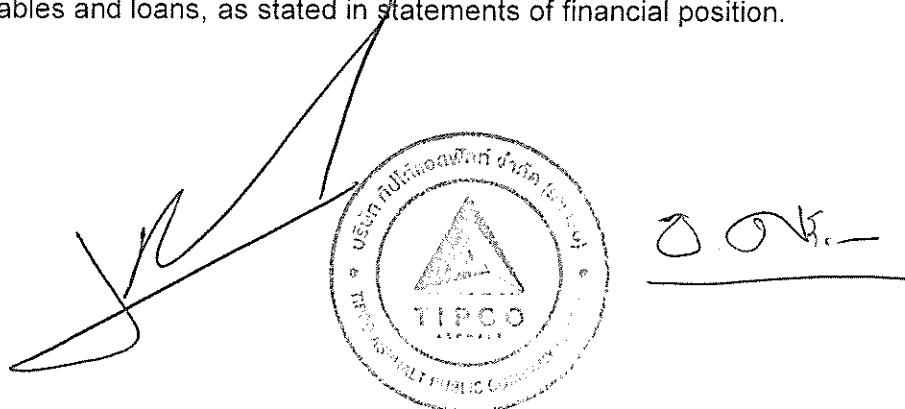
33. Financial instruments

33.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, trade and other payables, liabilities under finance lease agreements and loans. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables and loans from related party. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans, as stated in statements of financial position.



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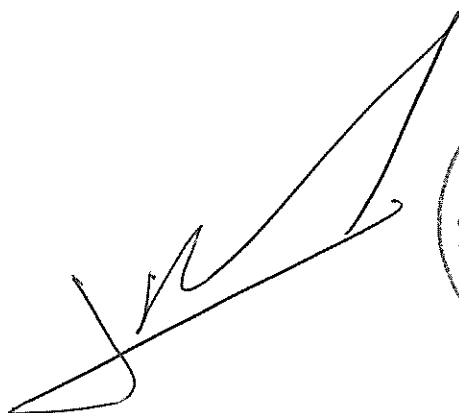
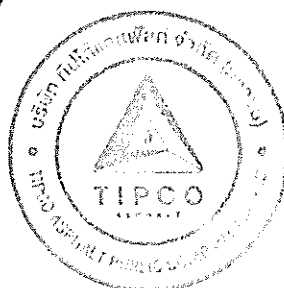
Interest rate risk

The Group is exposed to interest rate risk relates primarily to its cash at banks, short-term loan to related party, long-term loans to related parties, bank overdrafts and 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 floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2019					
	Fixed				
	interest rates	Floating	Non-Interest		
	Within 1 year	interest rate	bearing	Total	Interest rate
					(% p.a.)
Financial assets					
Cash and cash equivalents	560	927	512	1,999	0.1 - 5.8
Trade and other receivables	-	-	5,234	5,234	-
Financial liabilities					
Bank overdrafts and short-term loans from					
financial institutions	3,742	271	-	4,013	Note 16
Trade and other payables	-	-	6,316	6,316	-
Long-term loans from financial institutions	-	74	-	74	Note 18
Long-term loan from related party	-	-	6	6	-

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(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2018

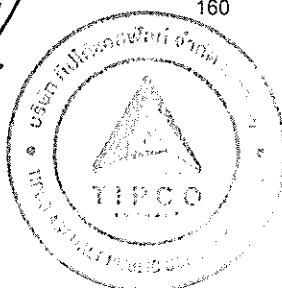
	Fixed		Non- Interest	Total	Interest rate
	interest rates	Floating			
	Within 1 year	interest rate	bearing		
					(% p.a.)
Financial assets					
Cash and cash equivalents	621	137	346	1,104	0.1 - 5.8
Trade and other receivables	-	-	5,042	5,042	-
Financial liabilities					
Bank overdrafts and short-term loans from					
financial institutions	6,589	347	-	6,936	Note 16
Trade and other payables	-	-	4,015	4,015	-
Long-term loans from financial institutions	99	113	-	212	Note 18
Long-term loan from related party	-	-	7	7	-

(Unit: Million Baht)

Separate financial statements

As at 31 December 2019

	Fixed		Non- Interest	Total	Interest rate
	interest rates	Floating			
	Within 1 year	interest rate	bearing		
					(% p.a.)
Financial assets					
Cash and cash equivalents	-	728	250	978	0.1 - 2.3
Trade and other receivables	-	-	4,920	4,920	-
Short-term loan to related party	13	-	-	13	1.0
Long-term loans to related parties	474	1,005	-	1,479	1.0 - 2.5 and
					LIBOR plus 1.5
Financial liabilities					
Bank overdrafts and short-term loans from					
financial institutions	3,716	-	-	3,716	Note 16
Trade and other payables	-	-	7,088	7,088	-
Short-term loan from related party	160	-	-	160	1.0



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(Unit: Million Baht)

Separate financial statements					
As at 31 December 2018					
	Fixed				
	interest rates	Floating	Non- Interest		
	Within 1 year	interest rate	bearing	Total	Interest rate
					(% p.a.)
Financial assets					
Cash and cash equivalents	-	65	205	270	0.1 - 0.6
Trade and other receivables	-	-	4,467	4,467	-
Long-term loans to related parties	-	1,249	-	1,249	LIBOR plus 1.5
Financial liabilities					
Bank overdrafts and short-term loans from					
financial institutions	6,450	-	-	6,450	Note 16
Trade and other payables	-	-	4,545	4,545	-
Short-term loans from related parties	25	-	-	25	1.0

Foreign currency risk

The Group is exposed to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Group seeks to reduce risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

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

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	76	37	163	148	30.2	32.4
Euro	-	-	1	2	33.7	37.1
Yen	-	-	7	1	0.3	0.3
Ringgit	8	-	23	-	7.3	7.8
Myanmar Kyat	-	-	-	2	0.0203	0.0209



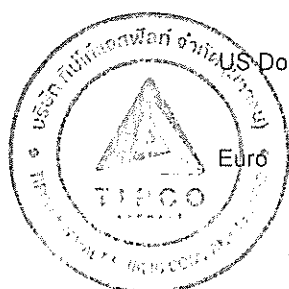
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Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	151	112	185	164	30.2	32.4
Euro	-	-	1	2	33.7	37.1
Renminbi	50	52	-	-	4.3	4.7
Ringgit	-	-	5	3	7.3	7.8
Indonesia Rupiah	-	-	26	76	0.0022	0.0022
Myanmar Kyat	-	-	-	2	0.0203	0.0209

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

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	(Per 1 foreign currency unit)	
	(Million)	(Million)	(Million)	(Million)		
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

As at 31 December 2018						
Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought	Sold	Bought
	amount	amount	amount	amount	(Per 1 foreign currency unit)	
	(Million)	(Million)	(Million)	(Million)		
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 Group exposed to foreign exchange risk on their investments in overseas subsidiaries, joint ventures and associates, loans to overseas subsidiaries and loans from financial institution. These investments and loans are currently not hedged by derivative financial instruments.

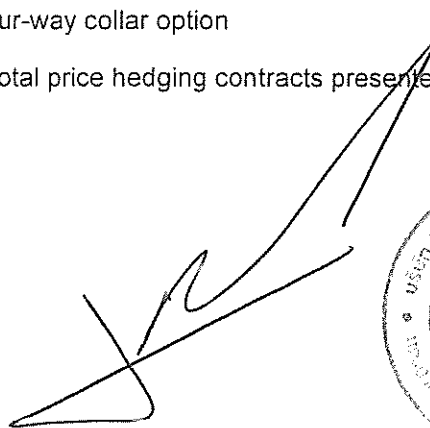
Risk from fluctuation in raw materials and finished goods prices

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 forward/future contracts to purchase/sell of raw materials and finished goods, and option contracts to purchase/sell of raw materials and finished goods to hedge the risk from fluctuation in such prices.

As at 31 December 2019 and 2018, the Group had outstanding price hedging contracts which maturity date within one year are presented in the statements of financial position at fair value and were summarised below.

(Unit: Million Baht)

Contract type	Type of product	Consolidated/ Separate financial statements	
		2019	2018
<u>Contracts presented as assets</u>			
Sold forward contract	Crude oil	-	27
Sold forward contract	Petroleum product	-	634
Bought forward contract	Crude oil	16	-
Bought forward contract	Petroleum product	149	-
Total price hedging contracts presented as assets		165	661
<u>Contracts presented as liabilities</u>			
Sold forward contract	Crude oil	253	9
Sold forward contract	Petroleum product	321	22
Bought forward contract	Crude oil	6	-
Bought forward contract	Petroleum product	1	-
Four-way collar option	Crude oil	-	122
Total price hedging contracts presented as liabilities		581	153





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

	(Unit: Million Baht)	
	Consolidated/Separate financial statements	
	<u>2019</u>	<u>2018</u>
Gain (loss) arising from changes in fair value of forward contract in other comprehensive income	(613)	416

33.2 Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or bear floating 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.

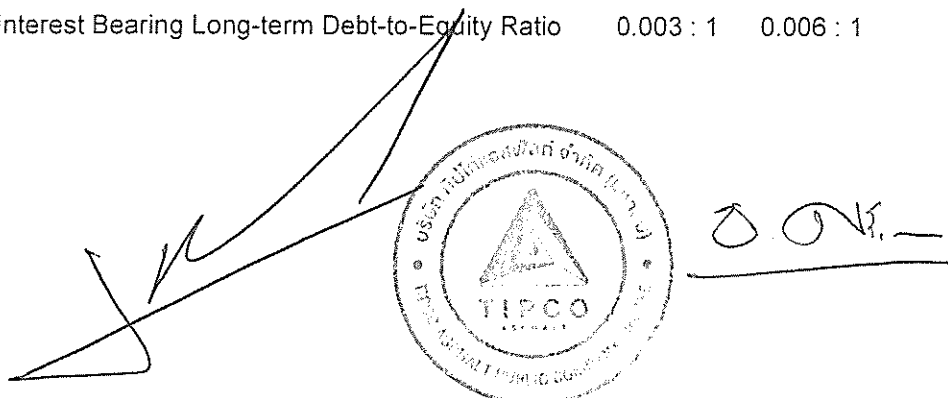
A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

34. 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 2019 and 2018, these financial ratios were as follow:

Financial Ratio	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Interest Bearing Short-term Debt-to-Equity Ratio	0.298 : 1	0.564 : 1	0.336 : 1	0.605 : 1
Interest Bearing Long-term Debt-to-Equity Ratio	0.003 : 1	0.006 : 1	-	-



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35. Damages from a fire at a subsidiary

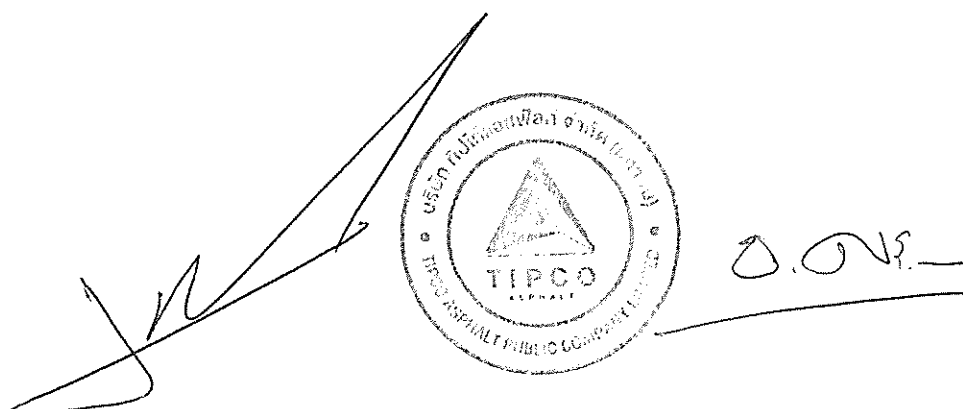
On 5 July 2018, a fire broke out at a subsidiary's crude oil tanks in Malaysia, resulting in the carrying value of damaged assets totaling USD 8.8 million, or equivalent to Baht 289.9 million, and related expenses totaling USD 2.1 million, or equivalent to Baht 68.2 million, which were recorded in the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

During the current year, the subsidiary had incurred additional operating expenses for crude storage, logistic handling and other related expenses of USD 12.6 million or Baht 387 million. Some of these expenses will be recurring until the damaged crude oil tanks are back in service. However, the subsidiary received payment pursuant to its insurance claim of MYR 80 million or approximately Baht 593 million. The subsidiary presented a net amount of such transactions under the caption "Damages and expenses from a fire - net of insurance claim" in the statement of comprehensive income for the year.

The management of the Group 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 Group is in the process of negotiating insurance claim to the insurance company.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 11 February 2020.

A handwritten signature in black ink is written over a circular stamp. The stamp features a triangle in the center with the word "TPCO" below it. The text around the triangle reads "TPCO ASPHALT PUBLIC COMPANY LIMITED" and "ASPHALT". To the right of the stamp is another handwritten signature.