

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

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Tipco Asphalt Public Company Limited

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

Scope of review

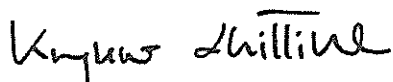
I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting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

Conclusion

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

Emphasis of matter

I draw attention to Note 1.1 to the interim consolidated financial statements. The COVID-19 pandemic has impacted several sectors on a greater scale resulting to an overall global economic slowdown, and also fluctuations in global oil prices. The Group's management assessed the impact of those situations on overall operations and noted that they had an effect on the value of inventories and derivative on price hedging contracts. The Group's management already recognised the impact of this allowance for diminution in value of inventories and the fair value of derivatives to the interim consolidated financial statements. However, the fluctuations in oil prices was contingent upon measures for COVID-19 pandemic control implemented by each country and the length of the pandemic. My conclusion is not modified in respect of this matter.



Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 4 August 2020

Tipco Asphalt Public Company Limited and its subsidiaries

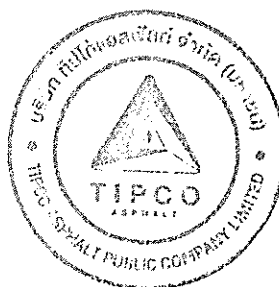
Statement of financial position

As at 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>30 June 2020</u>	<u>31 December 2019</u>	<u>30 June 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,916,060	1,999,417	806,810	977,613
Trade and other receivables	3, 4	5,572,872	5,233,998	5,278,931	4,920,328
Short-term loans to related parties	4	-	-	28,000	13,000
Inventories	5	5,108,377	7,466,935	4,576,207	6,608,238
Derivative - price hedging contracts	2, 17	378,596	165,058	378,596	165,058
Other current assets		241,505	296,904	60,932	37,336
Total current assets		13,217,410	15,162,312	11,129,476	12,721,573
Non-current assets					
Investments in subsidiaries		-	-	7,717,240	7,717,240
Investments in joint ventures		125,315	112,624	67,553	67,553
Investments in associates		603,488	606,402	243,447	243,447
Long-term loans to related parties	4	-	-	1,473,447	1,479,030
Investment properties		256,933	256,933	94,342	94,342
Property, plant and equipment	6	8,363,003	8,285,712	975,852	984,241
Right-of-use assets	2	573,179	-	119,675	-
Goodwill		146,294	146,294	-	-
Intangible assets		174,364	195,513	57,269	71,616
Leasehold rights	2	-	287,084	-	2,507
Deferred tax assets - net		211,322	189,312	124,818	172,751
Other non-current assets		19,113	19,717	3,596	3,983
Total non-current assets		10,473,011	10,099,591	10,877,239	10,836,710
Total assets		23,690,421	25,261,903	22,006,715	23,558,283

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



Tipco Asphalt Public Company Limited and its subsidiaries

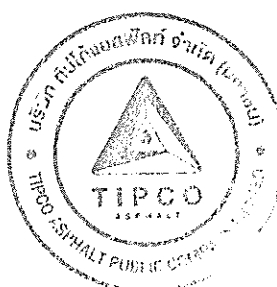
Statement of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		7,221,382	4,013,131	6,912,191	3,716,103
Trade and other payables	4, 7	1,964,801	6,316,115	3,314,671	7,088,061
Short-term loan from related party	4	-	-	-	160,000
Income tax payable		257,790	390,758	126,455	334,928
Current portion of liabilities					
Long-term loan from financial institutions	8	41,007	37,611	-	-
Lease liabilities	2	52,150	-	24,067	-
Derivative - price hedging contracts	2, 17	550,777	580,800	550,777	580,800
Other current liabilities		149,105	134,093	43,708	10,320
Total current liabilities		10,237,012	11,472,508	10,971,869	11,890,212
Non-current liabilities					
Long-term loan from related party	4	6,421	6,343	-	-
Long-term liabilities - net of current portion					
Long-term loan from financial institutions	8	17,086	36,701	-	-
Lease liabilities	2	237,556	-	106,055	-
Derivative - price hedging contracts	2, 17	13,612	-	13,612	-
Provision for long-term employee benefits		176,235	167,693	123,114	119,182
Total non-current liabilities		450,910	210,737	242,781	119,182
Total liabilities		10,687,922	11,683,245	11,214,650	12,009,394

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



Tipco Asphalt Public Company Limited and its subsidiaries

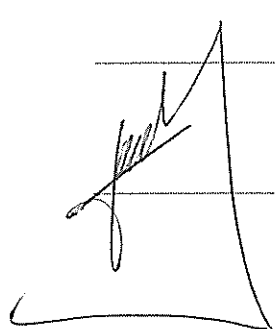
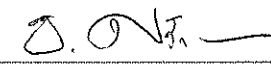
Statement of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	12				
Registered					
1,579,883,570 ordinary shares of Baht 1 each		1,579,884	1,579,884	1,579,884	1,579,884
Issued and fully paid					
1,578,361,570 ordinary shares (31 December 2019: 1,576,763,070 ordinary shares) of Baht 1 each		1,578,362	1,576,763	1,578,362	1,576,763
Premium on share capital		1,152,388	1,140,288	1,152,388	1,140,288
Share subscription	12	-	2,571	-	2,571
Non-controlling interests of subsidiary acquired by the Company at price lower than book value		6,238	6,238	-	-
Change in the Company's interest in subsidiaries which did not result in a loss of control		(570,311)	(570,311)	-	-
Capital reserve for share-based payment transactions		174,753	174,753	174,753	174,753
Retained earnings					
Appropriated - statutory reserve		172,123	172,123	172,123	172,123
Unappropriated		11,363,177	12,183,030	7,777,640	8,640,022
Other components of shareholders' equity		(1,038,931)	(1,278,229)	(63,201)	(157,631)
Equity attributable to owners of the Company		12,837,799	13,407,226	10,792,065	11,548,889
Non-controlling interests of the subsidiaries		164,700	171,432	-	-
Total shareholders' equity		13,002,499	13,578,658	10,792,065	11,548,889
Total liabilities and shareholders' equity		23,690,421	25,261,903	22,006,715	23,558,283

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

Directors



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2020

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

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales and service income		6,541,574	10,783,937	5,745,079	9,927,621
Other income					
Dividend income from subsidiaries		-	-	166,500	223,500
Dividend income from an associate		-	-	57,728	41,750
Gain on exchange		-	98,761	-	99,021
Others		38,330	23,583	43,614	32,505
Total revenues		6,579,904	10,906,281	6,012,921	10,324,397
Expenses					
Cost of sales and services		5,977,059	9,822,401	5,715,889	9,287,364
Loss from price hedging contracts	17	164,050	35,614	153,328	39,721
Reduction of cost of inventories to net realisable value (reversal)	5	(2,103,396)	9,445	(2,390,376)	8,524
		4,037,713	9,867,460	3,478,841	9,335,609
Selling expenses		36,873	46,853	34,133	27,786
Administrative expenses		256,689	250,452	153,938	151,919
Other expenses					
Loss on exchange		51,516	-	51,723	-
Damages and expenses from a fire at a subsidiary (insurance claim) - net	18	22,669	(422,456)	-	-
Total expenses		4,405,460	9,742,309	3,718,635	9,515,314
Profit from operating activities		2,174,444	1,163,972	2,294,286	809,083
Share of profit from investments in joint ventures		2,682	10,327	-	-
Share of profit from investments in associates		16,321	29,775	-	-
Finance cost		(39,926)	(53,419)	(27,247)	(34,772)
Impairment loss on financial assets - allowance for doubtful accounts		(33,300)	(7,968)	(7,331)	(3,120)
Profit before income tax		2,120,221	1,142,687	2,259,708	771,191
Income tax	10	(397,620)	(83,650)	(403,239)	(71,661)
Profit for the period		1,722,601	1,059,037	1,856,469	699,530
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		(297,664)	(250,097)	-	-
Change in fair value of hedging instruments of cash flow hedges - net of income tax	10, 17	(63,201)	112,581	(63,201)	112,581
Other comprehensive income for the period		(360,865)	(137,516)	(63,201)	112,581
Total comprehensive income for the period		1,361,736	921,521	1,793,268	812,111

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

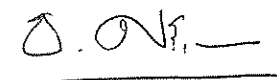
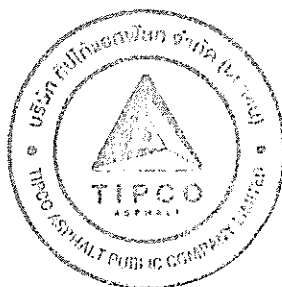
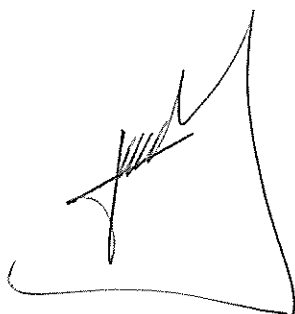
Statement of comprehensive income (continued)

For the three-month period ended 30 June 2020

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit attributable to:					
Equity holders of the Company		1,718,877	1,052,888	<u>1,856,469</u>	<u>699,530</u>
Non-controlling interests of the subsidiaries		<u>3,724</u>	<u>6,149</u>		
		<u>1,722,601</u>	<u>1,059,037</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		1,366,969	923,529	<u>1,793,268</u>	<u>812,111</u>
Non-controlling interests of the subsidiaries		<u>(5,233)</u>	<u>(2,008)</u>		
		<u>1,361,736</u>	<u>921,521</u>		
Earnings per share (Baht)					
	11				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>1.09</u>	<u>0.67</u>	<u>1.18</u>	<u>0.44</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>1.09</u>	<u>0.67</u>	<u>1.18</u>	<u>0.44</u>

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2020

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales and service income		11,652,787	17,875,219	10,510,665	16,125,379
Other income					
Dividend income from subsidiaries		-	-	166,500	223,500
Dividend income from an associate		-	-	57,728	41,750
Gain on exchange		-	207,767	-	204,634
Others		58,163	43,535	81,233	69,802
Total revenues		11,710,950	18,126,521	10,816,126	16,665,065
Expenses					
Cost of sales and services		10,891,993	16,504,164	10,491,407	15,634,148
(Gain) loss from price hedging contracts	17	(1,149,427)	67,816	(1,160,149)	71,923
Reduction of cost of inventories to net realisable value (reversal)	5	59,708	(781,288)	(1,689)	(913,361)
		9,802,274	15,790,692	9,329,569	14,792,710
Selling expenses		83,287	81,653	58,693	47,312
Administrative expenses		532,833	515,809	309,031	302,053
Other expenses					
Loss on exchange		31,936	-	33,120	-
Damages and expenses from a fire at a subsidiary (insurance claim) - net	18	64,235	(279,718)	-	-
Total expenses		10,514,565	16,108,436	9,730,413	15,142,075
Profit from operating activities		1,196,385	2,018,085	1,085,713	1,522,990
Share of profit from investments in joint ventures		11,528	15,002	-	-
Share of profit from investments in associates		53,305	64,561	-	-
Finance cost		(69,409)	(113,636)	(46,795)	(75,225)
Impairment loss on financial assets - allowance for doubtful accounts		(43,540)	(15,042)	(12,875)	(1,312)
Profit before income tax		1,148,269	1,968,970	1,026,043	1,446,453
Income tax	10	(221,221)	(189,325)	(151,642)	(141,037)
Profit for the period		927,048	1,779,645	874,401	1,305,416
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		146,245	(370,094)	-	-
Change in fair value of hedging instruments of cash flow hedges - net of income tax	10, 17	94,430	(407,909)	94,430	(407,909)
Other comprehensive income for the period		240,675	(778,003)	94,430	(407,909)
Total comprehensive income for the period		1,167,723	1,001,642	968,831	897,507

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

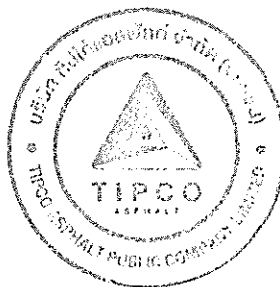
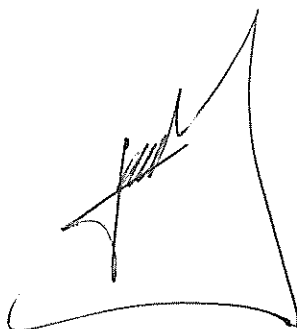
Statement of comprehensive income (continued)

For the six-month period ended 30 June 2020

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) attributable to:					
Equity holders of the Company		935,157	1,770,564	<u>874,401</u>	<u>1,305,416</u>
Non-controlling interests of the subsidiaries		<u>(8,109)</u>	<u>9,081</u>		
		<u>927,048</u>	<u>1,779,645</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		1,174,455	1,001,170	<u>968,831</u>	<u>897,507</u>
Non-controlling interests of the subsidiaries		<u>(6,732)</u>	<u>472</u>		
		<u>1,167,723</u>	<u>1,001,642</u>		
Earnings per share (Baht)	11				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.59</u>	<u>1.12</u>	<u>0.55</u>	<u>0.83</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.59</u>	<u>1.12</u>	<u>0.55</u>	<u>0.83</u>

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

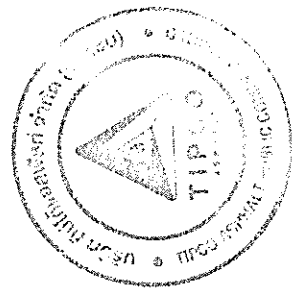


Tipco Asphalt Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Non-controlling interests of subsidiary acquired by the Company			Change in the Company's interest in subsidiaries which did not result in a loss of control			Capital reserve for share-based payment transactions			Retained earnings			Total equity attributable to shareholders of the Company
	Issued and paid-up share capital	Premium on share capital	Share subscription	at price lower than book value	at price lower than book value	at price lower than book value	at price lower than book value	at price lower than book value	at price lower than book value	at price lower than book value	at price lower than book value	at price lower than book value	
Balance as at 1 January 2019	1,573,822	1,118,474	8,074	6,238	(570,311)	174,753	172,123	10,163,249	(664,278)	399,997	12,382,141	154,960	12,537,101
Profit for the period	-	-	-	-	-	-	-	1,770,564	(361,485)	(407,509)	1,770,564	9,081	1,779,645
Other comprehensive income for the period	-	-	-	-	-	-	-	1,770,564	(361,485)	(407,509)	1,770,564	9,081	1,779,645
Total comprehensive income for the period	1,749	12,787	(1,218)	-	-	-	-	1,770,564	(361,485)	(407,509)	1,770,564	9,081	1,779,645
The warrant holders exercised warrants (Note 12)	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in share capital of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 13)	-	-	-	-	-	-	-	(472,408)	-	-	(472,408)	-	(472,408)
Balance as at 30 June 2019	1,575,571	1,131,261	6,856	6,238	(570,311)	174,753	172,123	11,481,405	(1,025,763)	(7,912)	12,924,221	163,424	13,087,645
Balance as at 1 January 2020	1,576,763	1,140,288	2,571	6,238	(570,311)	174,753	172,123	12,183,030	(1,120,598)	(157,631)	13,407,226	171,432	13,578,658
Cumulative effect of change in new accounting policy (Note 2)	-	-	-	-	-	-	-	(20,305)	-	-	(20,305)	-	(20,305)
Balance as at 1 January 2020 - as restated	1,576,763	1,140,288	2,571	6,238	(570,311)	174,753	172,123	12,162,725	(1,120,598)	(157,631)	13,386,921	171,432	13,558,353
Profit (loss) for the period	-	-	-	-	-	-	-	935,157	-	-	935,157	(8,109)	927,048
Other comprehensive income for the period	-	-	-	-	-	-	-	935,157	-	-	935,157	(8,109)	927,048
Total comprehensive income for the period	-	-	-	-	-	-	-	935,157	-	-	935,157	(8,109)	927,048
The warrant holders exercised warrants (Note 12)	1,599	12,100	(2,571)	-	-	-	-	935,157	144,868	94,430	1,174,455	(6,732)	1,167,723
Dividend paid (Note 13)	-	-	-	-	-	-	-	(1,734,705)	-	-	(1,734,705)	-	(1,734,705)
Balance as at 30 June 2020	1,578,362	1,152,388	-	6,238	(570,311)	174,753	172,123	11,363,177	(975,730)	(63,201)	12,837,799	164,700	13,002,499

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



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Tipco Asphalt Public Company Limited and its subsidiaries

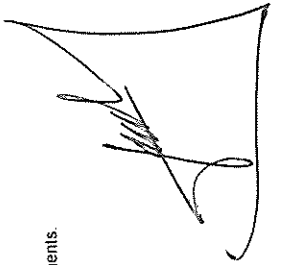
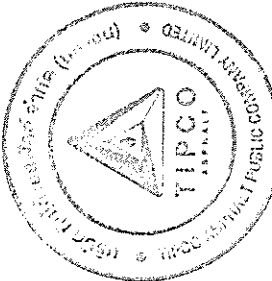
Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand 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			Total shareholders' equity
					Appropriated statutory reserve	Unappropriated	Change in fair value of hedging instruments of cash flow hedges	Total other components of shareholders' equity		
Balance as at 1 January 2019	1,573,822	1,118,474	8,074	174,753	172,123	7,259,324	399,997		399,997	10,706,567
Profit for the period	-	-	-	-	-	1,305,416	-	-	-	1,305,416
Other comprehensive income for the period	-	-	-	-	-	-	(407,909)		(407,909)	(407,909)
Total comprehensive income for the period	-	-	-	-	-	1,305,416	(407,909)		(407,909)	897,507
The warrant holders exercised warrants (Note 12)	1,749	12,787	(1,218)	-	-	-	-		-	13,318
Dividend paid (Note 13)	-	-	-	-	-	(472,408)	-		-	(472,408)
Balance as at 30 June 2019	1,575,571	1,131,261	6,856	174,753	172,123	8,092,332	(7,912)		(7,912)	11,144,984
Balance as at 1 January 2020	1,576,763	1,140,288	2,571	174,753	172,123	8,640,022	(157,631)		(157,631)	11,548,889
Cumulative effect of change in new accounting policy (Note 2)	-	-	-	-	-	(2,078)	-		-	(2,078)
Balance as at 1 January 2020 - as restated	1,576,763	1,140,288	2,571	174,753	172,123	8,637,944	(157,631)		(157,631)	11,546,811
Profit for the period	-	-	-	-	-	874,401	-		-	874,401
Other comprehensive income for the period	-	-	-	-	-	-	94,430		94,430	94,430
Total comprehensive income for the period	-	-	-	-	-	874,401	94,430		94,430	968,831
The warrant holders exercised warrants (Note 12)	1,599	12,100	(2,571)	-	-	-	-		-	11,128
Dividend paid (Note 13)	-	-	-	-	-	(1,734,705)	-		-	(1,734,705)
Balance as at 30 June 2020	1,578,362	1,152,388	-	174,753	172,123	7,777,640	(63,201)		(63,201)	10,792,065

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

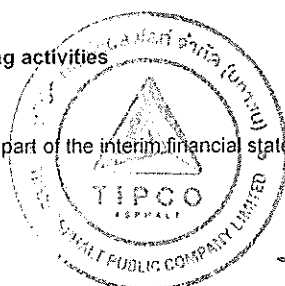
Cash flow statement

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:				
Profit before income tax	1,148,269	1,968,970	1,026,043	1,446,453
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	490,547	443,774	124,004	100,921
Written off withholding tax	-	49	-	-
Written off inventories	-	198	-	-
Impairment loss on financial assets - allowance for doubtful accounts	43,540	15,042	12,875	1,312
Reduction of cost of inventories to net realisable value (reversal)	59,708	(781,288)	(1,689)	(913,361)
Dividend income from subsidiaries	-	-	(166,500)	(223,500)
Dividend income from an associate	-	-	(57,728)	(41,750)
Unrealised (gain) loss on exchange	39,357	(38,484)	3,680	17,130
Gain on sales of equipment	(12,913)	(449)	(12,635)	(392)
Share of profit from investments in joint ventures	(11,528)	(15,002)	-	-
Share of profit from investments in associates	(53,305)	(64,561)	-	-
Provision for long-term employee benefits	9,809	26,277	5,886	18,722
Change in fair value of forward exchange contracts	(23,811)	(16,165)	(18,856)	(6,283)
Change in fair value of price hedging contracts	(111,911)	29,612	(111,911)	29,612
Interest expenses	62,688	101,101	44,702	72,262
Profit from operating activities before changes in operating assets and liabilities	1,640,450	1,669,074	847,871	501,126
(Increase) decrease in operating assets				
Trade and other receivables	(389,133)	(1,159,047)	(365,182)	(944,768)
Inventories	2,300,341	(2,221,691)	2,033,720	(2,165,015)
Other current assets	17,502	(25,004)	(38,326)	(23,326)
Other non-current assets	584	(410)	387	(16)
Increase (decrease) in operating liabilities				
Trade and other payables	(4,357,266)	4,676,420	(3,727,227)	4,934,368
Other current liabilities	21,172	(55,860)	47,041	(44,400)
Other non-current liabilities	(2,131)	(3,067)	(1,954)	(3,067)
Cash flows from (used in) operating activities	(768,481)	2,880,415	(1,203,670)	2,254,902
Cash paid for interest expenses	(54,664)	(98,632)	(39,136)	(72,032)
Cash paid for corporate income tax	(389,661)	(135,719)	(335,269)	(75,986)
Net cash flows from (used in) operating activities	(1,212,806)	2,646,064	(1,578,075)	2,106,884

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



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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

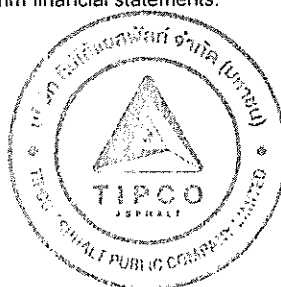
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities:				
Cash paid for investment in subsidiary	-	-	-	(54,985)
Dividend income from subsidiaries	-	-	166,500	223,500
Increase in short-term loan to related party	-	-	(15,000)	-
Decrease in long-term loan to related party	-	-	-	9,540
Acquisition and cash paid to settle payables				
from purchases of equipment	(348,828)	(315,008)	(59,179)	(107,855)
Cash paid for acquisitions of computer software	(2,937)	(5,086)	-	(4,366)
Proceeds from sales of equipment	16,148	1,226	13,649	847
Net cash flows from (used in) investing activities	(335,617)	(318,868)	105,970	66,681
Cash flows from financing activities:				
Cash receipts from share subscription of subsidiary	-	10,896	-	-
Increase (decrease) in short-term loans from financial institutions	3,207,127	(1,334,019)	3,196,088	(1,424,477)
Increase (decrease) in short-term loan from related party	-	-	(160,000)	55,000
Cash paid under lease liabilities	(23,999)	(127)	(11,589)	-
Repayments of long-term loans	(18,413)	(51,683)	-	-
Cash receipts from increase in capital	11,128	6,462	11,128	6,462
Cash receipts from share subscription	-	6,856	-	6,856
Dividend paid to shareholders	(1,734,325)	(473,922)	(1,734,325)	(473,922)
Net cash flows from (used in) financing activities	1,441,518	(1,835,537)	1,301,302	(1,830,081)
Exchange differences on translation of				
financial statements in foreign currencies	23,548	(82,709)	-	-
Net increase (decrease) in cash and cash equivalents	(83,357)	408,950	(170,803)	343,484
Cash and cash equivalents at beginning of period	1,999,417	1,103,711	977,613	269,949
Cash and cash equivalents at end of period	1,916,060	1,512,661	806,810	613,433

Supplemental cash flows information

Non-cash transactions:

Acquisitions of equipment for which cash has not been paid	32,231	-	-	-
Settlement of long-term loan to subsidiary with account payable (Note 4)	-	-	34,403	174,079
Dividend income from associate which not yet received	57,728	41,750	57,728	41,750

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



Tipco Asphalt Public Company Limited and its subsidiaries

Notes to the interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2020

1. General information

1.1 Coronavirus disease 2019 pandemic

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

1.2 Basis for the preparation of interim financial statements

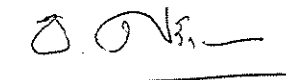
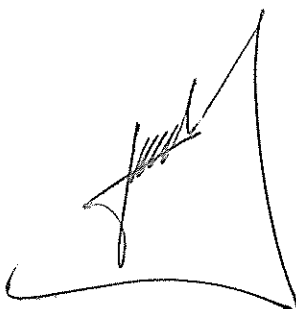
These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes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

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

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

1.3 Basis of consolidation

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



1.4 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

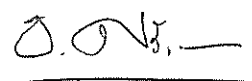
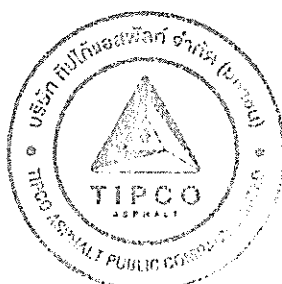
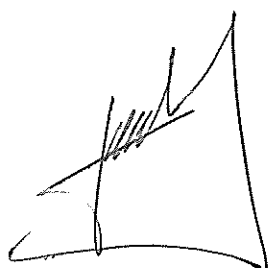
TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Group's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

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



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

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

TFRS 16 Leases

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

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

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

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

1.5. Significant accounting policies

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

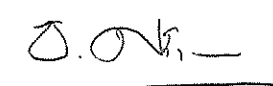
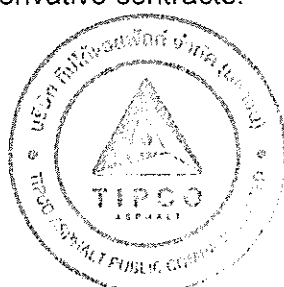
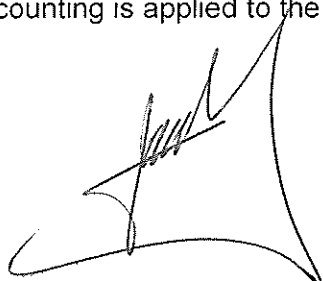
1.5.1 Financial instruments

Classification and measurement

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

Financial liabilities are classified and measured at amortised cost.

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



Impairment of financial assets

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

Hedge Accounting

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

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

1.5.2 Leases

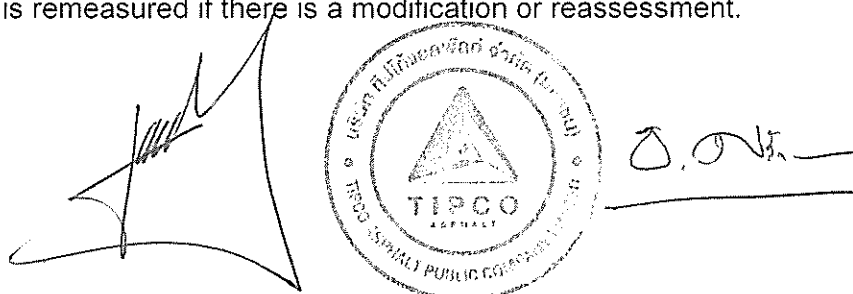
Right-of-use assets

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

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

Lease liabilities

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



The image shows a handwritten signature on the left and a circular official stamp in the center. The stamp features a triangle with the letters 'TIPCO' inside, and the word 'ASPHALT' below it. The outer ring of the stamp contains text in Thai and English, including 'TIPCO' and 'PUBLIC COMPANY LIMITED'. To the right of the stamp is another handwritten signature.

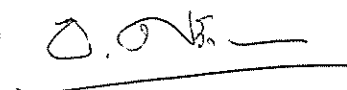
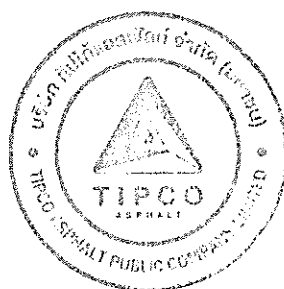
(Unaudited but reviewed)

(Unit: Thousand Baht)

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

2.1 Financial instruments

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

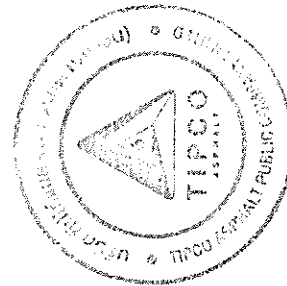


(Unaudited but reviewed)

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

(Unit: Thousand Baht)

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

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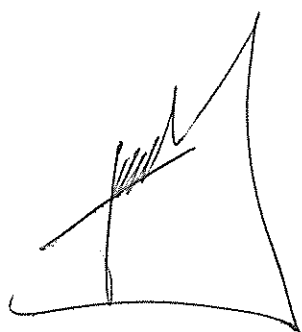
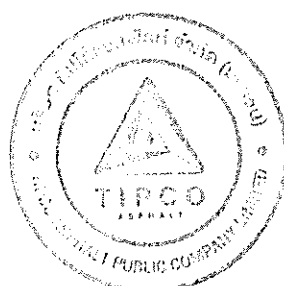
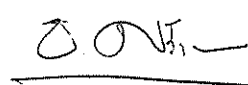
2.2 Leases

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

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

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

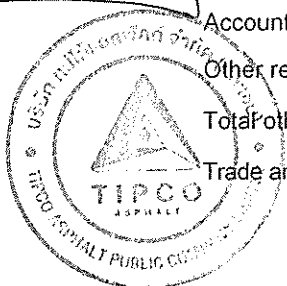
	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Land and buildings	490,512	100,496
Machinery and equipment	49,734	-
Motor vehicles	28,760	25,018
Total right-of-use assets	569,006	125,514

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade receivables - related parties</u> (Note 4)				
Aged on the basis of due dates				
Not yet due	356,277	511,415	881,756	1,300,331
Past due				
Up to 3 months	17,722	227,813	157,663	361,864
3 - 6 months	78,807	26,962	85,598	92,963
6 - 9 months	44,583	-	37,308	20,796
9 - 12 months	856	-	-	4,469
Over 12 months	-	-	212,523	207,852
Total	498,245	766,190	1,374,848	1,988,275
Less: Allowance for impairment loss on				
financial assets - doubtful accounts	-	-	(213,352)	(210,742)
Total trade receivables - related parties, net	498,245	766,190	1,161,496	1,777,533
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	3,867,936	3,513,056	3,096,476	2,535,804
Past due				
Up to 3 months	314,792	586,895	49,399	153,988
3 - 6 months	280,096	164,381	85,971	36,566
6 - 9 months	167,367	92,377	94,190	35,594
9 - 12 months	47,714	41,432	10,452	3,810
Over 12 months	344,059	313,220	66,201	64,556
Total	5,021,964	4,711,361	3,402,689	2,830,318
Less: Allowance for impairment loss on				
financial assets - doubtful accounts	(371,321)	(299,928)	(81,659)	(66,186)
Total trade receivables - unrelated parties, net	4,650,643	4,411,433	3,321,030	2,764,132
Total trade receivables - net	5,148,888	5,177,623	4,482,526	4,541,665
<u>Other receivables</u>				
Other receivables - related parties (Note 4)	88,813	17,195	463,985	341,719
Accounts receivable from price hedging contracts	330,877	34,066	330,877	34,066
Other receivables - unrelated parties	4,294	5,114	1,543	2,878
Total other receivables	423,984	56,375	796,405	378,663
Trade and other receivables - net	5,572,872	5,233,998	5,278,931	4,920,328



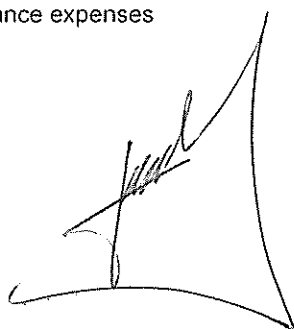
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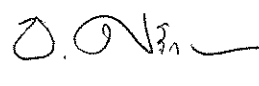
4. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policies
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	982	1,845	Cost plus certain margin
Rental and service income	-	-	1	2	Contract price
Technical and administrative assistance income	-	-	15	12	Contract price
Interest income	-	-	10	11	At rate of 1.0 - 2.5 percent and reference to LIBOR
Dividend income	-	-	166	223	
Purchases of goods	-	-	1	2	Cost plus certain margin
Rental and service expenses	-	-	991	637	Contract price
<u>Transactions with joint ventures</u>					
Sales and service income	287	677	287	677	Market price / Contract price
<u>Transactions with associates</u>					
Sales and service income	66	33	63	29	Market price / Contract price
Rental and service income	-	1	-	1	Contract price
Dividend income	-	-	58	42	
<u>Transactions with related companies</u>					
Sales and service income	222	455	222	450	Market price / Contract price
Rental and service income	-	1	-	1	Contract price
Rental and service expenses	20	24	19	21	Contract price
Technical and administrative assistance expenses	12	10	12	10	Contract price

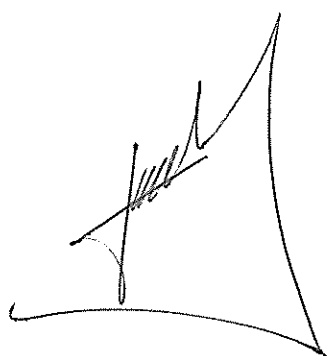
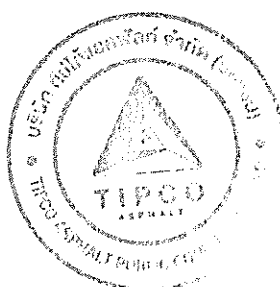
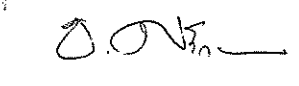




(Unaudited but reviewed)

(Unit: Million Baht)

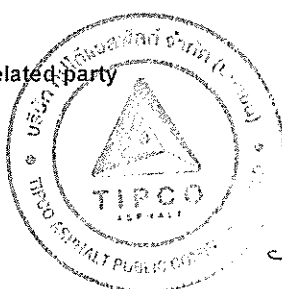
For the six-month periods ended 30 June					
	Consolidated		Separate		Transfer pricing policies
	financial statements		financial statements		
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	2,452	3,117	Cost plus certain margin
Rental and service income	-	-	3	5	Contract price
Technical and administrative assistance income	-	-	30	24	Contract price
Interest income	-	-	22	20	At rate of 1.0 - 2.5 percent and reference to LIBOR
Dividend income	-	-	166	223	
Purchases of goods	-	-	3	6	Cost plus certain margin
Rental and service expenses	-	-	1,940	1,203	Contract price
<u>Transactions with joint ventures</u>					
Sales and service income	721	1,026	721	1,026	Market price / Contract price
<u>Transactions with associates</u>					
Sales and service income	107	77	97	53	Market price / Contract price
Rental and service income	-	1	-	1	Contract price
Dividend income	-	-	58	42	
<u>Transactions with related companies</u>					
Sales and service income	679	781	675	772	Market price / Contract price
Rental and service income	-	1	-	1	Contract price
Rental and service expenses	38	43	36	40	Contract price
Technical and administrative assistance expenses	17	24	17	24	Contract price

(Unaudited but reviewed)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019 (Audited)	30 June 2020	31 December 2019 (Audited)
<u>Trade and other receivables- related parties</u> (Note 3)				
Subsidiaries	-	-	1,295,145	1,576,406
Joint ventures	202,143	443,250	187,714	441,348
Associates	278,413	182,968	250,753	160,163
Related companies (common shareholders and directors)	106,502	157,167	105,221	152,077
Total trade and other receivables - related parties	587,058	783,385	1,838,833	2,329,994
Less: Allowance for impairment loss on financial assets - doubtful accounts	-	-	(213,352)	(210,742)
Total trade and other receivables - related parties, net	587,058	783,385	1,625,481	2,119,252
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	28,000	13,000
Total short-term loans to related parties	-	-	28,000	13,000
<u>Long-term loans to related parties</u>				
Subsidiaries	-	-	1,473,447	1,479,030
Total long-term loans to related parties	-	-	1,473,447	1,479,030
<u>Trade and other payables - related parties</u> (Note 7)				
Subsidiaries	-	-	1,919,756	1,368,406
Joint venture	-	244	-	244
Associates	256	63	5	4
Related companies (common shareholders and directors)	113,409	81,058	112,738	79,582
Total trade and other payables - related parties	113,665	81,365	2,032,499	1,448,236
<u>Short-term loan from related party</u>				
Subsidiary	-	-	-	160,000
Total short-term loan from related party	-	-	-	160,000



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Long-term loan from related party				
Related company (shareholder of subsidiary)	6,421	6,343	-	-
Total long-term loan from related party	6,421	6,343	-	-

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

(Unit: Thousand Baht)

Company's name	Related by	Consolidated financial statements		
		Balance as at	Exchange differences	Balance as at
		31 December	on translation	30 June
		2019	of financial statements	2020
		(Audited)		
Long-term loan from related party				
Zhenjiang Highway Materials Company	Shareholder of subsidiary	6,343	78	6,421

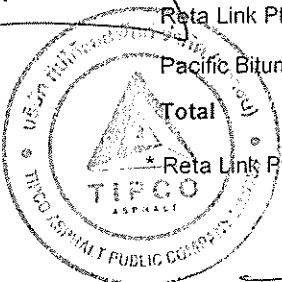
(Unit: Thousand Baht)

Company's name	Related by	Separate financial statements			
		Balance as at	Increase		Balance as at
		31 December	(decrease)		30 June
		2019	during	Gain on	2020
		(Audited)	the period	exchange	
Short-term loans to related parties					
Alpha Maritime Co., Ltd.	Subsidiary	13,000	-	-	13,000
Tipco Maritime Co., Ltd.	Subsidiary	-	15,000	-	15,000
Total		13,000	15,000	-	28,000

Long-term loans to related parties

AD Shipping Pte. Ltd.	Subsidiary	178,559	-	4,399	182,958
Reta Link Pte. Ltd.	Subsidiary	599,958	(34,403) *	7,165	572,720
Pacific Bitumen Shipping Pte. Ltd.	Subsidiary	700,513	-	17,256	717,769
Total		1,479,030	(34,403)	28,820	1,473,447

* Reta Link Pte. Ltd. repaid long-term loans by offsetting debts to be repaid by the Company.



(Unaudited but reviewed)

(Unit: Thousand Baht)

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

Directors and management's benefits

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

(Unit: Million Baht)

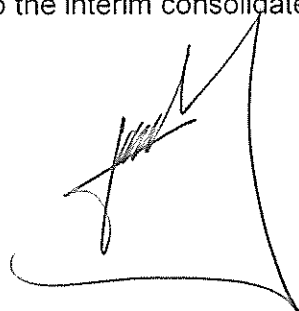

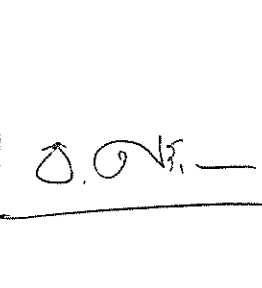
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	42	36	40	33
Post-employment benefits	1	1	1	1
Total	43	37	41	34

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	80	74	75	67
Post-employment benefits	2	2	2	2
Total	82	76	77	69

Guarantee obligations with related parties

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

5. Inventories

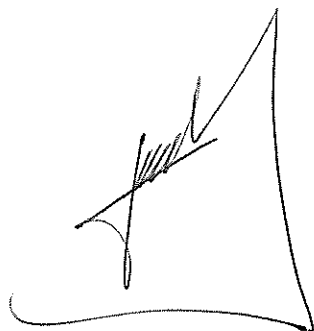
Movements of the reduction of cost to net realisable value of inventory account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	13,490	5,881
Reduction of cost to net realisable value of inventory account during the period (reversal)	59,708	(1,689)
Exchange differences on translation of financial statements	(1,491)	-
Balance as at 30 June 2020	71,707	4,192

6. Property, plant and equipment

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	8,285,712	984,241
Acquisitions during the period - at cost	350,045	59,179
Disposals/written-off during the period - net book value at disposal/written-off date	(3,235)	(1,014)
Depreciation for the period	(391,355)	(66,554)
Exchange differences on translation of financial statements	121,836	-
Net book value as at 30 June 2020	8,363,003	975,852





(Unaudited but reviewed)

7. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Trade payables - related parties (Note 4)	1,365	2,037	1,912,057	1,326,321
Trade payables - unrelated parties	943,574	5,435,791	764,127	5,265,585
Other payables - related parties (Note 4)	112,300	79,328	120,442	121,915
Accounts payable from price hedging contracts	236,093	8,101	236,093	8,102
Other payables and accrued expenses - unrelated parties	671,469	790,858	281,952	366,138
Total trade and other payables	1,964,801	6,316,115	3,314,671	7,088,061

8. Long-term loan from financial institutions

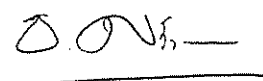
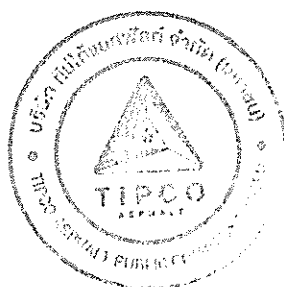
Movements of the long-term loan account during the six-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated
	financial statements
Balance as at 1 January 2020	74,312
Repayments	(18,413)
Unrealised loss on exchange	2,194
Balance as at 30 June 2020	58,093
Less: Current portion	(41,007)
Long-term loan - net of current portion	17,086

Loan covenants

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



9. Credit facilities

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

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

(Unit: Million Baht)

	Consolidated financial statements	
	30 June 2020	31 December 2019
		(Audited)
Right-of-use assets - net	125	-
Leasehold rights - net	-	124
Property, plant and equipment - net	2,856	2,683

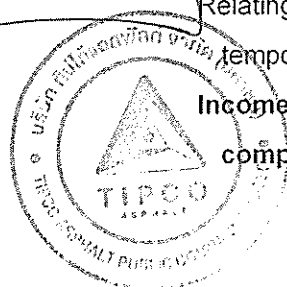
- c) The prohibition from creating lien over assets of the Group;
- d) Financial support letters provided by the Group to banks;
- e) The Company allows its subsidiaries to use its facilities obtained from banks, with the Company responsible to the banks for the amounts drawdown by the subsidiaries.

10. Income tax

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	(190,276)	(71,374)	(113,391)	(55,444)
Adjustment in respect of income tax of previous year	(43)	(850)	98	898
Deferred tax:				
Relating to origination and reversal of temporary differences	(207,301)	(11,426)	(289,946)	(17,115)
Income tax reported in the statement of comprehensive income	(397,620)	(83,650)	(403,239)	(71,661)



(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	(260,397)	(165,125)	(126,894)	(98,832)
Adjustment in respect of income tax of previous year	(43)	(850)	98	898
Deferred tax:				
Relating to origination and reversal of temporary differences	39,219	(23,350)	(24,846)	(43,103)
Income tax reported in the statement of comprehensive income	<u>(221,221)</u>	<u>(189,325)</u>	<u>(151,642)</u>	<u>(141,037)</u>

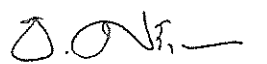
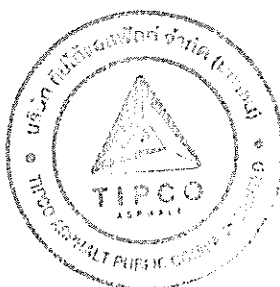
The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements for the three-month periods ended 30 June	
	<u>2020</u>	<u>2019</u>
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	15,800	(2,937)

(Unit: Thousand Baht)

	Consolidated/Separate financial statements for the six-month periods ended 30 June	
	<u>2020</u>	<u>2019</u>
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	(23,607)	17,814



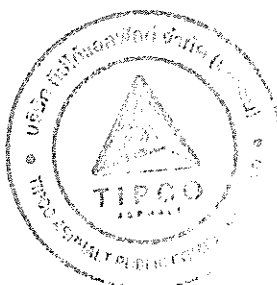
11. Earnings per share

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

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

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


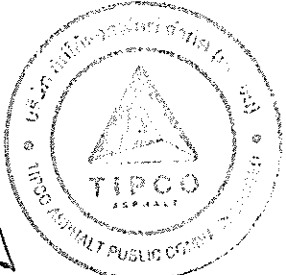
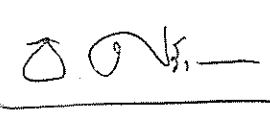
Consolidated financial statements						
For the three-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity						
holders of the Company	1,718,877	1,052,888	1,577,838	1,575,597	1.09	0.67
Effect of potential ordinary shares						
ESOP-W5	-	-	-	1,518		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion						
of warrants to ordinary shares	1,718,877	1,052,888	1,577,838	1,577,115	1.09	0.67



(Unaudited but reviewed)

Separate financial statements					
For the three-month periods ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company					
1,856,469	699,530	1,577,838	1,575,597	1.18	0.44
Effect of potential ordinary shares					
ESOP-W5	-	-	1,518		
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares					
1,856,469	699,530	1,577,838	1,577,115	1.18	0.44

Consolidated financial statements					
For the six-month periods ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company					
935,157	1,770,564	1,577,452	1,575,221	0.59	1.12
Effect of potential ordinary shares					
ESOP-W5	-	-	1,624		
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares					
935,157	1,770,564	1,577,452	1,576,845	0.59	1.12

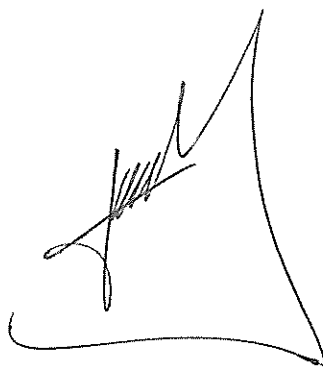

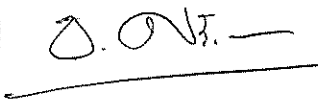
(Unaudited but reviewed)

Separate financial statements					
For the six-month periods ended 30 June					
Profit for the period		Weighted average number		Earnings per share	
		of ordinary shares			
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company					
874,401	1,305,416	1,577,452	1,575,221	0.55	0.83
Effect of potential ordinary shares					
ESOP-W5	-	-	1,624		
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares					
874,401	1,305,416	1,577,452	1,576,845	0.55	0.83

12. Share capital

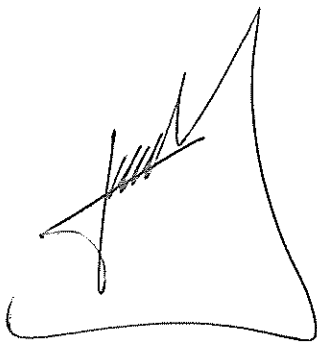
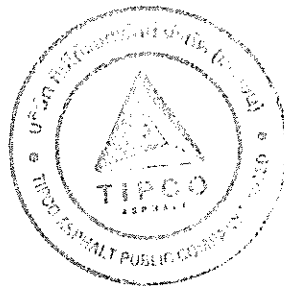
Below is the summary of the share registration from exercise of ESOP-W5 warrants during the current period.

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

13. Dividend

Dividends	Approved by	Total dividend (Million Baht)	Dividend per share (Baht per share)
Final dividend for 2018	Annual General Meeting of the shareholders on 5 April 2019	472.4	0.3
Total for the six-month period ended 30 June 2019		472.4	0.3
Final dividend for 2019	Annual General Meeting of the shareholders on 7 April 2020	1,734.7	1.1
Total for the six-month period ended 30 June 2020		1,734.7	1.1

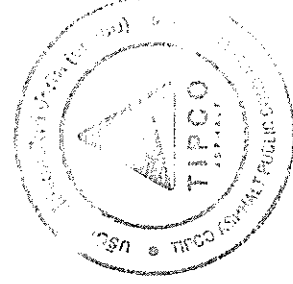




14. Segment information

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

(Unit: Million Baht)

	For the three-month periods ended 30 June							
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues from external customers	5,296	8,568	1,246	2,216	-	-	6,542	10,784
Inter-segment revenues	838	1,709	857	470	(1,695)	(2,179)	-	-
Total revenues	6,134	10,277	2,103	2,686	(1,695)	(2,179)	6,542	10,784
Segment operating profit (loss)	1,774	724	(98)	293	43	36	1,719	1,053



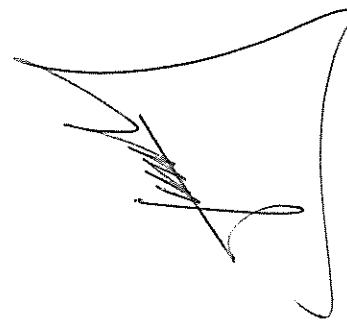
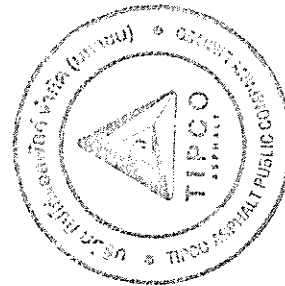
(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	8,831	14,385	2,822	3,490	-	-	11,653	17,875
Inter-segment revenues	2,302	2,855	1,599	859	(3,901)	(3,714)	-	-
Total revenues	11,133	17,240	4,421	4,349	(3,901)	(3,714)	11,653	17,875
Segment operating profit (loss)	925	1,439	(27)	304	37	28	935	1,771

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

D. ONT

15. Commitments and contingent liabilities

15.1 Capital commitments

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

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Audited)		(Audited)
Baht	27	55	22	39
Malaysian Ringgit	29	48	-	-
Vietnam Dong	9,716	12,251	-	-

15.2 Long-term service commitments

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

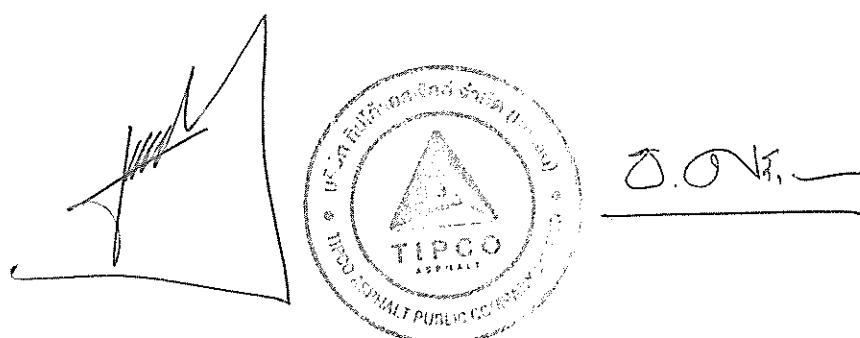
(Unit: Million Baht)

Payable within:	Consolidated financial statements	Separate financial statements
1 year	50	41
2 to 5 years	25	22

15.2.2 The Company has entered into a service agreement with Colas S.A. under which it receives management and marketing services and advice on methods and systems of management and technical assistance in the manufacture of Asphalt Emulsion and Modified Asphalt. Under this agreement, the Company agrees to pay an annual lump sum administrative fee of Euro 145,000 plus a technical assistance fee equivalent to 0.75 percent of the consolidated revenues of the Group generated from the stipulated products. The fees for the three-month and six-month periods ended 30 June 2020 amounted to approximately Baht 12.1 million and Baht 17.2 million, respectively (2019: Baht 9.7 million and Baht 24.0 million, respectively).

15.3 Crude oil purchase commitments

The Company has a crude supply contract under which the Company will receive approximately 12 million barrels yearly.



The image shows a handwritten signature on the left and a circular stamp in the center. The stamp contains the text 'TPCO ASPHALT PUBLIC COMPANY LIMITED' around the perimeter and 'TPCO ASPHALT' in the center. To the right of the stamp is another handwritten signature.

15.4 Bank guarantees

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

(Unit: Million)

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

16. Foreign currency risk

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

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	(Audited)
		(Audited)		(Audited)		(Audited)
US Dollar	61	76	28	163	30.9	30.2
Euro	-	-	2	1	34.7	33.7
Yen	-	-	8	7	0.3	0.3
Malaysian Ringgit	10	8	25	23	7.2	7.3

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	(Audited)
		(Audited)		(Audited)		(Audited)
US Dollar	121	151	44	185	30.9	30.2
Euro	-	-	2	1	34.7	33.7
SG Dollar	-	-	12	-	22.2	22.3
Renminbi	50	50	-	-	4.4	4.3
Malaysian Ringgit	-	-	3	5	7.2	7.3
Indonesia Rupiah	-	-	18	26	0.0022	0.0022

(Unaudited but reviewed)

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

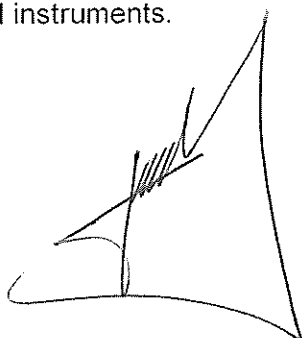
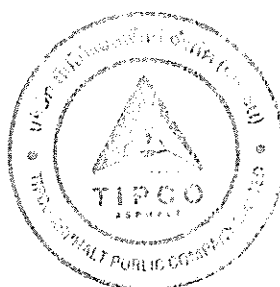
As at 30 June 2020

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold amount (Million)	Bought amount (Million)	Sold amount (Million)	Bought amount (Million)	Sold (Per 1 foreign currency unit)	Bought
US Dollar	33	6	33	5	30.9 - 32.3 Baht	30.9 - 35.2 Baht
US Dollar	-	4	-	-	-	23,300 Vietnam Dong
US Dollar	-	3	-	-	-	14,269 - 14,522 Indonesia Rupiah

As at 31 December 2019 (Audited)

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

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


17. Derivative - price hedging contracts

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

(Unit: Million Baht)

Contract type	Type of product	Consolidated/Separate financial statements	
		30 June 2020	31 December 2019 (Audited)
<u>Derivative assets - price hedging contracts</u>			
Sold forward contract	Crude oil	219	-
Sold forward contract	Petroleum product	117	-
Bought forward contract	Crude oil	21	16
Bought forward contract	Petroleum product	22	149
Total derivative assets - price hedging contracts		379	165

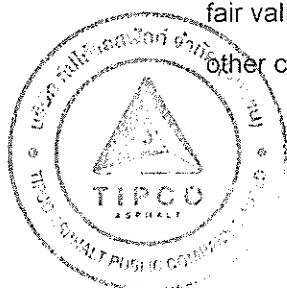
Derivative liabilities - price hedging contracts

Sold forward contract	Crude oil	237	253
Sold forward contract	Petroleum product	50	321
Bought forward contract	Crude oil	174	6
Bought forward contract	Petroleum product	103	1
Total derivative liabilities - price hedging contracts		564	581

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

(Unit: Million Baht)

	Consolidated/Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2020	2019	2020	2019
Gain (loss) arising from changes in fair value of forward contract in other comprehensive income	(79)	116	118	(426)



Signature

18. Damages and expenses from a fire at subsidiary

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

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

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 4 August 2020.

