

Tipco Foods Public Company Limited and its subsidiaries  
Review report and interim financial information  
For the three-month period ended 31 March 2020

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

To the Shareholders of Tipco Foods Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Tipco Foods Public Company Limited and its subsidiaries (the Group) as at 31 March 2020, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-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 Foods Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

## **Emphasis of matters**

I draw attention to the following matters:

- a) As discussed in Note 1.1 to the interim consolidated financial statements, the COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Group's business activities in terms of sales of goods, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage.

The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

- b) As discussed in Note 1.4 to the interim consolidated financial statements, due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month period ended 31 March 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.

My conclusion is not modified in respect of these matters.

Natthawut Santipet

Certified Public Accountant (Thailand) No. 5730

EY Office Limited

Bangkok: 12 May 2020

**Tipco Foods Public Company Limited and its subsidiaries**

**Statements of financial position**

**As at 31 March 2020**

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>31 March 2020</u>	<u>31 December 2019</u>	<u>31 March 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		48,014	41,336	14,603	15,127
Current investment		-	4,995	-	-
Trade and other receivables	3, 4	448,588	467,173	46,657	24,969
Short-term loans to related parties	3	-	-	250,900	269,000
Inventories	5	698,551	679,465	48,157	50,918
Biological assets		750	2,800	-	-
Advanced payments		13,886	12,851	3,124	3,569
Other current financial assets		5,353	-	-	-
Other current assets		37,066	47,893	6,906	8,756
<b>Total current assets</b>		<b>1,252,208</b>	<b>1,256,513</b>	<b>370,347</b>	<b>372,339</b>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	1,642,487	1,642,487
Investment in associate	7	3,095,321	3,145,108	644,930	644,930
Investment property - Land awaiting sale		7,270	7,270	7,270	7,270
Property, plant and equipment	8	2,129,041	2,136,459	703,204	701,706
Intangible assets		32,420	35,576	26,896	27,175
Deferred tax assets		76,124	72,902	6,434	6,756
Other non-current assets		13,895	15,175	3,542	3,540
<b>Total non-current assets</b>		<b>5,354,071</b>	<b>5,412,490</b>	<b>3,034,763</b>	<b>3,033,864</b>
<b>Total assets</b>		<b>6,606,279</b>	<b>6,669,003</b>	<b>3,405,110</b>	<b>3,406,203</b>

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

Tipco Foods Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>31 March 2020</u>	<u>31 December 2019</u>	<u>31 March 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions		854,171	761,474	497,630	490,318
Trade and other payables	3, 9	660,273	605,258	31,709	43,552
Current portion of long-term loans					
from financial institutions	10	373,825	411,950	220,945	231,245
Current portion of lease liabilities	3, 11	25,043	859	6,335	859
Income tax payable		4,470	4,470	-	-
Derivative liabilities		12,199	-	122	-
Other current liabilities		57,372	59,997	4,258	3,733
<b>Total current liabilities</b>		<b>1,987,353</b>	<b>1,844,008</b>	<b>760,999</b>	<b>769,707</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions					
- net of current portion	10	717,500	782,500	507,500	555,000
Lease liabilities - net of current portion	3, 11	38,642	5,386	16,412	5,386
Provision for dismantling cost		1,130	1,071	-	-
Provision for long-term employee benefits	13	110,620	129,244	33,702	33,028
<b>Total non-current liabilities</b>		<b>867,892</b>	<b>918,201</b>	<b>557,614</b>	<b>593,414</b>
<b>Total liabilities</b>		<b>2,855,245</b>	<b>2,762,209</b>	<b>1,318,613</b>	<b>1,363,121</b>

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

**Tipco Foods Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

**As at 31 March 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>Note</b>	<b>31 March 2020</b>	<b>31 December 2019</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital					
Registered					
500,000,000 ordinary shares of Baht 1 each		500,000	500,000	500,000	500,000
Issued and fully paid					
482,579,640 ordinary shares of Baht 1 each		482,580	482,580	482,580	482,580
Non-controlling interests of subsidiary acquired by					
the Company at price higher than book value		(80,767)	(80,767)	-	-
Non-controlling interest in subsidiary of					
the associated company acquired at price					
lower than book value		1,494	1,494	-	-
Change in the interest in subsidiaries of					
the associated company which did not result					
in a loss of control of the associate		(135,833)	(135,833)	-	-
Capital reserve for share-based payment transactions					
of the associate		40,986	40,994	-	-
Retained earnings					
Appropriated - statutory reserve		50,000	50,000	50,000	50,000
Unappropriated		3,553,707	3,848,177	1,553,917	1,510,502
Other components of shareholders' equity		(161,133)	(299,851)	-	-
<b>Total shareholders' equity</b>		<b>3,751,034</b>	<b>3,906,794</b>	<b>2,086,497</b>	<b>2,043,082</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,606,279</b>	<b>6,669,003</b>	<b>3,405,110</b>	<b>3,406,203</b>

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

Directors

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries****Statements of comprehensive income****For the three-month period ended 31 March 2020**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		765,117	938,857	100,847	104,750
Other income					
Dividend income from subsidiary	6	-	-	39,000	19,800
Management income	3	-	-	14,002	17,583
Gain on exchange		-	1,888	-	-
Others		29,074	21,849	6,296	3,385
<b>Total revenues</b>		<u>794,191</u>	<u>962,594</u>	<u>160,145</u>	<u>145,518</u>
<b>Expenses</b>					
Cost of sales		627,029	823,026	62,802	76,619
Selling and distribution expenses		90,994	102,290	-	680
Administrative expenses		136,551	90,845	43,636	35,557
Loss on changes in fair value of biological assets		2,050	-	-	-
Loss on exchange		31,355	-	150	11
<b>Total expenses</b>		<u>887,979</u>	<u>1,016,161</u>	<u>106,588</u>	<u>112,867</u>
<b>Profit (loss) from operating activities</b>		<u>(93,788)</u>	<u>(53,567)</u>	<u>53,557</u>	<u>32,651</u>
Share of profit (loss) from investment in associate	7	(188,497)	168,563	-	-
Finance cost		(15,407)	(16,423)	(9,821)	(10,808)
<b>Profit (loss) before income tax expenses</b>		<u>(297,692)</u>	<u>98,573</u>	<u>43,736</u>	<u>21,843</u>
Income tax benefit (expenses)	14	3,222	(1,402)	(321)	242
<b>Profit (loss) for the period</b>		<u>(294,470)</u>	<u>97,171</u>	<u>43,415</u>	<u>22,085</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Share of other comprehensive income in associate	7	138,718	(150,287)	-	-
<b>Other comprehensive income for the period</b>		<u>138,718</u>	<u>(150,287)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>(155,752)</u>	<u>(53,116)</u>	<u>43,415</u>	<u>22,085</u>

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

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries**

**Statements of comprehensive income (continued)**

**For the three-month period ended 31 March 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>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	<u>(294,470)</u>	<u>97,171</u>	<u>43,415</u>	<u>22,085</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>(155,752)</u>	<u>(53,116)</u>	<u>43,415</u>	<u>22,085</u>
<b>Earnings per share</b>	<b>15</b>			
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>(0.61)</u>	<u>0.20</u>	<u>0.09</u>	<u>0.05</u>

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



(Unaudited but reviewed)

## Tipco Foods Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements									
	Issued and paid-up share capital	Non-controlling interests of subsidiary acquired by the Company at price higher than book value	Non-controlling interest in subsidiary of the associated company acquired at price lower than book value	Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate	Capital reserve for share-based payment transactions of the associate	Retained earnings		Other components of shareholders' equity		
		at price higher than book value	at price lower than book value	in a loss of control of the associate	the associate	Appropriated - statutory reserve	Unappropriated	Share of other comprehensive income in associate	Total other components of shareholders' equity	Total shareholders' equity
		than book value	than book value	of the associate	the associate	statutory reserve	Unappropriated	in associate	equity	equity
<b>Balance as at 1 January 2019</b>	482,580	(80,767)	1,494	(135,833)	41,071	50,000	3,876,971	(62,112)	(62,112)	4,173,404
Profit for the period	-	-	-	-	-	-	97,171	-	-	97,171
Other comprehensive income for the period	-	-	-	-	-	-	-	(150,287)	(150,287)	(150,287)
Total comprehensive income for the period	-	-	-	-	-	-	97,171	(150,287)	(150,287)	(53,116)
Share-based payment transactions of the associate	-	-	-	-	(26)	-	-	-	-	(26)
<b>Balance as at 31 March 2019</b>	<u>482,580</u>	<u>(80,767)</u>	<u>1,494</u>	<u>(135,833)</u>	<u>41,045</u>	<u>50,000</u>	<u>3,974,142</u>	<u>(212,399)</u>	<u>(212,399)</u>	<u>4,120,262</u>
<b>Balance as at 1 January 2020</b>	482,580	(80,767)	1,494	(135,833)	40,994	50,000	3,848,177	(299,851)	(299,851)	3,906,794
Loss for the period	-	-	-	-	-	-	(294,470)	-	-	(294,470)
Other comprehensive income for the period	-	-	-	-	-	-	-	138,718	138,718	138,718
Total comprehensive income for the period	-	-	-	-	-	-	(294,470)	138,718	138,718	(155,752)
Share-based payment transactions of the associate	-	-	-	-	(8)	-	-	-	-	(8)
<b>Balance as at 31 March 2020</b>	<u>482,580</u>	<u>(80,767)</u>	<u>1,494</u>	<u>(135,833)</u>	<u>40,986</u>	<u>50,000</u>	<u>3,553,707</u>	<u>(161,133)</u>	<u>(161,133)</u>	<u>3,751,034</u>

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

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries**  
**Statements of changes in shareholders' equity (continued)**  
**For the three-month period ended 31 March 2020**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>			
	Issued and paid-up share capital	Retained earnings		Total shareholders' equity
		Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2019</b>	482,580	50,000	1,624,483	2,157,063
Total comprehensive income for the period	-	-	22,085	22,085
<b>Balance as at 31 March 2019</b>	<u>482,580</u>	<u>50,000</u>	<u>1,646,568</u>	<u>2,179,148</u>
<b>Balance as at 1 January 2020</b>	482,580	50,000	1,510,502	2,043,082
Total comprehensive income for the period	-	-	43,415	43,415
<b>Balance as at 31 March 2020</b>	<u>482,580</u>	<u>50,000</u>	<u>1,553,917</u>	<u>2,086,497</u>

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

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries****Cash flow statements****For the three-month period ended 31 March 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>
<b>Cash flows from operating activities:</b>				
Profit (loss) before income tax	(297,692)	98,573	43,736	21,843
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	92,757	63,083	18,041	15,516
Reversal of allowance for doubtful accounts	-	(17)	-	-
Reduction of cost of inventories to net realisable value	3,076	41,571	345	474
Loss from inventory destruction	3,491	2,196	-	-
(Gain) loss on changes in fair value of biological assets	2,050	(79)	-	-
Unrealised (gain) loss on exchange	(1,195)	(368)	(19)	12
Loss on changes in fair value of forward exchange contracts	11,786	1,580	-	-
Loss on changes in fair value of interest rate swap contract	18	66	18	66
Gain on sales of property, plant and equipment	(644)	(87)	(654)	-
Loss on written-off of intangible assets	-	27	-	-
Provision for long-term employee benefits	3,939	3,092	1,187	1,038
Dividend income from subsidiary	-	-	(39,000)	(19,800)
Share of profit (loss) from investment in associate	188,497	(168,563)	-	-
Interest income	(186)	(26)	(1,710)	(596)
Interest expenses	15,237	16,077	9,547	10,486
Profit from operating activities before changes in operating assets and liabilities	21,134	57,125	31,491	29,039
(Increase) decrease in operating assets				
Trade and other receivables	22,095	121,283	(21,669)	(5,322)
Inventories	(25,653)	(69,432)	2,416	(991)
Other current assets	7,792	(3,053)	62	515
Other non-current assets	1,280	(4,626)	(2)	(215)
Increase (decrease) in operating liabilities				
Trade and other payables	66,885	(40,828)	(12,220)	(20,573)
Other current liabilities	(4,880)	(16,667)	629	1,464
Other non-current liabilities	59	5	-	-
Cash paid for long-term employee benefits	(22,563)	(2,235)	(513)	-
<b>Cash flows from operating activities</b>	<b>66,149</b>	<b>41,572</b>	<b>194</b>	<b>3,917</b>
Cash paid for interest expenses	(15,416)	(16,151)	(9,650)	(10,439)
Cash paid for corporate income tax	(233)	(731)	-	(552)
Cash received for withholding tax	2,232	-	2,232	-
<b>Net cash flows from (used in) operating activities</b>	<b>52,732</b>	<b>24,690</b>	<b>(7,224)</b>	<b>(7,074)</b>

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

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries**

**Cash flow statements (continued)**

**For the three-month period ended 31 March 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>
<b>Cash flows from investing activities:</b>				
Increase in fixed deposit with maturity over 3 months	(21)	(21)	-	-
Decrease (increase) in short-term loans to related parties	-	-	18,100	(7,000)
Cash received from sales of property, plant and equipment	655	451	654	-
Cash paid for acquisition of property, plant and equipment	(28,795)	(25,457)	(250)	(10,402)
Cash paid for acquisition of intangible assets	(1,221)	(452)	(82)	-
Dividend received from subsidiary	-	-	39,000	19,800
Interest received	186	26	1,710	596
<b>Net cash flows from (used in) investing activities</b>	<b>(29,196)</b>	<b>(25,453)</b>	<b>59,132</b>	<b>2,994</b>
<b>Cash flows from financing activities:</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	92,697	(337,848)	7,312	(4,523)
Cash paid for lease liabilities	(6,430)	-	(1,944)	-
Cash received from long-term loans from financial institutions	-	406,747	-	56,747
Repayment of long-term loans from financial institutions	(103,125)	(78,125)	(57,800)	(50,300)
<b>Net cash flows from (used in) financing activities</b>	<b>(16,858)</b>	<b>(9,226)</b>	<b>(52,432)</b>	<b>1,924</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,678</b>	<b>(9,989)</b>	<b>(524)</b>	<b>(2,156)</b>
Cash and cash equivalents at beginning of period	41,336	105,836	15,127	21,595
<b>Cash and cash equivalents at end of period</b>	<b>48,014</b>	<b>95,847</b>	<b>14,603</b>	<b>19,439</b>

**Supplemental cash flows information**

Non-cash transactions:

Acquisition of equipment for which cash has not been paid	1,450	2,685	512	1,825
Acquisition of intangible assets for which cash has not been paid	-	18	-	18
Increase in right-of-use assets due to entering into lease agreements	1,589	-	-	-

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

**Tipco Foods Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial statements**  
**For the three-month period ended 31 March 2020**

**1. General information**

**1.1 Coronavirus disease 2019 pandemic**

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Group's business activities in terms of sales of goods, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

**1.2 Basis of 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 consolidated interim financial statements include the financial statements of Tipco Foods Public Company Limited and its subsidiaries ("the Group") 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 current 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 standards involve changes to key principles, which are summarised below.

##### **Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 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 entities' 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.

These standards do not have any significant impact on the Group's 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 in accounting policy is described in Note 2 to the interim financial statements.

### **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures for accounting alternatives:

- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.

## **1.5 Significant accounting policies**

The interim consolidated financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 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 assets that are equity instruments are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

#### ***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 criteria are met, recognition is as follows:

For fair value hedges, a change in fair value of the hedging instruments and a change in fair value of the hedged items attributable to the risk being hedged are both recognised in profit or loss.

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.

### ***Short-term leases and leases of low-value assets***

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

## **2. Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 1.4 to the interim financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The Group has elected to recognise the cumulative effect of changes in accounting policies as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

(Unaudited but reviewed)

The changes in accounting policies do not have any impact on the beginning balance of retained earnings of 2020, while the impacts to assets and liabilities in the statements of financial position are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 1 January 2020	The impacts of Financial reporting standards related to financial instruments	TFRS 16	Balance as at 1 January 2020 (restated)
<b>Assets</b>				
<b>Current assets</b>				
Current investments	4,995	(4,995)	-	-
Other current financial assets	-	5,382	-	5,382
Other current assets	47,893	(387)	-	47,506
<b>Non-current assets</b>				
Property, plant and equipment	2,136,459	-	62,242	2,198,701
<b>Liabilities</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	859	-	23,458	24,317
Derivative liabilities	-	437	-	437
Other current liabilities	59,997	(437)	-	59,560
<b>Non-current liabilities</b>				
Lease liabilities - net of current portion	5,386	-	38,784	44,170

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			
	Balance as at 1 January 2020	Financial reporting standards related to financial instruments	TFRS 16	Balance as at 1 January 2020 (restated)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	701,706	-	18,446	720,152
<b>Liabilities</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	859	-	5,438	6,297
Derivative liabilities	-	105	-	105
Other current liabilities	3,733	(105)	-	3,628
<b>Non-current liabilities</b>				
Lease liabilities - net of current portion	5,386	-	13,008	18,394

(Unaudited but reviewed)

## 2.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>				
Cash and cash equivalents	41,336	-	41,336	41,336
Trade and other receivables	467,173	-	467,173	467,173
Derivative assets	387	387	-	387
Other current financial assets	4,995	-	4,995	4,995
Other current assets	47,506	-	47,506	47,506
Other non-current assets	15,175	-	15,175	15,175
<b>Total financial assets</b>	<b>576,572</b>	<b>387</b>	<b>576,185</b>	<b>576,572</b>

(Unit: Thousand Baht)

	Separate financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>				
Cash and cash equivalents	15,127	-	15,127	15,127
Trade and other receivables	24,969	-	24,969	24,969
Short-term loans to related parties	269,000	-	269,000	269,000
Other current assets	8,756	-	8,756	8,756
Other non-current assets	3,540	-	3,540	3,540
<b>Total financial assets</b>	<b>321,392</b>	<b>-</b>	<b>321,392</b>	<b>321,392</b>

(Unaudited but reviewed)

As at 1 January 2020, the Group has not designated any financial liabilities to be measured at fair value through profit or loss except derivative liabilities of which fair value is Baht 0.4 million (Separate financial statements: Baht 0.1 million).

## 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 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
	<u>financial statements</u>	<u>financial statements</u>
Operating lease commitments as at		
31 December 2019	92,426	47,426
Less: Short-term leases and leases of low-value assets	(15,629)	(13,391)
Add: Option to extend lease term	25,753	4,412
Less: Contracts reassessed as service agreements	(38,619)	(19,492)
Less: Deferred interest expenses	(1,689)	(509)
Increase in lease liabilities due to TFRS 16 adoption	62,242	18,446
Liabilities under finance lease agreements as at		
31 December 2019	6,245	6,245
Lease liabilities as at 1 January 2020	<u>68,487</u>	<u>24,691</u>
Comprise of:		
Current lease liabilities	24,317	6,297
Non-current lease liabilities	44,170	18,394
	<u>68,487</u>	<u>24,691</u>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Land	2,131	-
Office, warehouse and shop spaces	42,468	15,118
Tools and equipment	12,555	2,745
Motor vehicles	5,088	583
<b>Total right-of-use assets</b>	<b>62,242</b>	<b>18,446</b>

### 3. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	100	104	Cost plus certain margin
Management income	-	-	14	18	As agreed
Interest income	-	-	2	1	2.30 - 2.65 percent per annum
Dividend income	-	-	39	20	Announced rate
<b><u>Transactions with associated company</u></b>					
Sales of goods	1	-	-	-	Market price
<b><u>Transactions with related companies</u></b>					
Rental and service expenses	9	11	4	4	Market price

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2020 and 31 December 2019 between the Company, its subsidiaries and those related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<b><u>Trade and other receivables - related parties</u></b> (Note 4)				
Subsidiaries	-	-	44,875	23,110
Associate	455	1,191	-	61
Related companies (common shareholders and directors)	138	774	-	-
<b>Total trade and other receivables - related parties</b>	<b>593</b>	<b>1,965</b>	<b>44,875</b>	<b>23,171</b>
<b><u>Prepaid expenses - related parties</u></b>				
Related companies (common shareholders and directors)	1,057	272	61	121
<b>Total prepaid expenses - related parties</b>	<b>1,057</b>	<b>272</b>	<b>61</b>	<b>121</b>
<b><u>Retentions - related parties</u></b>				
Related companies (common shareholders and directors)	8,491	9,703	3,409	3,409
<b>Total retentions - related parties</b>	<b>8,491</b>	<b>9,703</b>	<b>3,409</b>	<b>3,409</b>
<b><u>Trade and other payables - related parties</u></b> (Note 9)				
Subsidiaries	-	-	8	109
Associate	60	633	37	144
Related companies (common shareholders and directors)	1,954	1,554	191	171
<b>Total trade and other payables - related parties</b>	<b>2,014</b>	<b>2,187</b>	<b>236</b>	<b>424</b>
<b><u>Lease liabilities - related parties</u></b>				
Related companies (common shareholders and directors)	29,897	-	13,191	-
<b>Total lease liabilities - related parties</b>	<b>29,897</b>	<b>-</b>	<b>13,191</b>	<b>-</b>

(Unaudited but reviewed)

### Short-term loans to related parties

As at 31 March 2020 and 31 December 2019, the balances of short-term loans to related parties and the movements were as follows:

(Unit: Thousand Baht)

Short-term loans	Related by	Separate financial statements			
		Balance as at 31 December 2019	Increase during the period	Decrease during the period	Balance as at 31 March 2020
		(Audited)			
Tipco Pineapple Co., Ltd.	Subsidiary	217,000	30,000	(45,000)	202,000
Tipco Biotech Co., Ltd.	Subsidiary	37,000	11,900	-	48,900
Tipco Retail Co., Ltd.	Subsidiary	15,000	-	(15,000)	-
Total		269,000	41,900	(60,000)	250,900

### Directors and management's benefits

For the three-month periods ended 31 March 2020 and 2019, the Group had employee benefit expenses of its directors and management as detailed below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	9	13	9	10
Post-employment benefits	1	1	-	-
Total	10	14	9	10



(Unaudited but reviewed)

**4. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
<b><u>Trade receivables - related parties</u></b> (Note 3)				
Aged on the basis of due dates				
Not yet due	180	1,686	39,211	16,250
Past due				
Up to 3 months	413	218	-	-
Total trade receivables - related parties	593	1,904	39,211	16,250
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	342,721	285,497	-	-
Past due				
Up to 3 months	49,065	91,786	-	-
3 - 6 months	27,916	5	-	-
Over 12 months	441	503	-	-
Total	420,143	377,791	-	-
Less: Allowance for doubtful accounts	(299)	(299)	-	-
Total trade receivables - unrelated parties, net	419,844	377,492	-	-
Total trade receivables - net	420,437	379,396	39,211	16,250
<b><u>Other receivables</u></b>				
Amounts due from related parties (Note 3)	-	61	5,664	6,921
Amounts due from unrelated parties	27,561	86,846	1,728	1,691
Advance to employees	191	300	54	79
Accrued income	399	570	-	28
Total other receivables	28,151	87,777	7,446	8,719
Total trade and other receivables - net	448,588	467,173	46,657	24,969

(Unaudited but reviewed)

## 5. Inventories

Movements in the reduction of cost to net realisable value of inventories account during the three-month period ended 31 March 2020 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2020</b>	59,555	646
Reduction of cost to net realisable value of inventories account during the period	3,076	345
<b>Balance as at 31 March 2020</b>	<u>62,631</u>	<u>991</u>

## 6. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)	
	Cost	
	31 March 2020	31 December 2019
		(Audited)
Tipco F&B Co., Ltd.	729,050	729,050
Tipco Retail Co., Ltd.	175,500	175,500
Tipco Biotech Co., Ltd.	160,787	160,787
Tipco Pineapple Co., Ltd.	700,000	700,000
Total	<u>1,765,337</u>	<u>1,765,337</u>
Less: Allowance for impairment loss on investment in subsidiary	<u>(122,850)</u>	<u>(122,850)</u>
Investments in subsidiaries - net	<u>1,642,487</u>	<u>1,642,487</u>

During the three-month periods ended 31 March 2020 and 2019, the Company received the following dividends from its subsidiaries:

Company's name	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2020	2019
Tipco F&B Co., Ltd.	<u>39,000</u>	<u>19,800</u>

(Unaudited but reviewed)

## 7. Investment in associate

The Company has investment in an associate, Tipco Asphalt Public Company Limited, which incorporate in Thailand and engaged in the manufacture and distribution of asphalt and petroleum products. The shareholding percentage of the Company as at 31 March 2020 and 31 December 2019 are 23.4538 and 23.4583 percent, respectively.

### 7.1 Details of associate:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
Cost	644,930	644,930	644,930	644,930
Carrying amounts based on equity method	3,095,321	3,145,108	-	-

### 7.2 Share of comprehensive income and dividend received

During the three-month periods ended 31 March 2020 and 2019, the Company has recognised its share of profit (loss) from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Share of profit (loss) from investment in associate during the period	(188,497)	168,563	-	-
Share of other comprehensive income from investment in associate during the period	138,718	(150,287)	-	-
Dividend received during the period	-	-	-	-

### 7.3 Fair value investment in listed associate

The fair value of investment in Tipco Asphalt Public Company Limited which is a listed company on the Stock Exchange of Thailand as at 31 March 2020 and 31 December 2019 are Baht 6,362 million and Baht 7,841 million, respectively.

(Unaudited but reviewed)

## 8. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2020 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2020</b>	2,136,459	701,706
Adjustments of right-of-use assets due to TFRS 16 adoption	62,242	18,446
Acquisitions during period - at cost	19,865	750
Disposals/written-off during period - net book value at disposal/written-off date	(11)	-
Depreciation for the period	(89,514)	(17,698)
<b>Net book value as at 31 March 2020</b>	<b>2,129,041</b>	<b>703,204</b>

## 9. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	-	-	-	104
Trade payables - unrelated parties	207,802	200,251	14,649	9,418
Other payables - related parties (Note 3)	2,014	2,187	236	320
Other payables - unrelated parties	135,853	102,479	3,582	5,353
Accrued expenses	314,604	300,341	13,242	28,357
<b>Total trade and other payables</b>	<b>660,273</b>	<b>605,258</b>	<b>31,709</b>	<b>43,552</b>

(Unaudited but reviewed)

## 10. Long-term loans from financial institutions

Movements in the long-term loans from financial institutions account during the three-month period ended 31 March 2020 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2020</b>	1,194,450	786,245
Repayments	(103,125)	(57,800)
<b>Balance as at 31 March 2020</b>	1,091,325	728,445
Less: Current portion	(373,825)	(220,945)
<b>Long-term loans from financial institutions</b>		
<b>- net of current portion</b>	<b>717,500</b>	<b>507,500</b>

### Loan covenants

The loans are secured by the mortgage of land, building and certain machines thereon.

The loan agreements of the Group contain certain restrictive covenants pertaining to, among other things, the maintenance of debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements and the prohibition from creating lien over related assets.

### Interest rate swap agreement

The Company entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan from a local bank to a fixed rate interest at 3.95 percent per annum. As at 31 March 2020, the notional amount of Baht 31 million (31 December 2019: Baht 41 million) was outstanding. The agreement will mature in December 2020.

## 11. Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Lease liabilities	66,178	7,398	24,222	7,398
Less: Deferred interest expenses	(2,493)	(1,153)	(1,475)	(1,153)
Total	63,685	6,245	22,747	6,245
Less: Portion due within one year	(25,043)	(859)	(6,335)	(859)
Lease liabilities - net of current portion	<b>38,642</b>	<b>5,386</b>	<b>16,412</b>	<b>5,386</b>

(Unaudited but reviewed)

The Group has entered into the lease agreements for rental of property, plant and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis.

As at 31 March 2020, future minimum lease payments required under the lease agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	31 March 2020			31 December 2019		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	26	40	66	1	6	7
Deferred interest expenses	(1)	(1)	(2)	-	(1)	(1)
Present value of future minimum lease payments	<u>25</u>	<u>39</u>	<u>64</u>	<u>1</u>	<u>5</u>	<u>6</u>

(Unit: Million Baht)

	Separate financial statements					
	31 March 2020			31 December 2019		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	7	17	24	1	6	7
Deferred interest expenses	-	(1)	(1)	-	(1)	(1)
Present value of future minimum lease payments	<u>7</u>	<u>16</u>	<u>23</u>	<u>1</u>	<u>5</u>	<u>6</u>

## 12. Credit facilities

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

- The guarantees by the Group.
- The mortgages of the assets of the Group of which the net book value as at 31 March 2020 and 31 December 2019 were summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Audited)		(Audited)
Land	104	104	17	17
Buildings and complement	360	369	270	274
Machinery and equipment	65	71	-	-

- The prohibition from creating lien over assets of the Group.

(Unaudited but reviewed)

### 13. Provision for long-term employee benefits

Movements of the provision for long-term employee benefits account during the three-month period ended 31 March 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Provision for long-term employee benefits as at 1 January 2020	129,244	33,028
Included in profit or loss:		
Current service cost	3,126	984
Interest cost	813	203
Benefits paid during the period	(22,563)	(513)
Provision for long-term employee benefits as at 31 March 2020	<u>110,620</u>	<u>33,702</u>

### 14. Income tax

Income tax expenses for the three-month periods ended 31 March 2020 and 2019 were made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Current income tax charge	-	3,538	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of				
temporary differences	(3,222)	(2,136)	321	(242)
<b>Income tax expenses (benefit) reported in</b>				
<b>    profit or loss</b>	<u>(3,222)</u>	<u>1,402</u>	<u>321</u>	<u>(242)</u>

### 15. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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.

(Unaudited but reviewed)

## 16. Segment information

The following tables present revenue and profit information regarding the Group' operating segments for the three-month periods ended 31 March 2020 and 2019, respectively.

(Unit: Million Baht)

	Products of vegetable & fruit		Beverage		Others		Consolidation	
	<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 sales of goods	261	391	500	536	4	12	765	939
<b>Gross profit</b>	10	(23)	129	141	(1)	(2)	138	116
Other income							29	21
Selling and distribution expenses							(91)	(102)
Administrative expenses and other expenses							(139)	(91)
Gain (loss) on exchange							(31)	2
<b>Loss from operating activities</b>							(94)	(54)
Share of profit (loss) from investment in associate							(188)	169
Finance cost							(15)	(17)
<b>Profit (loss) before income tax expenses</b>							(297)	98
Income tax benefit (expenses)							3	(1)
<b>Profit (loss) for the period</b>							(294)	97



(Unaudited but reviewed)

Geographic segment information for the three-month periods 31 March 2020 and 2019 was as follows:

	(Unit: Million Baht)					
	Domestic sales		Export sales		Consolidation	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues from the sale of goods	458	501	307	438	765	939
Gross profit (loss)	117	127	21	(11)	138	116

Transfer prices between the segments are set out in Note 3 to the interim financial statements.

## 17. Commitments and contingent liabilities

### 17.1 Capital commitments

The Group had outstanding capital commitments relating purchases of machinery and equipment and computer software as follows:

Foreign currency	(Unit: Million)			
	Consolidated financial statements		Separate financial statements	
	<u>31 March 2020</u>	<u>31 December 2019</u>	<u>31 March 2020</u>	<u>31 December 2019</u>
		(Audited)		(Audited)
Baht	4	9	-	-

### 17.2 Lease and service commitments

The Group has entered into several agreements in respect of the lease of office equipment, which is short-term leases or leases of low-value assets, and other service agreements.

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

Payable within:	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>31 March 2020</u>	<u>31 December 2019</u>	<u>31 March 2020</u>	<u>31 December 2019</u>
		(Audited)		(Audited)
1 year	35	38	15	21
2 to 5 years	7	16	3	12

(Unaudited but reviewed)

### 17.3 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 were summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Audited)		(Audited)
Bank guarantees	16	17	7	7

### 18. Foreign currency risk

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

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	31 March	31 December	31 March	31 December	31 March	31 December
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		(Audited)
US Dollar	3.0	2.3	1.1	1.1	32.67	30.15
Euro	0.9	0.7	0.3	0.2	35.96	33.73

The outstanding forward exchange contracts of the Group which maturity date within one year were summarised below.

Foreign currency	As at 31 March 2020					
	Consolidated		Separate		Contractual exchange rate	
	Sold	Bought	Sold	Bought	Sold	Bought
	Amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	5.0	0.3	-	-	29.96 - 30.87	31.34 - 31.83

(Unaudited but reviewed)

As at 31 December 2019 (Audited)

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought	Sold	Bought
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	9.0	-	-	-	29.96 - 33.50	-
Euro	0.3	-	-	-	33.50	-

## 19. Events after the reporting period

- 19.1 On 3 April 2020, the Annual General Meeting of the Company's shareholders approved a dividend payment of Baht 0.34 per share, a total of Baht 164 million, for the year 2019. Since an interim dividend of Baht 0.24 per share, or a total of Baht 116 million, was already distributed to the shareholders in September 2019, the remaining final dividend is Baht 48 million (Baht 0.10 per share). The Company paid such dividends on 30 April 2020.
- 19.2 On 7 April 2020, the Annual General Meeting of the shareholders of Tipco Asphalt Public Company Limited (associated company) approved a dividend payment of Baht 1.10 per share, a total of Baht 1,735 million for the year 2019.

## 20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 May 2020.