

Tipco Foods 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 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 30 June 2020, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statement 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 Foods 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 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 and six-month periods ended 30 June 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: 10 August 2020

Tipco Foods Public Company Limited and its subsidiaries

Statements of financial position

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)
Assets					
Current assets					
Cash and cash equivalents		48,248	41,336	17,650	15,127
Current investment		-	4,995	-	-
Trade and other receivables	3, 4	346,463	467,173	13,459	24,969
Short-term loans to related parties	3	-	-	428,900	269,000
Inventories	5	652,587	679,465	58,024	50,918
Biological assets		1,120	2,800	-	-
Advanced payments	3	29,642	12,851	3,161	3,569
Other current financial assets		5,281	-	-	-
Other current assets		29,909	47,893	5,780	8,756
Total current assets		1,113,250	1,256,513	526,974	372,339
Non-current assets					
Investments in subsidiaries	6	-	-	1,642,487	1,642,487
Investment in associate	7	3,008,474	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	2,061,609	2,136,459	686,256	701,706
Intangible assets		31,133	35,576	26,741	27,175
Deferred tax assets		88,138	72,902	8,099	6,756
Other non-current assets	3	14,006	15,175	3,539	3,540
Total non-current assets		5,210,630	5,412,490	3,019,322	3,033,864
Total assets		6,323,880	6,669,003	3,546,296	3,406,203

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 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)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions		614,518	761,474	365,000	490,318
Trade and other payables	3, 9	543,861	605,258	31,536	43,552
Current portion of long-term loans					
from financial institutions	10	335,700	411,950	210,645	231,245
Current portion of lease liabilities	3, 11	27,556	859	6,758	859
Income tax payable		4,470	4,470	-	-
Derivative liabilities		533	-	90	-
Other current liabilities		51,004	59,997	2,127	3,733
Total current liabilities		1,577,642	1,844,008	616,156	769,707
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	10	652,500	782,500	460,000	555,000
Lease liabilities - net of current portion	3, 11	36,778	5,386	14,418	5,386
Provision for dismantling cost		1,270	1,071	-	-
Provision for long-term employee benefits	13	131,213	129,244	41,120	33,028
Total non-current liabilities		821,761	918,201	515,538	593,414
Total liabilities		2,399,403	2,762,209	1,131,694	1,363,121

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 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<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)
Shareholders' equity				
Share capital				
Registered				
500,000,000 ordinary shares of Baht 1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
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				
	40,953	40,994	-	-
Retained earnings				
Appropriated - statutory reserve	50,000	50,000	50,000	50,000
Unappropriated	3,809,518	3,848,177	1,882,022	1,510,502
Other components of shareholders' equity	<u>(243,468)</u>	<u>(299,851)</u>	<u>-</u>	<u>-</u>
Total shareholders' equity	<u>3,924,477</u>	<u>3,906,794</u>	<u>2,414,602</u>	<u>2,043,082</u>
Total liabilities and shareholders' equity	<u>6,323,880</u>	<u>6,669,003</u>	<u>3,546,296</u>	<u>3,406,203</u>

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 30 June 2020**

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

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit or loss:					
Revenues					
Sales		629,534	979,962	52,099	97,308
Other income					
Dividend income from associate	7	-	-	406,870	110,964
Management income	3	-	-	9,145	15,941
Gain on change in fair value of biological assets		370	-	-	-
Gain on exchange		-	2,013	-	-
Others		18,660	53,625	2,447	7,685
Total revenues		<u>648,564</u>	<u>1,035,600</u>	<u>470,561</u>	<u>231,898</u>
Expenses					
Cost of sales		548,421	929,648	35,516	71,248
Selling and distribution expenses		69,156	125,594	-	-
Administrative expenses		109,405	124,867	47,341	56,462
Other expenses					
Impairment loss on machinery and equipment		-	11,873	-	-
Loss on change in fair value of biological assets		-	395	-	-
Loss on exchange		2,950	-	27	19
Total expenses		<u>729,932</u>	<u>1,192,377</u>	<u>82,884</u>	<u>127,729</u>
Profit (loss) from operating activities		<u>(81,368)</u>	<u>(156,777)</u>	<u>387,677</u>	<u>104,169</u>
Share of profit from investment in associate	7	402,392	247,095	-	-
Finance cost		(13,049)	(18,678)	(7,877)	(11,734)
Profit before income tax expenses		<u>307,975</u>	<u>71,640</u>	<u>379,800</u>	<u>92,435</u>
Income tax benefit	14	9,778	1,794	643	1,373
Profit for the period		<u>317,753</u>	<u>73,434</u>	<u>380,443</u>	<u>93,808</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Share of comprehensive income in associate - net of income tax	7	(82,335)	(30,267)	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax	13	(13,686)	-	(4,082)	-
Other comprehensive income for the period		<u>(96,021)</u>	<u>(30,267)</u>	<u>(4,082)</u>	<u>-</u>
Total comprehensive income for the period		<u>221,732</u>	<u>43,167</u>	<u>376,361</u>	<u>93,808</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 30 June 2020

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit attributable to:				
Equity holders of the Company	<u>317,753</u>	<u>73,434</u>	<u>380,443</u>	<u>93,808</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>221,732</u>	<u>43,167</u>	<u>376,361</u>	<u>93,808</u>
Earnings per share (Baht)				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.66</u>	<u>0.15</u>	<u>0.79</u>	<u>0.19</u>

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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****For the six-month period ended 30 June 2020**

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

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit or loss:					
Revenues					
Sales		1,394,651	1,918,819	152,946	202,058
Other income					
Dividend income from subsidiary	6	-	-	39,000	19,800
Dividend income from associate	7	-	-	406,870	110,964
Management income	3	-	-	23,147	33,524
Gain on exchange		-	3,901	-	-
Others		47,734	75,474	8,743	11,070
Total revenues		1,442,385	1,998,194	630,706	377,416
Expenses					
Cost of sales		1,175,450	1,752,674	98,318	147,867
Selling and distribution expenses		160,150	227,884	-	680
Administrative expenses		245,956	215,712	90,977	92,019
Other expenses					
Impairment loss on machinery and equipment		-	11,873	-	-
Loss on change in fair value of biological assets		1,680	395	-	-
Loss on exchange		34,305	-	177	30
Total expenses		1,617,541	2,208,538	189,472	240,596
Profit (loss) from operating activities		(175,156)	(210,344)	441,234	136,820
Share of profit from investment in associate	7	213,895	415,658	-	-
Finance cost		(28,456)	(35,101)	(17,698)	(22,542)
Profit before income tax expenses		10,283	170,213	423,536	114,278
Income tax benefit	14	13,000	392	322	1,615
Profit for the period		23,283	170,605	423,858	115,893
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Share of comprehensive income in associate - net of income tax	7	56,383	(180,554)	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax	13	(13,686)	-	(4,082)	-
Other comprehensive income for the period		42,697	(180,554)	(4,082)	-
Total comprehensive income for the period		65,980	(9,949)	419,776	115,893

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 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit attributable to:				
Equity holders of the Company	<u>23,283</u>	<u>170,605</u>	<u>423,858</u>	<u>115,893</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>65,980</u>	<u>(9,949)</u>	<u>419,776</u>	<u>115,893</u>
Earnings per share (Baht)				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.05</u>	<u>0.35</u>	<u>0.88</u>	<u>0.24</u>

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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 six-month period ended 30 June 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 of 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 company	Capital reserve for share-based transactions of the associate	Retained earnings	Other component of shareholder's equity	Other comprehensive income	Total other components of shareholders' equity	Total shareholders' equity
					Appropriated - statutory reserve	Unappropriated	Share of comprehensive income in associate			
Balance as at 1 January 2019	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	-	-	-	-	-	-	170,605	-	-	170,605
Other comprehensive income for the period	-	-	-	-	-	-	-	(180,554)	(180,554)	(180,554)
Total comprehensive income for the period	-	-	-	-	-	-	170,605	(180,554)	(180,554)	(9,949)
Share-based payment transactions of the associate	-	-	-	-	(46)	-	-	-	-	(46)
Dividend paid (Note 17)	-	-	-	-	-	-	(120,644)	-	-	(120,644)
Balance as at 30 June 2019	482,580	(80,767)	1,494	(135,833)	41,025	50,000	3,926,932	(242,666)	(242,666)	4,042,765
Balance as at 1 January 2020	482,580	(80,767)	1,494	(135,833)	40,994	50,000	3,848,177	(299,851)	(299,851)	3,906,794
Profit for the period	-	-	-	-	-	-	23,283	-	-	23,283
Other comprehensive income for the period	-	-	-	-	-	-	(13,686)	56,383	56,383	42,697
Total comprehensive income for the period	-	-	-	-	-	-	9,597	56,383	56,383	65,980
Share-based payment transactions of the associate	-	-	-	-	(41)	-	-	-	-	(41)
Dividend paid (Note 17)	-	-	-	-	-	-	(48,256)	-	-	(48,256)
Balance as at 30 June 2020	482,580	(80,767)	1,494	(135,833)	40,953	50,000	3,809,518	(243,468)	(243,468)	3,924,477

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 six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Separate financial statements			
	Issued and paid-up share capital	Retained earnings		Total shareholders' equity
		Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2019	482,580	50,000	1,624,483	2,157,063
Profit for the period	-	-	115,893	115,893
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	115,893	115,893
Dividend paid (Note 17)	-	-	(120,644)	(120,644)
Balance as at 30 June 2019	<u>482,580</u>	<u>50,000</u>	<u>1,619,732</u>	<u>2,152,312</u>
Balance as at 1 January 2020	482,580	50,000	1,510,502	2,043,082
Profit for the period	-	-	423,858	423,858
Other comprehensive income for the period	-	-	(4,082)	(4,082)
Total comprehensive income for the period	-	-	419,776	419,776
Dividend paid (Note 17)	-	-	(48,256)	(48,256)
Balance as at 30 June 2020	<u>482,580</u>	<u>50,000</u>	<u>1,882,022</u>	<u>2,414,602</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 six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:				
Profit before income tax	10,283	170,213	423,536	114,278
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	188,817	125,755	35,872	31,467
Allowance for doubtful accounts (reversal)	1,513	(500)	-	-
Reduction of cost of inventories to net realisable value	8,875	45,831	850	1,274
Loss from inventory destruction	5,008	13,186	-	-
Loss on change in fair value of biological assets	1,680	395	-	-
Unrealised (gain) loss on exchange	(1,111)	1,212	20	25
Loss on changes in fair value of forward exchange contracts	179	1,437	-	-
Loss on changes in fair value of interest rate swap contract	15	224	15	224
Gain on sales and written-off of property, plant and equipment	(759)	(447)	(654)	(87)
Loss on sales and written-off of intangible assets	-	27	-	-
Impairment loss on machinery and equipment	-	11,873	-	-
Provision for long-term employee benefits	8,823	31,158	3,502	7,649
Dividend income from subsidiary	-	-	(39,000)	(19,800)
Dividend income from associate	-	-	(406,870)	(110,964)
Share of profit from investment in associate	(213,895)	(415,658)	-	-
Interest income	(178)	(37)	(4,003)	(1,642)
Interest expenses	27,995	34,289	17,201	21,806
Profit from operating activities before changes in operating assets and liabilities	37,245	18,958	30,469	44,230
(Increase) decrease in operating assets				
Trade and other receivables	121,518	99,355	11,490	11,724
Inventories	12,995	(40,952)	(7,956)	2,473
Other current assets	(2,218)	(9,243)	315	(524)
Other non-current assets	1,168	(649)	-	(356)
Increase (decrease) in operating liabilities				
Trade and other payables	(49,990)	(19,848)	(12,214)	(16,465)
Other current liabilities	(8,291)	(17,197)	(1,531)	2,967
Other non-current liabilities	200	(1,085)	-	-
Cash paid for long-term employee benefits	(22,777)	(3,729)	(513)	(340)
Cash flows from operating activities	89,850	25,610	20,060	43,709
Cash paid for interest expenses	(28,193)	(34,331)	(17,296)	(21,727)
Cash paid for corporate income tax	(864)	(5,357)	(580)	(1,057)
Cash received for withholding tax	3,648	-	3,648	6,107
Net cash flows from (used in) operating activities	64,441	(14,078)	5,832	27,032

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 six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities:				
Increase in fixed deposit with maturity over 3 months	(22)	(22)	-	-
Increase in short-term loans to related parties	-	-	(159,900)	(117,000)
Cash received from sales of property, plant and equipment	809	1,326	654	87
Cash paid for acquisition of property, plant and equipment	(49,677)	(64,266)	(1,166)	(18,428)
Cash paid for acquisition of intangible assets	(1,228)	(780)	(82)	(18)
Dividend received from subsidiary	-	-	39,000	19,800
Dividend received from associate	406,870	110,964	406,870	110,964
Interest received	178	37	4,003	1,642
Net cash flows from (used in) investing activities	<u>356,930</u>	<u>47,259</u>	<u>289,379</u>	<u>(2,953)</u>
Cash flows from financing activities:				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(146,955)	(175,656)	(125,318)	147,785
Cash paid for lease liabilities	(12,998)	(52)	(3,514)	(52)
Cash received from long-term loans from financial institutions	-	406,747	-	56,747
Repayment of long-term loans from financial institutions	(206,250)	(173,750)	(115,600)	(100,600)
Dividend paid	<u>(48,256)</u>	<u>(120,644)</u>	<u>(48,256)</u>	<u>(120,644)</u>
Net cash flows used in financing activities	<u>(414,459)</u>	<u>(63,355)</u>	<u>(292,688)</u>	<u>(16,764)</u>
Net increase (decrease) in cash and cash equivalents	6,912	(30,174)	2,523	7,315
Cash and cash equivalents at beginning of period	<u>41,336</u>	<u>105,836</u>	<u>15,127</u>	<u>21,595</u>
Cash and cash equivalents at end of period	<u>48,248</u>	<u>75,662</u>	<u>17,650</u>	<u>28,910</u>
Supplemental cash flows information				
Non-cash transactions:				
Acquisition of equipment for which cash has not been paid	723	11,147	325	824
Acquisition of intangible assets for which cash has not been paid	-	5	-	-
Increase in right-of-use assets due to entering into lease agreements	8,845	4,350	-	4,350

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 and six-month periods ended 30 June 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 this financial reporting standard 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*.
- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

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		Balance as at 1 January 2020 (restated)
		Financial reporting standards related to financial instruments	TFRS 16	
Assets				
Current assets				
Current investments	4,995	(4,995)	-	-
Other current financial assets	-	5,382	-	5,382
Other current assets	47,893	(387)	-	47,506
Non-current assets				
Property, plant and equipment	2,136,459	-	62,242	2,198,701
Liabilities				
Current liabilities				
Current portion of lease liabilities	859	-	23,458	24,317
Derivative liabilities	-	437	-	437
Other current liabilities	59,997	(437)	-	59,560
Non-current liabilities				
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)
Assets				
Non-current assets				
Property, plant and equipment	701,706	-	18,446	720,152
Liabilities				
Current liabilities				
Current portion of lease liabilities	859	-	5,438	6,297
Derivative liabilities	-	105	-	105
Other current liabilities	3,733	(105)	-	3,628
Non-current liabilities				
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
Financial assets as at 1 January 2020				
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
Total financial assets	576,572	387	576,185	576,572

(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
Financial assets as at 1 January 2020				
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
Total financial assets	321,392	-	321,392	321,392

(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
Total right-of-use assets	62,242	18,446

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 30 June				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>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	52	97	Cost plus certain margin
Management income	-	-	9	16	As agreed
Interest income	-	-	2	1	2.60 - 2.65 percent per annum
<u>Transactions with associate</u>					
Sales of goods	-	1	-	-	Market price
Dividend income	-	-	407	111	Announced rate
<u>Transactions with related companies</u>					
Sales of goods	1	1	-	-	Market price
Rental and service expenses	10	11	3	4	As agreed

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	152	201	Cost plus certain margin
Management income	-	-	23	34	As agreed
Interest income	-	-	4	2	2.30 - 2.65 percent per annum
Dividend income	-	-	39	20	Announced rate
<u>Transactions with associate</u>					
Sales of goods	1	1	-	-	Market price
Dividend income	-	-	407	111	Announced rate
<u>Transactions with related companies</u>					
Sales of goods	1	1	-	-	Market price
Rental and service expenses	19	22	7	8	As agreed

The balances of the accounts as at 30 June 2020 and 31 December 2019 between the Company, its subsidiaries and those related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Audited)	(Audited)	
<u>Trade and other receivables - related parties</u> (Note 4)				
Subsidiaries	-	-	11,935	23,110
Associate	217	1,191	-	61
Related companies (common shareholders and directors)	56	774	-	-
Total trade and other receivables - related parties	273	1,965	11,935	23,171
<u>Prepaid expenses - related parties</u>				
Related companies (common shareholders and directors)	1,227	272	-	121
Total prepaid expenses - related parties	1,227	272	-	121

(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)	
<u>Retentions - related parties</u>				
Related companies (common shareholders and directors)	8,614	9,703	3,409	3,409
Total retentions - related parties	8,614	9,703	3,409	3,409
<u>Trade and other payables - related parties</u> (Note 9)				
Subsidiaries	-	-	12	109
Associate	261	633	75	144
Related companies (common shareholders and directors)	2,089	1,554	-	171
Total trade and other payables - related parties	2,350	2,187	87	424
<u>Lease liabilities - related parties</u>				
Related companies (common shareholders and directors)	33,320	-	12,261	-
Total lease liabilities - related parties	33,320	-	12,261	-

Short-term loans to related parties

As at 30 June 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 30 June 2020
		(Audited)			
Tipco Pineapple Co., Ltd.	Subsidiary	217,000	216,000	(97,000)	336,000
Tipco Biotech Co., Ltd.	Subsidiary	37,000	37,900	-	74,900
Tipco Retail Co., Ltd.	Subsidiary	15,000	18,000	(15,000)	18,000
Total		269,000	271,900	(112,000)	428,900

(Unaudited but reviewed)

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 its 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	6	9	6	6
Post-employment benefits	1	1	1	-
Total	<u>7</u>	<u>10</u>	<u>7</u>	<u>6</u>

(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	15	22	15	16
Post-employment benefits	1	1	1	1
Total	<u>16</u>	<u>23</u>	<u>16</u>	<u>17</u>

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade receivables - related parties</u> (Note 3)				
Aged on the basis of due dates				
Not yet due	160	1,686	7,297	16,250
Past due				
Up to 3 months	113	218	33	-
Total trade receivables - related parties	<u>273</u>	<u>1,904</u>	<u>7,330</u>	<u>16,250</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	243,006	285,497	-	-
Past due				
Up to 3 months	58,941	91,786	-	-
3 - 6 months	1,880	5	-	-
6 - 12 months	31	-	-	-
Over 12 months	441	503	-	-
Total	304,299	377,791	-	-
Less: Allowance for doubtful accounts	(1,812)	(299)	-	-
Total trade receivables - unrelated parties, net	302,487	377,492	-	-
Total trade receivables - net	302,760	379,396	7,330	16,250
<u>Other receivables</u>				
Amounts due from related parties (Note 3)	-	61	4,605	6,921
Amounts due from unrelated parties	41,207	86,846	1,508	1,691
Advance to employees	201	300	15	79
Accrued income	2,475	570	1	28
Total other receivables	43,703	87,777	6,129	8,719
Total trade and other receivables - net	346,463	467,173	13,459	24,969

5. Inventories

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	59,555	646
Reduction of cost to net realisable value of inventories account during the period	8,875	850
Balance as at 30 June 2020	68,430	1,496

(Unaudited but reviewed)

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	
	30 June 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	1,765,337	1,765,337
Less: Allowance for impairment loss on investment in subsidiary	(122,850)	(122,850)
Investments in subsidiaries - net	1,642,487	1,642,487

During the three-month and six-month periods ended 30 June 2020 and 2019, the Company received the following dividends from its subsidiaries:

Company's name	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Tipco F&B Co., Ltd.	-	-	39,000	19,800

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 30 June 2020 and 31 December 2019 are 23.4345 and 23.4583 percent, respectively.

(Unaudited but reviewed)

7.1 Details of associate

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Cost	644,930	644,930	644,930	644,930
Carrying amounts based on equity method	3,008,474	3,145,108	-	-

7.2 Share of comprehensive income and dividend received

During the three-month and six-month periods ended 30 June 2020 and 2019, the Company has recognised its share of profit from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Share of profit from investment in associate during the period	402,392	247,095	-	-
Share of other comprehensive income from investment in associate during the period	(82,335)	(30,267)	-	-
Dividend received during the period	-	-	406,870	110,964

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Share of profit from investment in associate during the period	213,895	415,658	-	-
Share of other comprehensive income from investment in associate during the period	56,383	(180,554)	-	-
Dividend received during the period	-	-	406,870	110,964

(Unaudited but reviewed)

7.3 Fair value of 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 30 June 2020 and 31 December 2019 are Baht 9,376 million and Baht 7,841 million, respectively.

8. Property, plant and equipment

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	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	47,238	1,478
Disposals/written-off during period - net book value at disposal/written-off date	(50)	-
Depreciation for the period	(184,280)	(35,374)
Net book value as at 30 June 2020	2,061,609	686,256

9. 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 3)	-	-	6	104
Trade payables - unrelated parties	148,280	200,251	8,896	9,418
Other payables - related parties (Note 3)	2,350	2,187	81	320
Other payables - unrelated parties	160,371	102,479	6,664	5,353
Accrued expenses	232,860	300,341	15,889	28,357
Total trade and other payables	543,861	605,258	31,536	43,552

(Unaudited but reviewed)

10. Long-term loans from financial institutions

Movements in the long-term loans from financial institutions account during the six-month period ended 30 June 2020 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	1,194,450	786,245
Repayments	(206,250)	(115,600)
Balance as at 30 June 2020	988,200	670,645
Less: Current portion	(335,700)	(210,645)
Long-term loans from financial institutions - net of current portion	652,500	460,000

Loan covenants

The loans are secured by the mortgage of certain land, buildings, machinery and equipment of the Group.

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 interest rate at 3.95 percent per annum. As at 30 June 2020, the notional amount of Baht 21 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	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Audited)		(Audited)
Lease liabilities	66,796	7,398	22,580	7,398
Less: Deferred interest expenses	(2,462)	(1,153)	(1,404)	(1,153)
Total	64,334	6,245	21,176	6,245
Less: Portion due within one year	(27,556)	(859)	(6,758)	(859)
Lease liabilities - net of current portion	36,778	5,386	14,418	5,386

(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 30 June 2020, future minimum lease payments required under the lease agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	30 June 2020			31 December 2019		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	28	38	66	1	6	7
Deferred interest expenses	(1)	(1)	(2)	-	(1)	(1)
Present value of future minimum lease payments	27	37	64	1	5	6

(Unit: Million Baht)

	Separate financial statements					
	30 June 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	15	22	1	6	7
Deferred interest expenses	-	(1)	(1)	-	(1)	(1)
Present value of future minimum lease payments	7	14	21	1	5	6

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 30 June 2020 and 31 December 2019 were summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Audited)		(Audited)
Land	104	104	17	17
Buildings and complement	352	369	267	274
Machinery and equipment	64	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 six-month period ended 30 June 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	7,824	3,217
Interest cost	999	285
Included in other comprehensive income:		
Actuarial loss arising from		
Financial assumptions changes	9,449	3,329
Experience adjustments	6,474	1,774
Benefits paid during the period	(22,777)	(513)
Provision for long-term employee benefits as at 30 June 2020	131,213	41,120

14. Income tax

Income tax expenses (benefit) for the three-month and six-month periods ended 30 June 2020 and 2019 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	-	1,938	-	-
Deferred tax:				
Relating to origination and reversal of				
temporary differences	(9,778)	(3,732)	(643)	(1,373)
Income tax expenses (benefit) reported in				
profit or loss	<u>(9,778)</u>	<u>(1,794)</u>	<u>(643)</u>	<u>(1,373)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	-	5,476	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(13,000)	(5,868)	(322)	(1,615)
Income tax expenses (benefit) reported in profit or loss	<u>(13,000)</u>	<u>(392)</u>	<u>(322)</u>	<u>(1,615)</u>

15. 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.

(Unaudited but reviewed)

16. Segment information

The following tables present revenue and profit information regarding the Group' operating segments for the three-month and six-month periods ended 30 June 2020 and 2019, respectively.

(Unit: Million Baht)

	For the three-month periods ended 30 June							
	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	135	429	488	541	7	10	630	980
Gross profit (loss)	9	(54)	74	108	(2)	(3)	81	51
Other income							19	53
Selling and distribution expenses							(69)	(126)
Administrative expenses and other expenses							(109)	(137)
Gain (loss) on exchange							(3)	2
Loss from operating activities							(81)	(157)
Share of profit from investment in associate							402	247
Finance cost							(13)	(19)
Profit before income tax expenses							308	71
Income tax benefit							10	2
Profit for the period							318	73

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Products of		Beverage		Others		Consolidation	
	vegetable & fruit							
	<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	396	820	988	1,077	11	22	1,395	1,919
Gross profit (loss)	19	(77)	203	249	(3)	(5)	219	167
Other income							48	75
Selling and distribution expenses							(160)	(228)
Administrative expenses and other expenses							(248)	(228)
Gain (loss) on exchange							(34)	4
Loss from operating activities							(175)	(210)
Share of profit from investment in associate							214	416
Finance cost							(29)	(35)
Profit before income tax expenses							10	171
Income tax benefit							13	-
Profit for the period							23	171

(Unaudited but reviewed)

Geographic segment information for the three-month and six-month periods 30 June 2020 and 2019 was as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June					
	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	321	487	309	493	630	980
Gross profit (loss)	66	97	15	(46)	81	51

(Unit: Million Baht)

	For the six-month periods ended 30 June					
	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	779	988	616	931	1,395	1,919
Gross profit (loss)	183	224	36	(57)	219	167

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

17. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend</u>
		(Million Baht)	per share
			(Baht per share)
Final dividends for 2018	Annual General Meeting of the shareholders on 4 April 2019	120.6	0.25
Total dividends for the six-month period ended 30 June 2019		120.6	0.25
Final dividends for 2019	Annual General Meeting of the shareholders on 3 April 2020	48.3	0.10
Total dividends for the six-month period ended 30 June 2020		48.3	0.10

(Unaudited but reviewed)

18. Commitments and contingent liabilities

18.1 Capital commitments

The Group had outstanding capital commitments relating purchases of machinery and equipment and computer software 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	5	9	1	-

18.2 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:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Audited)		(Audited)
Payable within:				
1 year	35	38	13	21
2 to 5 years	8	16	2	12

18.3 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	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Audited)		(Audited)
Bank guarantees	16	17	7	7

19. 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	
	30 June	31 December	30 June	31 December	30 June	31 December
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		(Audited)
US Dollar	2.2	2.3	0.9	1.1	30.89	30.15
Euro	2.2	0.7	0.2	0.2	34.70	33.73

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

Foreign currency	As at 30 June 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	1.7	0.3	-	-	30.85 - 31.75	32.56

Foreign currency	As at 31 December 2019 (Audited)					
	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	9.0	-	-	-	29.96 - 33.50	-
Euro	0.3	-	-	-	33.50	-

20. Events after the reporting period

On 17 July 2020, TFB Distribution Co., Ltd., the subsidiary company of Tipco F&B Co., Ltd. (a subsidiary), registered its dissolution with the Ministry of Commerce. As at 30 June 2020, the net assets of TFB Distribution Co., Ltd. which were included in the consolidated statement of financial position amounted Baht 0.4 million.

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 August 2020.