

Tipco Foods Public Company Limited and its subsidiaries  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 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 September 2020, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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 nine-month periods ended 30 September 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.
- c) As discussed in Note 7.4 to the interim consolidated financial statements, regarding the compliance with the US State Department's request that the associate wind down its crude oil procurement from Venezuela, in order to avoid a potential US sanction.

My conclusion is not modified in respect of these matters.

Natthawut Santipet

Certified Public Accountant (Thailand) No. 5730

EY Office Limited

Bangkok: 12 November 2020

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

**Statements of financial position**

**As at 30 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>Note</b>	<b>30 September 2020</b>	<b>31 December 2019</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		51,850	41,336	17,072	15,127
Current investments		-	4,995	-	-
Trade and other receivables	3, 4	280,868	467,173	22,803	24,969
Short-term loans to related parties	3	-	-	401,900	269,000
Inventories	5	485,712	679,465	56,411	50,918
Biological assets		3,100	2,800	-	-
Advanced payments	3	40,050	12,851	2,993	3,569
Other current financial assets		5,168	-	-	-
Other current assets		<u>24,070</u>	<u>47,893</u>	<u>5,259</u>	<u>8,756</u>
<b>Total current assets</b>		<u>890,818</u>	<u>1,256,513</u>	<u>506,438</u>	<u>372,339</u>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	1,642,487	1,642,487
Investment in associate	7	3,408,439	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	1,998,917	2,136,459	669,099	701,706
Intangible assets		30,236	35,576	26,615	27,175
Deferred tax assets		64,468	72,902	8,689	6,756
Other non-current assets	3	<u>12,306</u>	<u>15,175</u>	<u>2,092</u>	<u>3,540</u>
<b>Total non-current assets</b>		<u>5,521,636</u>	<u>5,412,490</u>	<u>3,001,182</u>	<u>3,033,864</u>
<b>Total assets</b>		<u>6,412,454</u>	<u>6,669,003</u>	<u>3,507,620</u>	<u>3,406,203</u>

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 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>Note</b>	<b>30 September 2020</b>	<b>31 December 2019</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
		(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		664,547	761,474	410,000	490,318
Trade and other payables	3, 9	382,785	605,258	35,020	43,552
Current portion of long-term loans					
from financial institutions	10	304,455	411,950	200,345	231,245
Current portion of lease liabilities	3, 11	27,237	859	7,218	859
Income tax payable		-	4,470	-	-
Derivative liabilities		1,770	-	33	-
Other current liabilities		56,127	59,997	14,515	3,733
<b>Total current liabilities</b>		<b>1,436,921</b>	<b>1,844,008</b>	<b>667,131</b>	<b>769,707</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions					
- net of current portion	10	595,043	782,500	412,500	555,000
Lease liabilities - net of current portion	3, 11	30,804	5,386	12,572	5,386
Provision for dismantling cost		1,230	1,071	-	-
Provision for long-term employee benefits	13	134,528	129,244	42,399	33,028
<b>Total non-current liabilities</b>		<b>761,605</b>	<b>918,201</b>	<b>467,471</b>	<b>593,414</b>
<b>Total liabilities</b>		<b>2,198,526</b>	<b>2,762,209</b>	<b>1,134,602</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 30 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>30 September 2020</b>	<b>31 December 2019</b>	<b>30 September 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	<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	4,024,484	3,848,177	1,840,438	1,510,502
Other components of shareholders' equity	<u>(168,983)</u>	<u>(299,851)</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>	<u>4,213,928</u>	<u>3,906,794</u>	<u>2,373,018</u>	<u>2,043,082</u>
<b>Total liabilities and shareholders' equity</b>	<u>6,412,454</u>	<u>6,669,003</u>	<u>3,507,620</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 September 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 or loss:</b>					
<b>Revenues</b>					
Sales		558,782	857,789	44,749	76,114
Other income					
Dividend income from associate	7	-	-	110,964	147,953
Management income	3	-	-	8,662	19,605
Gain on changes in fair value of biological assets		1,980	1,385	-	-
Gain on exchange		3,041	3,143	20	-
Others		12,520	24,138	3,402	1,626
<b>Total revenues</b>		<u>576,323</u>	<u>886,455</u>	<u>167,797</u>	<u>245,298</u>
<b>Expenses</b>					
Cost of sales		453,070	749,818	40,145	47,997
Selling and distribution expenses		73,110	115,677	-	-
Administrative expenses		119,091	114,057	41,911	49,436
Loss on exchange		-	-	-	6
<b>Total expenses</b>		<u>645,271</u>	<u>979,552</u>	<u>82,056</u>	<u>97,439</u>
<b>Profit (loss) from operating activities</b>		<u>(68,948)</u>	<u>(93,097)</u>	<u>85,741</u>	<u>147,859</u>
Share of profit from investment in associate	7	436,444	166,872	-	-
Finance cost		(11,484)	(18,086)	(7,276)	(10,849)
<b>Profit before income tax expenses</b>		<u>356,012</u>	<u>55,689</u>	<u>78,465</u>	<u>137,010</u>
Income tax benefit (expenses)	14	(20,406)	3,675	591	91
<b>Profit for the period</b>		<u>335,606</u>	<u>59,364</u>	<u>79,056</u>	<u>137,101</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Share of other comprehensive income in associate					
- net of income tax	7	74,485	(6,136)	-	-
<b>Other comprehensive income for the period</b>		<u>74,485</u>	<u>(6,136)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>410,091</u>	<u>53,228</u>	<u>79,056</u>	<u>137,101</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 September 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 attributable to:</b>					
Equity holders of the Company		<u>335,606</u>	<u>59,364</u>	<u>79,056</u>	<u>137,101</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		<u>410,091</u>	<u>53,228</u>	<u>79,056</u>	<u>137,101</u>
<b>Earnings per share (Baht)</b>	<b>15</b>				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.70</u>	<u>0.12</u>	<u>0.16</u>	<u>0.28</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****For the nine-month period ended 30 September 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 or loss:</b>					
<b>Revenues</b>					
Sales		1,953,433	2,776,608	197,695	278,172
Other income					
Dividend income from subsidiary	6	-	-	39,000	19,800
Dividend income from associate	7	-	-	517,834	258,917
Management income	3	-	-	31,809	53,129
Gain on changes in fair value of biological assets		300	990	-	-
Gain on exchange		-	7,044	-	-
Others		60,254	99,612	12,145	12,696
<b>Total revenues</b>		<b>2,013,987</b>	<b>2,884,254</b>	<b>798,483</b>	<b>622,714</b>
<b>Expenses</b>					
Cost of sales		1,628,520	2,502,492	138,463	195,864
Selling and distribution expenses		233,260	342,886	-	5
Administrative expenses		365,047	342,317	132,888	142,130
Loss on exchange		31,264	-	157	36
<b>Total expenses</b>		<b>2,258,091</b>	<b>3,187,695</b>	<b>271,508</b>	<b>338,035</b>
<b>Profit (loss) from operating activities</b>		<b>(244,104)</b>	<b>(303,441)</b>	<b>526,975</b>	<b>284,679</b>
Share of profit from investment in associate	7	650,339	582,530	-	-
Finance cost		(39,940)	(53,187)	(24,974)	(33,391)
<b>Profit before income tax expenses</b>		<b>366,295</b>	<b>225,902</b>	<b>502,001</b>	<b>251,288</b>
Income tax benefit (expenses)	14	(7,406)	4,067	913	1,706
<b>Profit for the period</b>		<b>358,889</b>	<b>229,969</b>	<b>502,914</b>	<b>252,994</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Share of other comprehensive income in associate					
- net of income tax	7	130,868	(186,690)	-	-
<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)	-
<b>Other comprehensive income for the period</b>		<b>117,182</b>	<b>(186,690)</b>	<b>(4,082)</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>476,071</b>	<b>43,279</b>	<b>498,832</b>	<b>252,994</b>

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 nine-month period ended 30 September 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 attributable to:</b>					
Equity holders of the Company		<u>358,889</u>	<u>229,969</u>	<u>502,914</u>	<u>252,994</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		<u>476,071</u>	<u>43,279</u>	<u>498,832</u>	<u>252,994</u>
<b>Earnings per share (Baht)</b>	<b>15</b>				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.74</u>	<u>0.48</u>	<u>1.04</u>	<u>0.52</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 nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements									
	share capital	Non-controlling	Non-controlling	Change in the interest	Capital reserve for share-based transactions of the associate	Other component of shareholder's equity				
		interests of subsidiary acquired by the Company at price higher than book value	interest in subsidiary of the associated company acquired at price lower than book value	in subsidiaries of the associated company which did not result in a loss of control of the associate		Retained earnings	Other		Total other components of shareholders' equity	Total shareholders' equity
		Appropriated - statutory reserve	Unappropriated	Share of other comprehensive income in associate		comprehensive income				
<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)		
Profit for the period	-	-	-	-	-	-	229,969	-	-	229,969
Other comprehensive income for the period	-	-	-	-	-	-	-	(186,690)	(186,690)	(186,690)
Total comprehensive income for the period	-	-	-	-	-	-	229,969	(186,690)	(186,690)	43,279
Share-based payment transactions of the associate	-	-	-	-	(67)	-	-	-	-	(67)
Dividend paid (Note 17)	-	-	-	-	-	-	(236,461)	-	-	(236,461)
<b>Balance as at 30 September 2019</b>	<u>482,580</u>	<u>(80,767)</u>	<u>1,494</u>	<u>(135,833)</u>	<u>41,004</u>	<u>50,000</u>	<u>3,870,479</u>	<u>(248,802)</u>	<u>(248,802)</u>	<u>3,980,155</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
Profit for the period	-	-	-	-	-	-	358,889	-	-	358,889
Other comprehensive income for the period	-	-	-	-	-	-	(13,686)	130,868	130,868	117,182
Total comprehensive income for the period	-	-	-	-	-	-	345,203	130,868	130,868	476,071
Share-based payment transactions of the associate	-	-	-	-	(41)	-	-	-	-	(41)
Dividend paid (Note 17)	-	-	-	-	-	-	(168,896)	-	-	(168,896)
<b>Balance as at 30 September 2020</b>	<u>482,580</u>	<u>(80,767)</u>	<u>1,494</u>	<u>(135,833)</u>	<u>40,953</u>	<u>50,000</u>	<u>4,024,484</u>	<u>(168,983)</u>	<u>(168,983)</u>	<u>4,213,928</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 nine-month period ended 30 September 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
Profit for the period	-	-	252,994	252,994
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	252,994	252,994
Dividend paid (Note 17)	-	-	(236,461)	(236,461)
<b>Balance as at 30 September 2019</b>	<u>482,580</u>	<u>50,000</u>	<u>1,641,016</u>	<u>2,173,596</u>
<b>Balance as at 1 January 2020</b>	482,580	50,000	1,510,502	2,043,082
Profit for the period	-	-	502,914	502,914
Other comprehensive income for the period	-	-	(4,082)	(4,082)
Total comprehensive income for the period	-	-	498,832	498,832
Dividend paid (Note 17)	-	-	(168,896)	(168,896)
<b>Balance as at 30 September 2020</b>	<u>482,580</u>	<u>50,000</u>	<u>1,840,438</u>	<u>2,373,018</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 nine-month period ended 30 September 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 before income tax	366,295	225,902	502,001	251,288
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	278,101	187,913	53,833	47,725
Allowance for doubtful accounts (reversal)	3,397	(501)	-	-
Reduction of cost of inventories to net realisable value (reversal)	(13,268)	20,922	1,957	887
Loss from stock destruction	8,657	16,020	-	1,721
Gain on changes in fair value of biological assets	(300)	(990)	-	-
Unrealised (gain) loss on exchange	(1,760)	(924)	(13)	19
Loss on changes in fair value of forward exchange contracts	1,602	4,219	-	-
(Gain) loss on changes in fair value of interest rate swap contract	(15)	264	(15)	264
(Gain) loss on sales and written-off of property, plant and equipment	(821)	16,537	(701)	(87)
Loss on sales and written-off of intangible assets	-	838	-	-
Provision for long-term employee benefits	12,138	34,803	4,781	8,823
Dividend income from subsidiary	-	-	(39,000)	(19,800)
Dividend income from associate	-	-	(517,834)	(258,917)
Share of profit from investment in associate	(650,339)	(582,530)	-	-
Interest income	(50)	(63)	(6,851)	(2,602)
Interest expenses	39,101	52,026	24,278	32,359
Profit (loss) from operating activities before changes in operating assets and liabilities	42,738	(25,564)	22,436	61,680
(Increase) decrease in operating assets				
Trade and other receivables	185,178	162,266	2,179	16,380
Inventories	198,364	194,918	(7,450)	(1,397)
Other current assets	(6,104)	(7,581)	656	(8)
Other non-current assets	2,869	1,845	1,448	(357)
Increase (decrease) in operating liabilities				
Trade and other payables	(210,069)	(233,324)	(8,695)	(14,969)
Other current liabilities	(3,821)	(21,919)	10,830	11,614
Other non-current liabilities	159	(1,289)	-	-
Cash paid for long-term employee benefits	(22,777)	(3,893)	(513)	(340)
<b>Cash flows from operating activities</b>	<b>186,537</b>	<b>65,459</b>	<b>20,891</b>	<b>72,603</b>
Cash paid for interest expenses	(39,238)	(52,343)	(24,311)	(32,424)
Cash paid for corporate income tax	(2,699)	(17,821)	(804)	(1,637)
Cash received for withholding tax	4,221	6,107	4,221	6,107
<b>Net cash flows from (used in) operating activities</b>	<b>148,821</b>	<b>1,402</b>	<b>(3)</b>	<b>44,649</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 nine-month period ended 30 September 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	(38)	(43)	-	-
Increase in short-term loans to related parties	-	-	(132,900)	(31,000)
Cash received from sales of property, plant and equipment	888	3,453	701	87
Cash paid for acquisition of property, plant and equipment	(75,519)	(124,775)	(1,941)	(22,410)
Cash paid for acquisition of intangible assets	(1,229)	(1,494)	(82)	(18)
Dividend received from subsidiaries	-	-	39,000	19,800
Dividend received from associate	517,834	258,917	517,834	258,917
Interest received	50	63	6,851	2,602
<b>Net cash flows from investing activities</b>	<b>441,986</b>	<b>136,121</b>	<b>429,463</b>	<b>227,978</b>
<b>Cash flows from financing activities:</b>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(96,927)	(84,846)	(80,318)	60,000
Cash paid for lease liabilities	(19,518)	(209)	(4,901)	(209)
Cash receipts from long-term loans from financial institutions	14,423	406,747	-	56,747
Repayment of long-term loans from financial institutions	(309,375)	(269,375)	(173,400)	(150,900)
Dividend paid	(168,896)	(236,461)	(168,896)	(236,461)
<b>Net cash flows used in financing activities</b>	<b>(580,293)</b>	<b>(184,144)</b>	<b>(427,515)</b>	<b>(270,823)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>10,514</b>	<b>(46,621)</b>	<b>1,945</b>	<b>1,804</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>51,850</b>	<b>59,215</b>	<b>17,072</b>	<b>23,399</b>

**Supplemental cash flows information**

Non-cash transactions:

Acquisition of equipment which cash has not been paid	366	3,486	228	526
Acquisition of intangible assets which cash has not been paid	-	52	-	-
Increase in right-of-use assets due to entering into lease agreements	9,072	4,402	-	4,402

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 nine-month periods ended 30 September 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

### a) 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.

**b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

**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.

(Unaudited but reviewed)

## 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.

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	
<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 30 September				Transfer pricing policy
	Consolidated financial statements		Separate 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	-	-	45	76	Cost plus certain margin
Management income	-	-	9	20	As agreed
Interest income	-	-	3	1	2.3 - 3.7 percent per annum
<b><u>Transactions with associate</u></b>					
Service expenses	-	1	-	-	As agreed
Dividend income	-	-	111	148	Announced rate
<b><u>Transactions with related companies</u></b>					
Sales of goods	-	-	-	1	Market price
Rental and service expenses	9	10	3	5	As agreed



(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	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	-	-	197	277	Cost plus certain margin
Management income	-	-	32	53	As agreed
Interest income	-	-	7	3	2.3 - 3.7 percent per annum
Dividend income	-	-	39	20	Announced rate
<b><u>Transactions with associate</u></b>					
Sales of goods	1	1	-	-	Market price
Service expenses	-	1	-	-	As agreed
Dividend income	-	-	518	259	Announced rate
<b><u>Transactions with related companies</u></b>					
Sales of goods	1	1	-	1	Market price
Rental and service expenses	28	32	10	13	As agreed

The balances of the accounts as at 30 September 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 September	31 December	30 September	31 December
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
				(Audited)
<b><u>Trade and other receivables - related parties</u></b> (Note 4)				
Subsidiaries	-	-	22,161	23,110
Associate	105	1,191	-	61
Related companies (common shareholders and directors)	84	774	-	-
<b>Total trade and other receivables - related parties</b>	<b>189</b>	<b>1,965</b>	<b>22,161</b>	<b>23,171</b>
<b><u>Prepaid expenses - related parties</u></b>				
Related companies (common shareholders and directors)	419	272	173	121
<b>Total prepaid expenses - related parties</b>	<b>419</b>	<b>272</b>	<b>173</b>	<b>121</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	(Audited)		(Audited)	
<b><u>Retentions - related parties</u></b>				
Related companies (common shareholders and directors)	7,166	9,703	1,961	3,409
<b>Total retentions - related parties</b>	<b>7,166</b>	<b>9,703</b>	<b>1,961</b>	<b>3,409</b>
<b><u>Trade and other payables - related parties</u></b> (Note 9)				
Subsidiaries	-	-	2	109
Associate	448	633	113	144
Related companies (common shareholders and directors)	1,527	1,554	331	171
<b>Total trade and other payables - related parties</b>	<b>1,975</b>	<b>2,187</b>	<b>446</b>	<b>424</b>
<b><u>Lease liabilities - related parties</u></b>				
Related companies (common shareholders and directors)	30,863	-	11,519	-
<b>Total lease liabilities - related parties</b>	<b>30,863</b>	<b>-</b>	<b>11,519</b>	<b>-</b>

**Short-term loans to related parties**

As at 30 September 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 September 2020
		(Audited)			
Tipco Pineapple Co., Ltd.	Subsidiary	217,000	246,000	(168,000)	295,000
Tipco Biotech Co., Ltd.	Subsidiary	37,000	49,900	(10,000)	76,900
Tipco Retail Co., Ltd.	Subsidiary	15,000	30,000	(15,000)	30,000
<b>Total</b>		<b>269,000</b>	<b>325,900</b>	<b>(193,000)</b>	<b>401,900</b>

(Unaudited but reviewed)

### Directors and management's benefits

For the three-month and nine-month periods ended 30 September 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	6	8	6	6
Post-employment benefits	2	1	2	-
Total	<u>8</u>	<u>9</u>	<u>8</u>	<u>6</u>

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	21	30	21	22
Post-employment benefits	3	2	3	1
Total	<u>24</u>	<u>32</u>	<u>24</u>	<u>23</u>

#### 4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Audited)		(Audited)
<b><u>Trade receivables - related parties</u></b> (Note 3)				
Aged on the basis of due dates				
Not yet due	131	1,686	18,263	16,250
Past due				
Up to 3 months	<u>58</u>	<u>218</u>	<u>-</u>	<u>-</u>
Total trade receivables - related parties	<u>189</u>	<u>1,904</u>	<u>18,263</u>	<u>16,250</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019 (Audited)	30 September 2020	31 December 2019 (Audited)
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	196,599	285,497	-	-
Past due				
Up to 3 months	34,788	91,786	-	-
3 - 6 months	1,187	5	-	-
6 - 12 months	1,326	-	-	-
Over 12 months	419	503	-	-
Total	234,319	377,791	-	-
Less: Allowance for doubtful accounts	(3,696)	(299)	-	-
Total trade receivables - unrelated parties, net	230,623	377,492	-	-
Total trade receivables - net	230,812	379,396	18,263	16,250
<b><u>Other receivables</u></b>				
Amounts due from related parties (Note 3)	-	61	3,898	6,921
Amounts due from unrelated parties	49,338	86,846	603	1,691
Advance to employees	148	300	36	79
Accrued income	570	570	3	28
Total other receivables	50,056	87,777	4,540	8,719
Total trade and other receivables - net	280,868	467,173	22,803	24,969

## 5. Inventories

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2020</b>	59,555	646
Add: Additions during the period	115,697	2,704
Less: Reversals during the period	(128,965)	(747)
<b>Balance as at 30 September 2020</b>	46,287	2,603

(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 September 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 nine-month periods ended 30 September 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 September		For the nine-month periods ended 30 September	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Tipco F&B Co., Ltd.	-	-	39,000	19,800

On 17 July 2020, TFB Distribution Co., Ltd., the subsidiary company of Tipco F&B Co., Ltd., registered its dissolution with the Ministry of Commerce and is in the process of liquidation.

## 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 September 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 September 2020	31 December 2019 (Audited)	30 September 2020	31 December 2019 (Audited)
Cost	644,930	644,930	644,930	644,930
Carrying amounts based on equity method	3,408,439	3,145,108	-	-

**7.2 Share of comprehensive income and dividend received**

During the three-month and nine-month periods ended 30 September 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 September			
	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	436,444	166,872	-	-
Share of other comprehensive income from investment in associate during the period	74,485	(6,136)	-	-
Dividend received during the period	-	-	110,964	147,953

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	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	650,339	582,530	-	-
Share of other comprehensive income from investment in associate during the period	130,868	(186,690)	-	-
Dividend received during the period	-	-	517,834	258,917

### 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 September 2020 and 31 December 2019 are Baht 5,622 million and Baht 7,841 million, respectively.

### 7.4 Winding down of crude oil procurement from Venezuela

In January 2019, the United States announced and imposed sanction on a Venezuelan oil company that has been the key source of crude oil that the associate used as a raw material for the production of about half of all asphalt products volume sold each year. The associate approached two law firms to seek advice on the implication of this sanction in respect of its crude oil purchases and payments. Both law firms opined that the transactions were not in violation of any applicable laws related to the sanction. The associate therefore continued to operate business as usual.

In September 2020, the US State Department requested the associate to wind down crude oil procurement from Venezuela. In order to avoid a potential US sanction, the associate decided to comply with the request and informed the US State Department in writing that the associate would cease purchasing crude oil from this source, effective by the end of November 2020.

The associate notified the Stock Exchange of Thailand of these facts on 11 September 2020 and 15 September 2020, together with the associate plans to mitigate the risk arising from the disruption of its normal source of crude supply by considering plans to procure non-Venezuelan crude oil from other sources or to procure asphalt from other sources.

## 8. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 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	72,949	2,156
Disposals/written-off during period - net book value at		
disposal/written-off date	(67)	-
Depreciation for the period	(272,666)	(53,209)
<b>Net book value as at 30 September 2020</b>	<b>1,998,917</b>	<b>669,099</b>

(Unaudited but reviewed)

**9. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Audited)	(Audited)	
Trade payables - related parties (Note 3)	-	-	-	104
Trade payables - unrelated parties	103,264	200,251	11,644	9,418
Other payables - related parties (Note 3)	1,975	2,187	446	320
Other payables - unrelated parties	43,596	53,078	1,746	5,353
Accounts payable from sale promotions	150,224	223,650	-	-
Accrued expenses	83,726	126,092	21,184	28,357
<b>Total trade and other payables</b>	<b>382,785</b>	<b>605,258</b>	<b>35,020</b>	<b>43,552</b>

**10. Long-term loans from financial institutions**

Movements in the long-term loans from financial institutions account during the nine-month period ended 30 September 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
Additions	14,423	-
Repayments	(309,375)	(173,400)
<b>Balance as at 30 September 2020</b>	899,498	612,845
Less: Current portion	(304,455)	(200,345)
<b>Long-term loans from financial institutions</b>		
<b>- net of current portion</b>	<b>595,043</b>	<b>412,500</b>

In July 2020, a subsidiary entered into a loan agreement with a local bank for credit facility of Baht 31 million, with a term of 5 years, to acquisition of machinery for production of extracts from pineapple skins and dried black galingale. The loan is subject to interest rate at MLR-2.20 percent per annum and the repayment schedule is on a quarterly basis. The first repayment needs to be made within the 6 months after the first drawdown date. In July 2020, the subsidiary drew down such loan of Baht 14 million. Such loan is secured by the Company. In addition, the loan agreement also contains certain restrictive covenants pertaining to, among other things, the maintenance of interest bearing 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.



(Unaudited but reviewed)

As at 30 September 2020, the long-term credit facilities of the Group which has not yet been drawn down amounted to Baht 17 million (2019: Nil).

#### 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 September 2020, the notional amount of Baht 10 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 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Lease liabilities	60,293	7,398	21,195	7,398
Less: Deferred interest expenses	(2,252)	(1,153)	(1,405)	(1,153)
Total	58,041	6,245	19,790	6,245
Less: Portion due within one year	(27,237)	(859)	(7,218)	(859)
Lease liabilities - net of current portion	30,804	5,386	12,572	5,386

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.

(Unaudited but reviewed)

As at 30 September 2020, future minimum lease payments required under the lease agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	30 September 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	32	60	1	6	7
Deferred interest expenses	(1)	(1)	(2)	-	(1)	(1)
Present value of future minimum lease payments	<u>27</u>	<u>31</u>	<u>58</u>	<u>1</u>	<u>5</u>	<u>6</u>

(Unit: Million Baht)

	Separate financial statements					
	30 September 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	14	21	1	6	7
Deferred interest expenses	-	(1)	(1)	-	(1)	(1)
Present value of future minimum lease payments	<u>7</u>	<u>13</u>	<u>20</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 30 September 2020 and 31 December 2019 were summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Audited)		(Audited)
Land	104	104	17	17
Buildings and complement	343	369	262	274
Machinery and equipment	59	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 nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate 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	10,639	4,354
Interest cost	1,499	427
Included in other comprehensive income:		
Actuarial loss arising from		
Financial assumptions changes	10,282	3,329
Experience adjustments	5,641	1,774
Benefits paid during the period	(22,777)	(513)
Provision for long-term employee benefits as at 30 September 2020	134,528	42,399

### 14. Income tax

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

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Current income tax charge	-	(2,090)	-	-
Adjustment in respect of income tax of previous year	(3,264)	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	23,670	(1,585)	(591)	(91)
<b>Income tax expenses (benefit) reported in profit or loss</b>	<u>20,406</u>	<u>(3,675)</u>	<u>(591)</u>	<u>(91)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	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	-	3,386	-	-
Adjustment in respect of income tax of previous year	(3,264)	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	10,670	(7,453)	(913)	(1,706)
<b>Income tax expenses (benefit) reported in profit or loss</b>	<b>7,406</b>	<b>(4,067)</b>	<b>(913)</b>	<b>(1,706)</b>

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to actuarial loss	-	-	-	-

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to actuarial loss	(2,236)	-	(1,021)	-

## 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 nine-month periods ended 30 September 2020 and 2019, respectively.

(Unit: Million Baht)

	For the three-month periods ended 30 September							
	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	115	366	440	484	4	8	559	858
<b>Gross profit (loss)</b>	26	(10)	80	121	-	(4)	106	107
Other income							14	25
Selling and distribution expenses							(73)	(115)
Administrative expenses and other expenses							(119)	(114)
Gain on exchange							3	3
<b>Loss from operating activities</b>							(69)	(94)
Share of profit from investment in associate							436	167
Finance cost							(11)	(18)
<b>Profit before income tax expenses</b>							356	55
Income tax benefit (expenses)							(20)	4
<b>Profit for the period</b>							336	59

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	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	511	1,186	1,428	1,561	14	30	1,953	2,777
<b>Gross profit (loss)</b>	45	(87)	283	370	(3)	(9)	325	274
Other income							60	100
Selling and distribution expenses							(233)	(343)
Administrative expenses and other expenses							(365)	(342)
Gain (loss) on exchange							(31)	7
<b>Loss from operating activities</b>							(244)	(304)
Share of profit from investment in associate							650	583
Finance cost							(40)	(53)
<b>Profit before income tax expenses</b>							366	226
Income tax benefit (expenses)							(7)	4
<b>Profit for the period</b>							359	230

(Unaudited but reviewed)

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

(Unit: Million Baht)

	For the three-month periods ended 30 September					
	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	315	427	244	431	559	858
Gross profit	73	99	33	8	106	107

(Unit: Million Baht)

	For the nine-month periods ended 30 September					
	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	1,094	1,415	859	1,362	1,953	2,777
Gross profit (loss)	256	323	69	(49)	325	274

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>
		<u>(Million Baht)</u>	<u>per share</u>
			<u>(Baht per share)</u>
Final dividends for 2018	Annual General Meeting of the shareholders on 4 April 2019	120.6	0.25
Interim dividends for 2019	Board of Directors' meeting on 14 August 2019	115.8	0.24
Total dividends for the nine-month period ended 30 September 2019		236.4	0.49
Final dividends for 2019	Annual General Meeting of the shareholders on 3 April 2020	48.3	0.10
Interim dividends for 2020	Board of Directors' meeting on 18 August 2020	120.6	0.25
Total dividends for the nine-month period ended 30 September 2020		168.9	0.35

(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)

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Foreign currency		(Audited)		(Audited)
Baht	30	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 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Audited)		(Audited)
Payable within:				
1 year	26	38	9	21
2 to 5 years	7	16	1	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 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Audited)		(Audited)
Bank guarantees	15	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 September	31 December	30 September	31 December	30 September	31 December
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		(Audited)
US Dollar	1.1	2.3	0.8	1.1	31.66	30.15
Euro	1.5	0.7	0.2	0.2	37.15	33.73
Australian Dollar	-	-	0.1	-	22.56	-

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

Foreign currency	As at 30 September 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	4.2	0.3	-	-	30.99 - 31.59	31.17 - 31.75
Euro	0.5	-	-	-	37.03 - 37.09	-
Australian Dollar	-	0.1	-	-	-	22.44

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. Approval of interim financial statements**

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