

Tipco Asphalt Public Company Limited and its subsidiaries
Report and interim consolidated financial statements
For the three-month and six-month periods ended
30 June 2016



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Tipco Asphalt Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Tipco Asphalt Public Company Limited and its subsidiaries as at 30 June 2016, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2016, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Tipco Asphalt Public Company Limited for the same period. 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*.



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Emphasis of matter

I draw attention to Note 6 to the interim financial statements relating to the process of assessing the fair value of the identifiable assets, liabilities and contingent liabilities of new subsidiaries, which has not yet completed. My conclusion is not qualified in respect of this matter.

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Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 8 August 2016

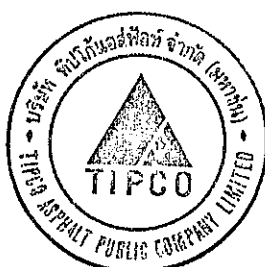
Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,645,324	1,353,521	189,217	667,293
Trade and other receivables	3, 4	2,492,056	3,271,776	1,777,031	2,926,606
Short-term loan to related party	4	-	-	6,023	6,179
Inventories	5	3,496,775	2,402,519	2,716,554	1,999,512
Forward exchange contracts	18, 20	1,624	458	1,262	458
Price hedging contracts	19, 20	143,720	1,674,980	143,720	1,674,980
Other current assets		209,647	103,973	18,218	16,390
Total current assets		7,989,146	8,807,227	4,852,025	7,291,418
Non-current assets					
Investments in subsidiaries	6	-	-	6,629,509	3,657,582
Investment in joint venture		30,896	20,957	-	-
Investments in associates		184,031	126,739	18,404	18,404
Long-term loans to related parties	4	-	-	642,697	210,295
Investment properties		199,433	199,433	99,838	99,838
Property, plant and equipment	7	8,264,598	7,075,695	626,239	552,045
Estimated amount of interest in the net asset value of subsidiaries lower than purchase cost	6	216,727	-	-	-
Goodwill	6	146,294	146,294	-	-
Other intangible assets		44,804	31,541	30,808	30,498
Leasehold rights		431,334	399,248	3,305	3,419
Deferred tax assets - net	12	142,345	1,630	130,616	25,383
Other non-current assets		14,403	60,538	4,096	3,982
Total non-current assets		9,674,865	8,062,075	8,185,512	4,601,446
Total assets		17,664,011	16,869,302	13,037,537	11,892,864

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



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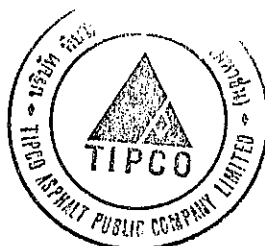
Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2016</u>	<u>31 December 2015</u>	<u>30 June 2016</u>	<u>31 December 2015</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		1,042,510	36,089	834,150	-
Trade and other payables	4, 8	2,674,742	2,253,625	2,698,309	1,976,456
Current portion of liabilities under finance lease agreements		1,546	2,719	1,083	2,172
Current portion of long-term loans from financial institutions	9	278,493	436,653	-	-
Short-term loans from related parties	4	-	-	125,000	-
Income tax payable		409,177	468,999	311,479	397,282
Forward exchange contracts	18, 20	1,165	636	1,125	631
Price hedging contracts	19, 20	44,459	819,832	44,459	819,044
Other current liabilities		178,221	100,334	91,985	41,269
Total current liabilities		4,630,313	4,118,887	4,107,590	3,236,854
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion		601	1,033	33	286
Long-term loans from financial institutions - net of current portion	9	1,453,648	2,044,858	-	-
Long-term loan from related party	4	7,783	8,152	-	-
Interest rate swap contracts	10, 20	25,623	18,945	24,846	19,023
Provision for long-term employee benefits		140,872	112,941	97,198	92,746
Total non-current liabilities		1,628,527	2,185,929	122,077	112,055
Total liabilities		6,258,840	6,304,816	4,229,667	3,348,909

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



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Tipco Asphalt Public Company Limited and its subsidiaries


Statement of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Shareholders' equity					
Share capital	14				
Registered					
1,579,343,570 ordinary shares (31 December 2015: 1,578,735,570 ordinary shares) of Baht 1 each		1,579,344	1,578,736	1,579,344	1,578,736
Issued and fully paid					
1,544,298,570 ordinary shares (31 December 2015: 1,543,850,070 ordinary shares) of Baht 1 each		1,544,299	1,543,850	1,544,299	1,543,850
Premium on share capital	14	971,494	969,634	971,494	969,634
Share subscription	14	43,841	554	43,841	554
Non-controlling interests of subsidiary acquired by the Company at price lower than book value		6,238	6,238	-	-
Change in the Company's interest in subsidiaries which did not result in a loss of control	6	(570,308)	(308,455)	-	-
Capital reserve for share-based payment transactions		98,973	75,457	98,973	75,457
Retained earnings					
Appropriated - statutory reserve		172,123	172,123	172,123	172,123
Unappropriated		9,114,555	7,843,967	5,977,140	5,782,337
Other components of shareholders' equity		(82,504)	25,501	-	-
Equity attributable to owners of the Company		11,298,711	10,328,869	8,807,870	8,543,955
Non-controlling interests of the subsidiaries	6	106,460	235,617	-	-
Total shareholders' equity		11,405,171	10,564,486	8,807,870	8,543,955
Total liabilities and shareholders' equity		17,664,011	16,869,302	13,037,537	11,892,864

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





Directors



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2016

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

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Revenues					
Sales and service income		5,499,620	10,487,565	4,147,612	9,845,798
Other income					
Dividend income from subsidiary	6	-	-	-	18,400
Dividend income from associate		-	-	-	27,127
Gain on exchange	18	31,517	33,799	37,088	18,378
Others		75,289	21,548	73,276	34,617
Total revenues		5,606,426	10,542,912	4,257,976	9,944,320
Expenses					
Cost of sales and services		4,337,323	8,226,672	3,566,550	8,094,730
Loss from price hedging contracts	19	315,295	353,215	317,399	370,739
Reversal of reduction of cost of inventories to net realisable value	5	(112,687)	(696)	(60,954)	-
		4,539,931	8,579,191	3,822,995	8,465,469
Selling expenses		72,039	54,037	30,755	23,590
Administrative expenses		235,156	232,214	115,744	109,034
Other expenses					
Allowance for doubtful accounts (reversal)		(52,014)	43,099	(2,782)	(749)
Total expenses		4,795,112	8,908,541	3,966,712	8,597,344
Profit before share of profit from investment in joint venture, associates, finance cost and income tax expenses		811,314	1,634,371	291,264	1,346,976
Share of profit from investments in joint venture		9,377	1,864	-	-
Share of profit from investments in associates		25,615	18,634	-	-
Profit before finance cost and income tax expenses		846,306	1,654,869	291,264	1,346,976
Finance cost		(26,416)	(40,444)	(9,428)	(19,978)
Profit before income tax expenses		819,890	1,614,425	281,836	1,326,998
Income tax expenses	12	(126,027)	(297,742)	(57,697)	(257,438)
Profit for the period		693,863	1,316,683	224,139	1,069,560
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Change in fair value of interest rate swap contract - net of income tax				353	353
Exchange differences on translation of financial statements in foreign currencies		(13,508)	62,489	-	-
Other comprehensive income for the period		(13,508)	62,842	-	353
Total comprehensive income for the period		680,355	1,379,525	224,139	1,069,913

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

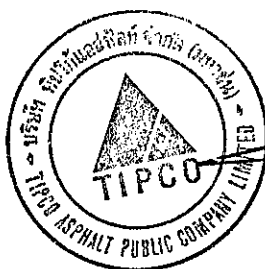
Statement of comprehensive income (continued)

For the three-month period ended 30 June 2016

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit attributable to:				
Equity holders of the Company	702,290	1,317,318	<u>224,139</u>	<u>1,069,560</u>
Non-controlling interests of the subsidiaries	<u>(8,427)</u>	<u>(635)</u>		
	<u>693,863</u>	<u>1,316,683</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	696,036	1,380,818	<u>224,139</u>	<u>1,069,913</u>
Non-controlling interests of the subsidiaries	<u>(15,681)</u>	<u>(1,293)</u>		
	<u>680,355</u>	<u>1,379,525</u>		
Earnings per share (Baht)				
	13			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.45</u>	<u>0.86</u>	<u>0.15</u>	<u>0.69</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.45</u>	<u>0.85</u>	<u>0.14</u>	<u>0.69</u>

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



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D. O. V.

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2016

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

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Revenues					
Sales and service income		12,104,101	18,751,335	9,670,952	17,566,762
Other income					
Dividend income from subsidiaries	6	-	-	-	123,400
Dividend income from associate		-	-	-	27,127
Gain on exchange	18	52,587	108,716	54,313	98,000
Others		99,668	42,381	97,831	62,269
Total revenues		12,256,356	18,902,432	9,823,096	17,877,558
Expenses					
Cost of sales and services		9,548,341	15,278,737	8,515,046	15,055,117
Loss from price hedging contracts	19	194,769	359,079	206,057	376,603
Reversal of reduction of cost of inventories to net realisable value	5	(256,348)	(366,783)	(256,357)	(425,336)
		9,486,762	15,271,033	8,464,746	15,006,384
Selling expenses		113,320	92,412	52,812	46,574
Administrative expenses		511,290	386,293	262,348	196,623
Other expenses					
Allowance for doubtful accounts (reversal)		(95,787)	143,027	(3,748)	(596)
Total expenses		10,015,585	15,892,765	8,776,158	15,248,985
Profit before share of profit from investment in joint venture, associates, finance cost and income tax expenses		2,240,771	3,009,667	1,046,938	2,628,573
Share of profit from investments in joint venture		10,590	1,864	-	-
Share of profit from investments in associates		56,020	40,309	-	-
Profit before finance cost and income tax expenses		2,307,381	3,051,840	1,046,938	2,628,573
Finance cost		(73,800)	(94,397)	(27,378)	(51,769)
Profit before income tax expenses		2,233,581	2,957,443	1,019,560	2,576,804
Income tax expenses	12	(340,998)	(554,499)	(207,202)	(486,921)
Profit for the period		1,892,583	2,402,944	812,358	2,089,883
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Change in fair value of interest rate swap contract - net of income tax		-	908	-	908
Exchange differences on translation of financial statements in foreign currencies		(115,943)	16,725	-	-
Other comprehensive income for the period		(115,943)	16,633	-	908
Total comprehensive income for the period		1,776,640	2,419,577	812,358	2,090,791

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

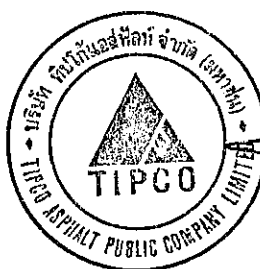
Statement of comprehensive income (continued)

For the six-month period ended 30 June 2016

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit attributable to:				
Equity holders of the Company	1,888,143	2,443,079	812,358	2,089,883
Non-controlling interests of the subsidiaries	4,440	(40,135)		
	<u>1,892,583</u>	<u>2,402,944</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	1,780,138	2,459,790	812,358	2,090,791
Non-controlling interests of the subsidiaries	(3,498)	(40,213)		
	<u>1,776,640</u>	<u>2,419,577</u>		
Earnings per share (Baht)	13			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.22</u>	<u>1.59</u>	<u>0.53</u>	<u>1.36</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>1.20</u>	<u>1.57</u>	<u>0.52</u>	<u>1.34</u>

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



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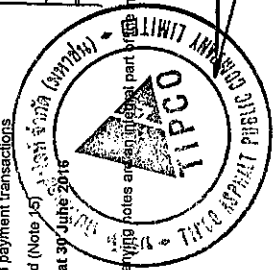
Tipco Asphalt Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2016

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Non-controlling interests of subsidiary acquired by the Company			Change in the Company's interest in subsidiaries which did not result in a loss of control		Capital reserve for share-based payment transactions		Retained earnings		Other components of equity		
	Issued and paid-up share capital	Premium on share capital	Share subscription	at price lower than book value	at price lower than book value	at price lower than book value	at price lower than book value	at price lower than book value	at price lower than book value	Fair value of interest rate swap contract	Translation of financial statements in foreign currencies	Equity attributable to non-controlling interests of the subsidiaries
Balance as at 1 January 2015	1,532,780	916,250	7,748	6,238	(308,455)	38,433	172,123	3,711,758	(1,196)	908	15,803	16,711
Profit for the period	-	-	-	-	-	-	-	2,443,079	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Increase in share capital	7,618	35,825	(7,748)	-	-	-	-	-	-	-	-	-
Cash receipts from share subscription	-	-	15,359	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	-	-	11,800	-	-	-	-	-	-
Dividend paid (Note 15)	-	-	-	-	-	-	-	(153,421)	-	-	-	-
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2015	1,540,398	952,075	15,359	6,238	(308,455)	50,233	172,123	6,001,416	(286)	(104,555)	(104,843)	(26,000)
Balance as at 1 January 2016	1,543,850	969,634	554	6,238	(308,455)	75,457	172,123	7,843,967	-	25,501	25,501	235,617
Profit for the period	-	-	-	-	-	-	-	1,888,143	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Change in the Company's interest in subsidiary which did not result in a loss of control (Note 6)	-	-	-	-	-	-	-	-	-	-	-	-
Increase in share capital (Note 14)	449	1,860	(554)	-	-	-	-	-	-	-	-	-
Cash receipts from share subscription (Note 14)	-	-	43,841	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	-	-	23,516	-	-	-	-	-	-
Dividend paid (Note 15)	-	-	-	-	-	-	-	(617,555)	-	-	-	-
Balance as at 30 June 2016	1,544,299	971,494	43,841	6,238	(570,308)	98,973	172,123	9,114,555	-	(82,504)	(82,504)	106,460

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



Tipco Asphalt Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2016

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and paid-up share capital	Premium on share capital	Share subscription	Capital reserve for share-based payment transactions	Retained earnings		Total component of equity
					Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2015	1,532,780	916,250	7,748	38,433	172,123	2,785,748	(1,196)
Profit for the period	-	-	-	-	-	2,089,883	-
Other comprehensive income for the period	-	-	-	-	-	-	908
Total comprehensive income for the period	-	-	-	-	-	-	908
Increase in share capital	7,618	35,825	(7,748)	-	-	2,089,883	908
Cash receipts from share subscription	-	-	15,359	-	-	-	-
Share-based payment transactions	-	-	-	11,800	-	-	-
Dividend paid (Note 15)	-	-	-	-	-	(153,421)	-
Balance as at 30 June 2015	1,540,398	952,075	15,359	50,233	172,123	4,722,210	(288)
Balance as at 1 January 2016	1,543,850	969,634	554	75,457	172,123	5,782,337	-
Profit for the period	-	-	-	-	-	812,358	-
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-
Increase in share capital (Note 14)	449	1,860	(554)	-	-	812,358	-
Cash receipts from share subscriptions (Note 14)	-	-	43,841	-	-	-	-
Share-based payment transactions	-	-	-	23,516	-	-	-
Dividend paid (Note 15)	-	-	-	-	-	(617,555)	-
Balance as at 30 June 2016	1,544,299	971,494	43,841	98,973	172,123	5,977,140	-
							8,807,870

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities:				
Profit before income tax	2,233,581	2,957,443	1,019,560	2,576,804
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	371,664	273,968	50,588	38,975
Written-off withholding tax	-	68	-	-
Allowance for doubtful accounts (reversal)	(95,787)	143,027	(3,748)	(596)
Reversal of reduction of cost of inventories to net realisable value	(256,348)	(366,783)	(256,357)	(425,336)
Dividend income from subsidiaries	-	-	-	(123,400)
Dividend income from associate	-	-	-	(27,127)
Unrealised (gain) loss on exchange	(14,115)	7,943	15,669	(31,853)
Gain on sales of equipment	(2,118)	(1,221)	(531)	(1,203)
Share of profit from investments in joint venture	(10,590)	(1,864)	-	-
Share of profit from investments in associates	(56,020)	(40,309)	-	-
Share-based payment transactions	23,516	11,800	18,837	9,338
Provision for long-term employee benefits	7,560	4,495	4,935	3,669
Change in fair value of forward exchange contracts	(2,735)	223	(310)	527
Change in fair value of price hedging contracts	755,887	160,121	756,675	165,947
Change in fair value of interest rate swap contracts recognised in profit or loss	6,678	10,198	5,823	9,468
Interest expenses	59,396	88,660	16,872	38,778
Profit from operating activities before changes in operating assets and liabilities	3,020,569	3,247,769	1,628,013	2,233,991
(Increase) decrease in operating assets				
Trade and other receivables	1,604,209	460,166	1,146,802	369,882
Inventories	(565,187)	(940,715)	(460,685)	(791,386)
Other current assets	(51,332)	(117,897)	(12,270)	(12,950)
Other non-current assets	100,104	(23,648)	(164)	15,580
Increase (decrease) in operating liabilities				
Trade and other payables	108,722	2,631,728	716,997	2,686,080
Other current liabilities	(48,207)	43,755	50,233	15,830
Cash flows from operating activities	4,168,878	5,301,158	3,068,926	4,517,027
Cash paid for interest expenses	(28,095)	(73,300)	(8,996)	(32,325)
Cash paid for corporate income tax	(541,060)	(220,033)	(398,238)	(194,098)
Net cash flows from operating activities	3,599,723	5,007,825	2,661,692	4,290,604

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

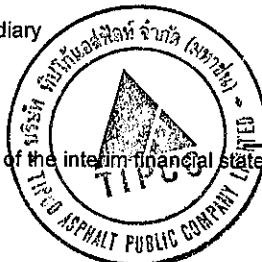
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities:				
Cash paid for investment in subsidiary	-	-	(1,066,514)	-
Dividend received from subsidiary	-	-	-	18,400
Cash paid for investment in new subsidiaries - net from cash and cash equivalent received	(1,256,982)	-	(1,513,222)	-
Cash paid to acquisition of non-controlling interests of subsidiary	(387,512)	-	(387,512)	-
Cash paid to acquisition of short-term loan in new subsidiaries from related party	(448,159)	-	(448,159)	-
Increase in short-term loans to related party	-	(13,511)	-	-
Increase in long-term loans to related party	-	-	-	(16,290)
Acquisition of equipment	(578,554)	(581,687)	(110,755)	(46,391)
Acquisition of computer software	(5,420)	(3,742)	(3,882)	(3,637)
Acquisition of leasehold rights	-	(2,036)	-	-
Proceeds from sales of equipment	676	1,921	634	1,744
Net cash flows used in investing activities	(2,675,951)	(599,055)	(3,529,410)	(46,174)
Cash flows from financing activities:				
Cash receipt from capital increase	1,755	35,695	1,755	35,695
Increase (decrease) in short-term loans from financial institutions	654,677	(3,998,734)	837,915	(3,900,734)
Increase in short-term loans from related parties	-	-	125,000	-
Cash paid under finance lease agreements	(9,000)	(2,204)	(1,292)	(1,617)
Cash receipt from long-term loans	-	429,371	-	-
Repayment of long-term loans	(704,944)	(399,172)	-	(185,000)
Cash receipts from shares subscription	43,841	15,359	43,841	15,359
Dividend paid to shareholders	(617,577)	(153,306)	(617,577)	(153,306)
Dividend paid to non-controlling interests of subsidiaries	-	(26,000)	-	-
Net cash flows used in financing activities	(631,248)	(4,098,991)	389,642	(4,189,603)
Exchange differences on translation of financial statements in foreign currencies	(721)	(25,699)	-	-
Net increase (decrease) in cash and cash equivalents	291,803	284,080	(478,076)	54,827
Cash and cash equivalents at beginning of period	1,353,521	276,988	667,293	24,641
Cash and cash equivalents at end of period	1,645,324	561,068	189,217	79,468

Supplemental cash flows information

Non-cash transactions:

Purchase of equipment for which cash has not been paid	19,072	7,845	-	-
Settlement of dividend received from subsidiary with account payable (Note 6)	-	-	-	105,000

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



Tipco Asphalt Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month and six-month periods ended 30 June 2016

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) "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.

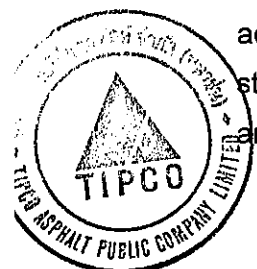
The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.2 Basis of consolidation

The consolidated interim financial statements include the financial statements of Tipco Asphalt Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015, except the change in percentage of shareholding in a subsidiary and investments in four new subsidiaries as described in Note 6 to the interim financial statements.

1.3 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which became effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards did not have any significant impact on the financial statements of the Company and its subsidiaries.



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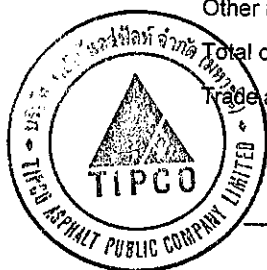
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2. Significant accounting policies

The interim 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 2015.

3. Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015 (Audited)	30 June 2016	31 December 2015 (Audited)
(Unit: Thousand Baht)				
<u>Trade receivables - related parties</u> (Note 4)				
Aged on the basis of due dates				
Not yet due	359,098	676,818	718,810	954,902
Past due				
Up to 3 months	2	17,917	10,617	22,314
3 - 6 months	7,828	-	5,336	5,073
6 - 9 months	5	-	5,336	54,107
9 - 12 months	5	-	4,751	6,496
Over 12 months	10,135	119	355,742	374,969
Total	377,073	694,854	1,100,592	1,417,861
Less: Allowance for doubtful accounts	-	-	(353,907)	(353,907)
Total trade receivables - related parties, net	377,073	694,854	746,685	1,063,954
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,443,450	2,250,648	827,881	1,700,306
Past due				
Up to 3 months	362,254	203,045	38,807	82,864
3 - 6 months	106,002	25,661	4,900	2,593
6 - 9 months	62,306	2,510	2,698	938
9 - 12 months	31,533	26,404	22	1,777
Over 12 months	466,911	454,446	61,593	70,501
Total	2,472,456	2,962,714	935,901	1,858,979
Less: Allowance for doubtful accounts	(519,059)	(474,567)	(67,958)	(71,705)
Total trade receivables - unrelated parties, net	1,953,397	2,488,147	867,943	1,787,274
Total trade receivables - net	2,330,470	3,183,001	1,614,628	2,851,228
<u>Other receivables</u>				
Amounts due from related parties (Note 4)	9,803	9,764	30,472	29,964
Accounts receivable from price hedging contracts	128,660	43,107	128,660	43,108
Other receivables	23,123	35,904	3,271	2,306
Total other receivables	161,586	88,775	162,403	75,378
Trade and other receivables - net	2,492,056	3,271,776	1,777,031	2,926,606



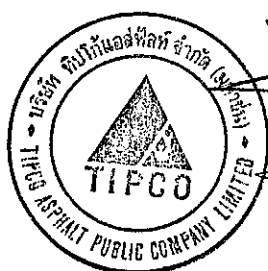
(Unaudited but reviewed)

4. Related party transactions

During the periods, the Company and its subsidiaries 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)

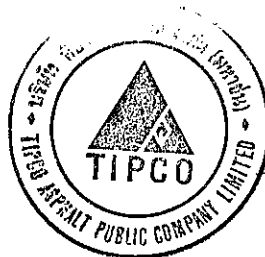
	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policies
	2016	2015	2016	2015	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	766	1,537	Cost plus certain margin
Rental and service income	-	-	7	12	Contract price
Technical assistance fee income	-	-	3	3	Contract price
Interest income	-	-	4	-	At rate of 2.00 - 2.25 percent and LIBOR plus 1.50 percent per annum
Dividend income	-	-	-	18	
Purchase of goods	-	-	28	-	Cost plus certain margin
Rental and service expenses	-	-	575	601	Contract price
<u>Transactions with joint venture</u>					
Sales and services	359	115	290	115	Market price / Contract price
Rental and service income	1	-	-	-	Contract price
<u>Transactions with associated company</u>					
Dividend income	-	-	-	27	
<u>Transactions with related companies</u>					
Sales and services	319	646	282	618	Market price / Contract price
Rental and service income	-	1	-	1	Contract price
Rental and service expenses	18	12	11	9	Contract price
Technical assistance fee expenses	9	14	9	8	Contract price



(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June					
	Consolidated		Separate		Transfer pricing policies
	financial statements		financial statements		
	2016	2015	2016	2015	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	1,463	2,773	Cost plus certain margin
Rental and service income	-	-	19	25	Contract price
Technical assistance fee income	-	-	6	6	Contract price
Interest income	-	-	6	-	At rate of 2.00 - 2.25 percent and LIBOR plus 1.50 percent per annum
Dividend income	-	-	-	123	
Purchase of goods	-	-	51	1	Cost plus certain margin
Rental and service expenses	-	-	1,292	1,112	Contract price
<u>Transactions with joint venture</u>					
Sales and services	468	115	375	115	Market price / Contract price
Rental and service income	2	-	-	-	Contract price
Rental and service expenses	7	-	7	-	Contract price
<u>Transactions with associated company</u>					
Dividend income	-	-	-	27	
<u>Transactions with related companies</u>					
Sales and services	974	1,583	902	1,515	Market price / Contract price
Rental and service income	1	2	1	2	Contract price
Rental and service expenses	28	20	19	16	Contract price
Technical assistance fee expenses	21	28	21	17	Contract price



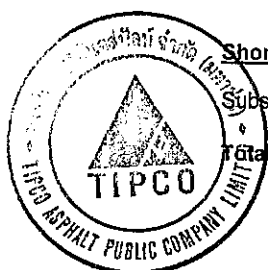
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(Unaudited but reviewed)

The balances of the accounts as at 30 June 2016 and 31 December 2015 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Trade and other receivables- related parties (Note 3)</u>				
Subsidiaries	-	-	792,216	779,988
Joint venture	178,462	506,047	170,664	496,807
Associate	10,309	-	-	-
Related companies (common shareholders and directors)	198,105	198,571	168,184	171,030
Total trade and other receivables - related parties	386,876	704,618	1,131,064	1,447,825
Less : Allowance for doubtful accounts	-	-	(353,907)	(353,907)
Total trade and other receivables - related parties, net	386,876	704,618	777,157	1,093,918
<u>Short-term loan to related party</u>				
Subsidiary	-	-	6,023	6,179
Total short-term loan to related party	-	-	6,023	6,179
<u>Long-term loans to related parties</u>				
Subsidiaries	-	-	642,697	210,295
Total long-term loans to related parties	-	-	642,697	210,295
<u>Trade and other payables - related parties (Note 8)</u>				
Subsidiaries	-	-	689,410	411,557
Joint venture	-	9,235	-	-
Related companies (common shareholders and directors)	42,801	75,930	25,683	54,200
Total trade and other payables - related parties	42,801	85,165	715,093	465,757
<u>Unearned revenue - related party</u>				
Joint venture	13,485	-	-	-
Total unearned revenue - related party	13,485	-	-	-
<u>Short-term loans from related parties</u>				
Subsidiaries	-	-	125,000	-
Total short-term loans from related parties	-	-	125,000	-



(Unaudited but reviewed)

(Unit: Thousand Baht)

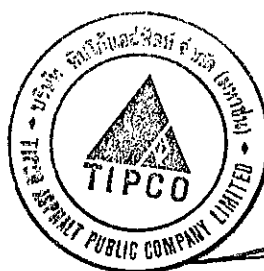
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Long-term loan from related party</u>				
Related company (shareholder of subsidiary)	7,783	8,152	-	-
Total long-term loan from related party	7,783	8,152	-	-

Loans to related parties and loans from related parties

As at 30 June 2016 and 31 December 2015, the balances of loans between the Company and those related companies and the movements were as follows:

(Unit: Thousand Baht)

		Consolidated financial statements		
		Exchange differences on translation of financial statements in foreign currencies		
Company's name	Related by	Balance as at 31 December 2015		Balance as at 30 June 2016
		(Audited)		
<u>Long-term loan from related party</u>				
	Shareholder of			
Zhenjiang Highway Materials Company	subsidiary	8,152	(369)	7,783



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(Unaudited but reviewed)

		Separate financial statements				
		Balance as at	Increase	Decrease	Balance as at	
		31 December	during	during	30 June	
Company's name	Related by	2015	the period	the period	exchange	2016
(Audited)						
<u>Short-term loan to related parties</u>						
Kemaman Oil Corporation Sdn Bhd	Subsidiary	6,179	-	-	(156)	6,023
Highway Resources Pte Ltd.	Subsidiary	-	118,314	(116,110)	(2,204)	-
AD Shipping Pte Ltd. (Note 6)	Subsidiary	-	286,822	(280,134)	(6,688)	-
Reta Link Pte Ltd. (Note 6)	Subsidiary	-	161,337	(157,575)	(3,762)	-
Total		6,179	566,473	(553,819)	(12,810)	6,023

Long-term loan to related parties

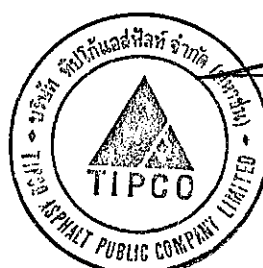
Tasco International (Hong Kong) Ltd.	Subsidiary	210,295	-	-	(5,307)	204,988
AD Shipping Pte Ltd. (Note 6)	Subsidiary	-	280,134	-	-	280,134
Reta Link Pte Ltd. (Note 6)	Subsidiary	-	157,575	-	-	157,575
Total		210,295	437,709	-	(5,307)	642,697

Directors and management's benefits

For the three-month and six-month periods ended 30 June 2016 and 2015, the Company and its subsidiaries had employee benefit expenses of their directors and management as detailed below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	32	27	27	22
Post-employment benefits	2	2	1	2
Share-based payment transactions	2	3	2	2
Total	36	32	30	26



(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	64	59	53	49
Post-employment benefits	3	3	2	3
Share-based payment transactions	5	5	5	4
Total	<u>72</u>	<u>67</u>	<u>60</u>	<u>56</u>

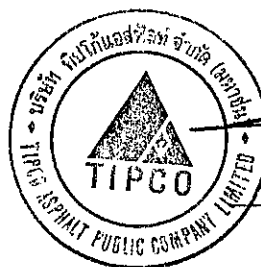
Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 11 to the interim financial statements.

5. Inventories

Movements in the reduction of cost to net realisable value of inventory account during the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2016	283,885	365,689
Increase from investments in new subsidiaries		
(Note 6)	8,620	-
Reversal of reduction of cost to net realisable value		
of inventory account during the period	(256,348)	(256,357)
Exchange differences on translation of		
financial statements in foreign currencies	3,805	-
Balance as at 30 June 2016	<u>39,962</u>	<u>109,332</u>



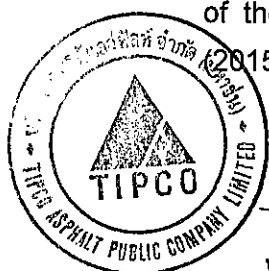
(Unaudited but reviewed)

6. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Investment cost	
	30 June 2016	31 December 2015 (Audited)
<u>Domestic subsidiaries</u>		
Raycol Asphalt Co., Ltd.	580,712	193,200
Thai Bitumen Co., Ltd.	1,499,917	1,499,917
Less: Allowance for impairment loss of investment	(60,775)	(60,775)
Tipco Maritime Co., Ltd.	1,999	1,999
Alpha Maritime Co., Ltd.	142,999	142,999
Bitumen Marine Co., Ltd.	149,999	149,999
Delta Shipping Co., Ltd.	79,999	79,999
Tasco Shipping Co., Ltd.	289,999	289,999
<u>Overseas subsidiaries</u>		
Tasco International (Hong Kong) Ltd.	130,008	130,008
Add: Additional investment cost from the acquisition of subsidiary under common control	115,849	115,849
Less: Allowance for impairment loss of investment	(57,120)	(57,120)
Kemaman Oil Corporation Sdn Bhd	337,296	337,296
Kemaman Bitumen Company Sdn Bhd	1,885,158	818,644
Tipco Asphalt (Cambodia) Co., Ltd.	165	165
PT Asphalt Bangun Sarana	337,254	-
Highway Resources Pte Ltd.	717,054	-
AD Shipping Pte Ltd.	430,232	-
Reta Link Pte Ltd.	28,682	-
Total investments in subsidiaries	6,609,427	3,642,179
Cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees	20,082	15,403
Total investments in subsidiaries - net	6,629,509	3,657,582

During the six-month period ended 30 June 2016, the Company recorded cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees amounted to Baht 4.7 million (2015: Baht 2.5 million), as a cost of investments in subsidiaries.



(Unaudited but reviewed)

During the three-month and six-month periods ended 30 June 2015, the Company received the following dividends from its subsidiaries:

Company's name	(Unit: Thousand Baht)	
	For the three-month period ended 30 June 2015	For the six-month period ended 30 June 2015
Raycol Asphalt Co., Ltd.	18,400	18,400
Bitumen Marine Co., Ltd.*	-	105,000
Total dividend received during the period	18,400	123,400

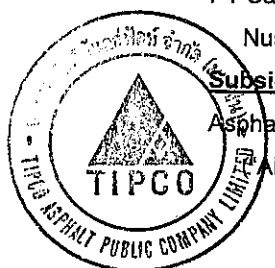
* Bitumen Marine Co., Ltd. offset the dividend against the amount due to the Company.

In December 2015, the Company had entered into Share Purchase Agreement ("SPA") with Colas S.A., a foreign related company, to acquire ordinary shares in five companies (Asphalt business and Vessel business). Subsequently, on 5 January 2016, the Extraordinary General Meeting of the Company's shareholders No.1/2016 approved the acquisition of such ordinary shares with the total investment cost of USD 61.8 million (approximately Baht 2,219 million), as summarised below.

Company's name	Nature of business	Country of incorporation	Investment percentage (%)	Investment amount (Million USD)	Loan amount (Million USD)
Raycol Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	Thailand	38.00	7.0	-
PT Asphalt Bangun Sarana ("ABS")*	Manufacture and distribution of asphalt products	Indonesia	99.98	9.5	-
Highway Resources Pte Ltd. ("HR")*	Distribution of asphalt products	Singapore	100.00	20.0	-
AD Shipping Pte Ltd. ("ADS")	Marine transportation	Singapore	100.00	12.0	8.0
Reta Link Pte Ltd. ("RTL")	Marine transportation	Singapore	100.00	0.8	4.5
Total				49.3	12.5

*These subsidiaries have two subsidiaries and an associate as follows:

Company's name	Nature of business	Country of incorporation	Related by	Shareholding percentage (%)
<u>Subsidiary and associate held by ABS</u>				
PT Saranaraya Reka Cipta ("SRC")	Manufacture and distribution of asphalt products	Indonesia	Subsidiary	100.00
PT Sarana Distribusi Aspal Nusantara ("SDAN")	Barge rental service	Indonesia	Associate	49.00
<u>Subsidiary held by HR</u>				
Asphalt Distribution Co., Ltd. (ADCo)	Manufacture and distribution of asphalt products	Vietnam	Subsidiary	100.00



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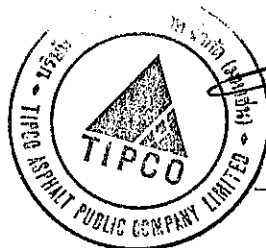
As a result of the transaction, the shareholding of the Company in Raycol Asphalt Co., Ltd. increased from 41.44 percent to 79.44 percent and the Company recorded the change in the subsidiary interest amounting to Baht 173.6 million under the caption of "Change in the Company's interest in subsidiaries which does not result in a loss of control" in the consolidated shareholders' equity.

From the investment transaction in four new subsidiaries, the Company has control over such subsidiaries from 1 January 2016 (the acquisition date) onwards. Under TFRS No.3 (revised 2009), the Company must consider the net fair value of the identifiable assets, liabilities and contingent liabilities of four new subsidiaries on the acquisition date. The Company made preliminary assessment of the difference between purchase cost of the investments and net fair value of assets and found that the difference was approximately Baht 216.7 million. However, the Company is in the process of assessing the fair value of the identifiable assets, liabilities and contingent liabilities of four new subsidiaries as of the acquisition date, and this process is currently not completed. Such difference of Baht 216.7 million is therefore recorded as non-current assets under "Estimated amount of interest in the net assets value of subsidiaries lower than purchase cost" in the consolidated statement of financial position.

Details of the acquisition are as follows:

(Unit: Thousand Baht)

Purchase price	
Cash paid for acquisition	1,513,222
Estimated carrying amounts of net assets acquired	(1,296,495)
Estimated amount of interest in the net assets value lower than purchase cost	<u>216,727</u>
Cash paid for acquisition	1,513,222
Less: Cash and cash equivalents of acquiree	(256,240)
Net cash paid in the acquisition - net from cash and cash equivalents received	<u>1,256,982</u>



(Unaudited but reviewed)

The carrying amounts of assets and liabilities acquired from the acquisition of four new subsidiaries as at 1 January 2016 are as follows:

	(Unit: Thousand Baht)
	Carrying value of acquiree as at 1 January 2016
Cash and cash equivalents	256,240
Trade and other receivables	713,599
Inventories	276,483
Other current assets	84,898
Plant and equipment	1,153,987
Leasehold rights	57,702
Intangible assets	12,509
Deferred tax assets - net	41,402
Other non-current assets	50,745
Short-term loans from bank	(359,908)
Short-term loans from related party*	(451,108)
Trade and other payables	(355,092)
Accrued income tax	(42,446)
Other current liabilities	(115,070)
Provision for long-term employee benefits	(19,955)
Other non-current liabilities	(7,456)
Non-controlling interest	(35)
Net assets	1,296,495

- * In February 2016, the Company entered into Loan Purchase Agreement with Colas S.A. to purchase short-term loans of USD 12.5 million (approximately Baht 488 million) that Colas S.A. granted to ADS and RTL. The purchase amount is equal to the outstanding balances under the loan agreements, and the same terms and conditions are applied. Such loans bear interest rate with reference to LIBOR and mature in June 2016. The Company made a payment for a purchase of such loans in February 2016. However, on 28 June 2016, the Company made loan agreements with ADS and RTL to extend the loan period to ADS and RTL for another 3 years, maturing in June 2019. According to these loan agreements, the Company reclassified such loans as non-current assets and presented under the caption of "Long-term loans to related parties" in separate statement of financial position.



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In addition, the Board of Directors Meeting No.3/2016 held on 11 April 2016 passed a resolution approving the Company's acquisition of 20.56 percent of ordinary shares of Raycol Asphalt Co., Ltd. at a price of USD 3.77 million (approximately Baht 132 million). Subsequently, on 27 April 2016, the Company entered into Share Purchase Agreement with Asiacol Co., Ltd. and Mrs. Riem Supsakorn, the related parties, to acquire ordinary shares of such company.

As a result of the transaction, the shareholding of the Company in Raycol Asphalt Co., Ltd. increased from 79.44 percent to 100.00 percent and the Company recorded the change in the subsidiary interest amounting to Baht 88.3 million under the caption of "Change in the Company's interest in subsidiaries which does not result in a loss of control" in the consolidated shareholders' equity. The Company received the transfer of the above shares on 28 April 2016.

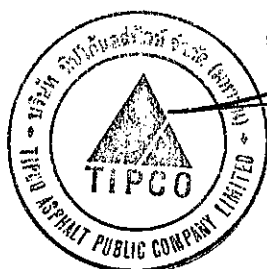
Kemaman Bituman Company Sdn Bhd ("KBC")

During the first quarter of 2016, the Company acquired 141.6 million shares in KBC, or 44.80 percent interest, from Kemaman Oil Corporation Sdn Bhd ("KOC") at a price of MYR 123.2 million (approximately Baht 1,066.5 million). The Company made a payment to purchase of such ordinary shares on 21 March 2016.

From the above transaction, KOC recorded loss on disposal of investment in KBC under cost method amounting to MYR 18.4 million (approximately Baht 159.5 million) and separately presented the amount in profit or loss in the separate financial statements. However, the transaction had no impact on the consolidated financial statements.

Colas Vietnam Company Limited ("CVN")

The Board of Director Meetings No.3/2016 held on 11 April 2016 passed a resolution to approve the Company and/or its subsidiary to acquire 100 percent of ordinary shares of CVN from Colas S.A., a foreign related company, at a price of USD 1 million. Subsequently, in June 2016, Asphalt Distribution Co., Ltd. ("ADCo"), a subsidiary company, entered into Share Purchase Agreement ("SPA") with Colas S.A., to acquire ordinary shares of such company. CVN is currently carrying out obligations in accordance with the conditions under the agreement.



(Unaudited but reviewed)

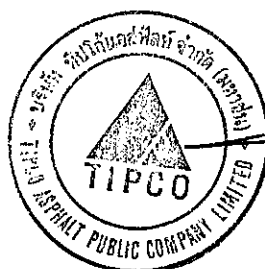
7. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2016	7,075,695	552,045
Increase from investment in new subsidiaries (Note 6)	1,153,987	-
Acquisitions during period - at cost	523,383	110,755
Disposals/write-off during period - net book value at disposal/write-off date	(1,425)	(103)
Depreciation for the period	(330,472)	(36,458)
Exchange differences on translation of financial statements in foreign currencies	(156,570)	-
Net book value as at 30 June 2016	<u>8,264,598</u>	<u>626,239</u>

8. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Audited)		(Audited)
Trade payables - related parties (Note 4)	73	11,796	563,889	408,281
Trade payables - unrelated parties	1,553,503	1,518,367	1,272,436	1,209,923
Amounts due to related parties (Note 4)	42,728	73,369	151,204	57,476
Accounts payable from price hedging contracts	536,822	-	536,822	-
Accrued expenses	334,003	429,648	111,476	218,880
Other payables	207,613	220,445	62,482	81,896
Total trade and other payables	<u>2,674,742</u>	<u>2,253,625</u>	<u>2,698,309</u>	<u>1,976,456</u>



9. Long-term loans

Movements in the long-term loan account during the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2016	2,481,511
Repayments	(704,944)
Unrealised gain on exchange	(10,463)
Exchange differences on translation of financial statements in foreign currencies	(33,963)
Balance as at 30 June 2016	1,732,141
Less: Current portion	(278,493)
Long-term loans - net of current portion	1,453,648

Loan covenants

The loan agreements of subsidiaries contain certain restrictive covenants as were disclosed in the consolidated financial statements for the year ended 31 December 2015.

10. Interest rate swap contracts

The Company and Kemaman Bitumen Sdn Bhd ("KBC") have entered into interest rate swap contracts to change interest rates from floating rates to fixed rates. Details are as follows:

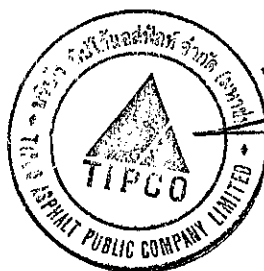
Counterparty	Agreements start	Fixed interest rate as per agreement (%)	Agreements expire	Notional amount balance	
				30 June 2016	31 December 2015
					(Audited)

For short-term loans

The Company	September 2014	1.20 to 1.26	December 2017	USD 25 million	USD 25 million
The Company	October 2014	1.15 to 1.26	December 2017	USD 25 million	USD 25 million

For long-term loans

The Company	May 2012	5.21	March 2018	Baht 298 million	Baht 420 million
KBC	December 2013	0.54	August 2016	USD 1 million	USD 2 million
KBC	December 2013	0.93	April 2018	USD 9 million	USD 11 million



11. Credit facilities

The credit facilities of the Company and its subsidiaries granted by financial institutions are secured by the following collaterals:

- a) The guarantees of the Company, its subsidiaries and a shareholder of a subsidiary;
- b) The pledges/mortgages of the assets of subsidiaries which the net book value as at 30 June 2016 and 31 December 2015 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	
	30 June 2016	31 December 2015
		(Audited)
Leasehold rights - net	369	387
Property, plant and equipment - net	5,408	5,391

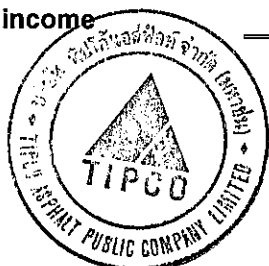
- c) The prohibition from creating lien over assets of the Company and its subsidiaries;
- d) Financial support letters provided by the Company and its subsidiaries to banks;
- e) The Company allows its subsidiaries to use its facilities obtained from banks, with the Company responsible to the banks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

12. Income tax

Income tax for the three-month and six-month periods ended 30 June 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	(40,527)	(311,891)	(21,046)	(270,026)
Deferred tax:				
Relating to origination and reversal of temporary differences	(85,500)	14,149	(36,651)	12,588
Income tax reported in the statement of comprehensive income	<u>(126,027)</u>	<u>(297,742)</u>	<u>(57,697)</u>	<u>(257,438)</u>



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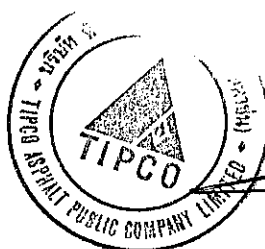
(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	(440,726)	(520,880)	(312,435)	(436,961)
Deferred tax:				
Relating to origination and reversal of temporary differences	99,728	(33,619)	105,233	(49,960)
Income tax reported in the statement of comprehensive income	<u>(340,998)</u>	<u>(554,499)</u>	<u>(207,202)</u>	<u>(486,921)</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to change in fair value of interest rate swap contract	-	(88)	-	(88)

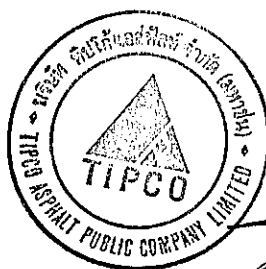
	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to change in fair value of interest rate swap contract	-	(227)	-	(227)



13. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued without consideration of exercising period. However, warrants to purchase new ordinary shares of the Company to executive directors and/or employees of the Company and subsidiaries ("ESOP") of which the exercise prices and the fair value of the service rendered to the Company and its subsidiaries in the future under such ESOP were higher than the average market price of the Company's shares for the periods were not included in the calculation of diluted earnings per share for the three-month and six-month periods ended 30 June 2016 and 2015.



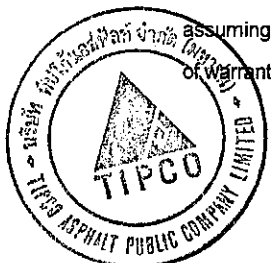
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The following tables set forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
For the three-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
702,290	1,317,318	1,544,389	1,540,537	0.45	0.86	
Effect of potential ordinary shares						
ESOP-W1	-	-	2,390			
ESOP-W2	-	122	612			
ESOP-W3	-	8,697	7,225			
ESOP-W4	-	9,322	7,659			
ESOP-W5	-	4,971	31			
-	-	23,112	17,917			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>702,290</u>	<u>1,317,318</u>	<u>1,567,501</u>	<u>1,558,454</u>	0.45	0.85	

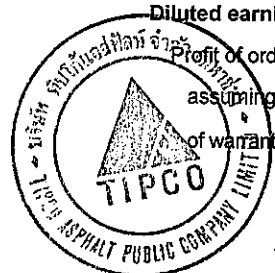
Separate financial statements						
For the three-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
224,139	1,069,560	1,544,389	1,540,537	0.15	0.69	
Effect of potential ordinary shares						
ESOP-W1	-	-	2,390			
ESOP-W2	-	122	612			
ESOP-W3	-	8,697	7,225			
ESOP-W4	-	9,322	7,659			
ESOP-W5	-	4,971	31			
-	-	23,112	17,917			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>224,139</u>	<u>1,069,560</u>	<u>1,567,501</u>	<u>1,558,454</u>	0.14	0.69	



(Unaudited but reviewed)

Consolidated financial statements						
For the six-month periods ended 30 June						
Profit for the period		Weighted average number		Earnings per share		
		of ordinary shares				
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
1,888,143	2,443,079	1,544,126	1,537,489	1.22	1.59	
Effect of potential ordinary shares						
ESOP-W1	-	-	3,622			
ESOP-W2	-	264	1,225			
ESOP-W3	-	8,682	6,958			
ESOP-W4	-	9,386	7,375			
ESOP-W5	-	5,229	-			
-	-	23,561	19,180			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>1,888,143</u>	<u>2,443,079</u>	<u>1,567,687</u>	<u>1,556,669</u>	1.20	1.57	

Separate financial statements						
For the six-month periods ended 30 June						
Profit for the period		Weighted average number		Earnings per share		
		of ordinary shares				
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
812,358	2,089,883	1,544,126	1,537,489	0.53	1.36	
Effect of potential ordinary shares						
ESOP-W1	-	-	3,622			
ESOP-W2	-	264	1,225			
ESOP-W3	-	8,682	6,958			
ESOP-W4	-	9,386	7,375			
ESOP-W5	-	5,229	-			
-	-	23,561	19,180			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>812,358</u>	<u>2,089,883</u>	<u>1,587,687</u>	<u>1,556,669</u>	0.52	1.34	



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14. Share capital

On 5 January 2016, the Extraordinary General Meeting of the Company's shareholders No.1/2016 approved to increase the current registered capital of Baht 1,578,735,570 (1,578,735,570 ordinary shares of Baht 1 each) to the new registered capital of Baht 1,579,343,570 (1,579,343,570 ordinary shares of Baht 1 each), with the new shares to be set aside for the exercise of the Long Term Incentive Program grant#1 (ESOP-W1) and #2 (ESOP-W2) because the number of ordinary shares reserved for their exercise of the ESOP-W1 and ESOP-W2 warrants had previously been over-reduced by 101,000 shares and 507,000 shares, respectively, in error.

The Company registered the capital increased with the Ministry of Commerce on 13 January 2016.

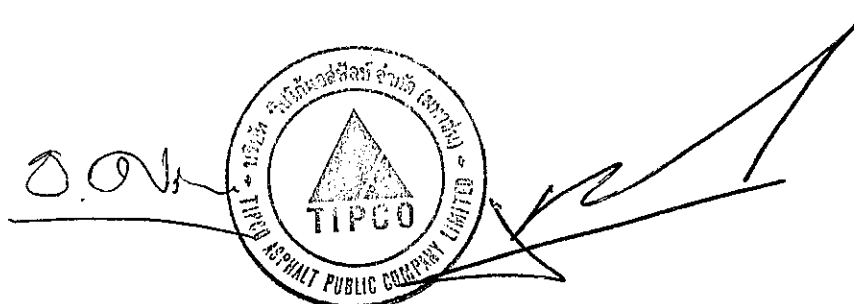
Below is the summary of the share registration from exercise of ESOP-W1 and ESOP-W2 warrants during the period.

	First quarter	Second quarter	Total
Number of warrants exercised (warrants)	9,150	35,700	44,850
Number of ordinary shares issued (shares)	91,500	357,000	448,500
Amount of cash received (Baht)	554,020	1,753,941	2,307,961
Share registration date	13 January 2016	12 April 2016	
Paid-up capital after share registration	Baht 1,543,941,570	Baht 1,544,298,570	
	(1,543,941,570	(1,544,298,570	
	ordinary shares of	ordinary shares of	
	Baht 1 each)	Baht 1 each)	

As at 30 June 2016, the Company received advance subscription from the exercise of ESOP-W3 warrants as follows:

	ESOP-W3
Number of warrants exercised (warrants)	826,250
Number of ordinary shares issued (shares)	8,262,500
Amount of cash received (Baht)	43,840,825

The Company registered the capital increase from the exercise of such warrants with the Ministry of Commerce on 8 July 2016.



(Unaudited but reviewed)

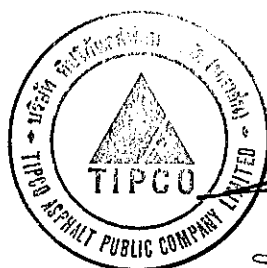
As at 30 June 2016 and 31 December 2015, the remaining unexercised of warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Company and its subsidiaries are summarised below.

	<u>30 June 2016</u>	<u>31 December 2015</u> (Audited)
ESOP-W1	-	15,000 units
ESOP-W2	15,000 units	50,700 units
ESOP-W3	272,850 units	1,099,100 units
ESOP-W4	1,178,300 units	1,178,300 units
ESOP-W5	11,140,000 units	11,140,000 units

15. Dividend

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend</u> <u>per share</u> (Baht per share)
Final dividends for 2014*	Annual General Meeting of the shareholders on 7 April 2015	153.40	1.00
Total for the six-month period ended 30 June 2015		153.40	1.00
Final dividends for 2015	Annual General Meeting of the shareholders on 11 April 2016	617.60	0.40
Total for the six-month period ended 30 June 2016		617.60	0.40

* The final dividends for 2014 are the dividends which are approved before change in par value of the Company's ordinary shares.



(Unaudited but reviewed)

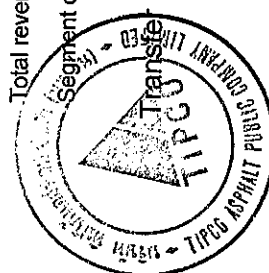
16. Segment information

The Company and its subsidiaries are engaged in single operating segment which is manufacturing and trading of asphalt and petroleum oil products. Whereas, the marine logistic business complements the manufacturing and trading of asphalt and petroleum oil products. The Board of Directors of the group is the chief operating decision makers of the Company and its subsidiaries. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment. Therefore, financial information by segment for the three-month and six-month periods ended 30 June 2016 and 2015 have been presented only by geographical area, as follows:

	For three-month periods ended 30 June						(Unit: Million Baht)	
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external customers	4,027	9,030	1,473	1,457	-	-	5,500	10,487
Inter-segment revenues	623	1,197	287	317	(910)	(1,514)	-	-
Total revenues	4,650	10,227	1,760	1,774	(910)	(1,514)	5,500	10,487
Segment operating profit (loss)	509	1,143	187	188	6	(14)	702	1,317

	For six-month periods ended 30 June						(Unit: Million Baht)	
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external customers	9,636	16,525	2,468	2,226	-	-	12,104	18,751
Inter-segment revenues	1,080	1,982	668	563	(1,748)	(2,545)	-	-
Total revenues	10,716	18,507	3,136	2,789	(1,748)	(2,545)	12,104	18,751
Segment operating profit (loss)	1,453	2,222	419	237	16	(16)	1,888	2,443

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



(Unaudited but reviewed)

17. Commitments and contingent liabilities

17.1 Capital commitments

The Company and its subsidiaries had outstanding capital commitments relating to the purchase of machinery, equipment, vessel, computer software and construction of building as follows:

Foreign currency	Consolidated financial statements		Separate financial statements		(Unit: Million)
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	
Baht	30	(Audited) 64	30	(Audited) 47	
Ringgit	14	48	-	-	
US Dollar	19	22	-	-	

17.2 Operating lease commitments

The Company and its subsidiaries have entered into several agreements in respect of the lease of buildings, warehouses, vessels, motor vehicles, and other service agreements.

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

	Consolidated financial statements						Separate financial statements			
	Million Baht		Million USD		Million Vietnam Dong		Million Renminbi		Million Ringgit	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Payable within:	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1 year	42	38	6	3	-	-	-	-	2	1
2 to 5 years	43	4	-	-	-	-	1	-	-	-
Over 5 years	-	-	-	-	-	-	2	-	-	-
					3,991	11,297	31,883		36	35
									37	3
									-	-



17.3 Long-term service commitments

The Company has entered into a service agreement with Colas S.A. under which it receives management and marketing services and advice on methods and systems of management and technical assistance in the manufacture of Asphalt Emulsion and Modified Asphalt. Under this agreement, which was for a period of five years, expiring on 31 December 2017, unless terminated by either party with at least one year's prior notice, the Company agrees to pay an annual lump sum administrative fee of Euro 145,000 plus a technical assistance fee equivalent to 0.75 percent of the consolidated revenues of the Company and its subsidiaries generated from the stipulated products. The fees for the six-month periods ended 30 June 2016 and 2015 amounted to approximately Baht 21 million and Baht 17 million, respectively.

17.4 Crude oil purchase commitments

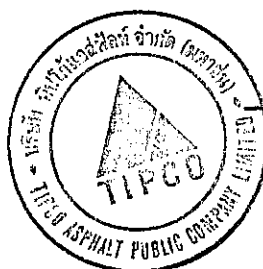
During the year 2014, the Company entered into an agreement with a company in Venezuela to purchase crude oil amounting to 44 million barrels. The term of the agreement is 4 years and ends in December 2017. However, on 25 May 2016, the Company has amended such agreement to increase the crude oil quantity by another 33 million barrels, to totaling 77 million barrels, and extend the term of agreement to another 3 years ending in December 2020.

As at 30 June 2016, the Company had outstanding commitment in respect of receiving crude oil under such purchase agreement of approximately 50 million barrels.

17.5 Bank guarantees

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

Foreign currency	(Unit: Million)			
	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Audited)		(Audited)
Baht	3	3	2	2
Ringgit	7	8	-	-
Renminbi	-	5	-	-



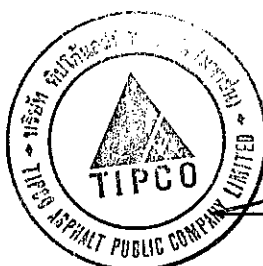
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18. Foreign currency risk

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

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2016	2015	2016	2015	2016	2015
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit) (Audited)	
US Dollar	16	37	69	40	35.2	36.1
Yen	-	-	1	53	0.3	0.3
Ringgit	27	15	29	38	8.7	8.4
Vietnam Dong	-	15	-	-	0.0016	0.0016
Indonesia Rupiah	-	5	-	-	0.0027	0.0026

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2016	2015	2016	2015	2016	2015
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit) (Audited)	
US Dollar	45	49	60	30	35.1	36.1
Renminbi	72	81	-	-	5.3	5.5
Ringgit	-	-	3	3	8.7	8.4



(Unaudited but reviewed)

The Company and its subsidiaries had outstanding foreign exchange contracts which maturity date within one year are summarised below.

As at 30 June 2016

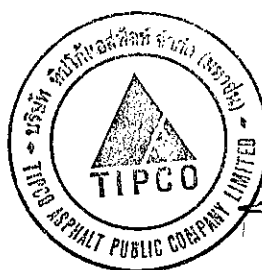
AS at 30 June 2016

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought		
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)	Sold	Bought
					(Baht per 1 foreign currency unit)	
US Dollar	9	8	9	7	35.2 - 35.8	35.0 - 35.8

As at 31 December 2015 (Audited)

As at 31 December 2015 (Audited)						
Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought		
	amount	amount	amount	amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	3	9	3	9	35.6 - 36.2	35.9 - 36.3

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



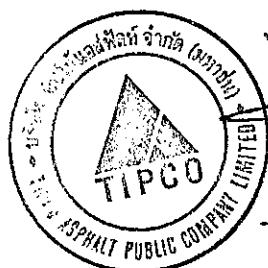
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19. Raw materials and finished goods price risk

The Company and its subsidiaries are exposed to risk from fluctuations in the price of raw materials and finished goods. To manage these risks, the Company and its subsidiaries have entered into forward/future contracts to purchase/sell of raw materials and finished goods, and option contracts to purchase/sell of raw materials and finished goods to hedge the risk from fluctuation in such prices.

As at 30 June 2016 and 31 December 2015, the Company and its subsidiaries had outstanding price hedging contracts which are presented in the statements of financial position at fair value and were summarised below.

		(Unit: Million Baht)			
Contract type	Type of product	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
			(Audited)		(Audited)
<u>Contracts presented as assets</u>					
Bought forward contract	Petroleum product	-	3	-	3
Sold forward contract	Crude oil	-	496	-	496
Sold forward contract	Petroleum product	46	1,146	46	1,146
Two-ways collar option	Petroleum product	-	30	-	30
Four-ways collar option	Crude oil	98	-	98	-
Total price hedging contracts presented as assets		144	1,675	144	1,675
<u>Contracts presented as liabilities</u>					
Bought forward contract	Crude oil	-	298	-	298
Bought forward contract	Petroleum product	-	473	-	473
Sold forward contract	Crude oil	-	7	-	7
Sold forward contract	Petroleum product	29	3	29	3
Sold future contract	Asphalt product	-	1	-	-
Four-ways collar option	Crude oil	15	38	15	38
Total price hedging contracts presented as liabilities		44	820	44	819



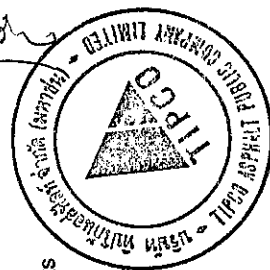
(Unaudited but reviewed)

20. Fair value of financial instruments

As of 30 June 2016 and 31 December 2015, the Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

	Consolidated financial statements							(Unit: Thousand Baht)
	As at 30 June 2016			As at 31 December 2015 (Audited)				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	
Financial assets measured at fair value								
Derivatives								
Forward exchange contracts	-	1,624	-	1,624	-	458	-	458
Price hedging contracts	-	143,720	-	143,720	-	1,674,980	-	1,674,980
Financial liabilities measured at fair value								
Derivatives								
Forward exchange contracts	-	1,165	-	1,165	-	636	-	636
Price hedging contracts	-	44,459	-	44,459	788	819,044	-	819,832
Interest rate swap contracts	-	25,623	-	25,623	-	18,945	-	18,945

Separate financial statements								(Unit: Thousand Baht)
As at 30 June 2016				As at 31 December 2015 (Audited)				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Derivatives								
Forward exchange contracts	-	1,262	-	1,262	-	458	-	458
Price hedging contracts	-	143,720	-	143,720	-	1,674,980	-	1,674,980
Financial liabilities measured at fair value								
Derivatives								
Forward exchange contracts	-	1,125	-	1,125	-	631	-	631
Price hedging contracts	-	44,459	-	44,459	-	819,044	-	819,044
Interest rate swap contracts	-	24,846	-	24,846	-	19,023	-	19,023
								29



(Unaudited but reviewed)

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 8 August 2016.



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