

Tipco Asphalt Public Company Limited and its subsidiaries
Report and consolidated interim financial statements
For the three-month periods ended
31 March 2011 and 2010

Review Report of Independent Auditor

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 31 March 2011, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month periods ended 31 March 2011 and 2010, and the separate financial statements of Tipco Asphalt Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews. I did not review the financial statements of certain overseas subsidiaries and an associate which were included in the consolidated financial statements and whose total assets as at 31 March 2011 amounted to Baht 1,086 million, total revenues for the three-month periods ended 31 March 2011 and 2010 amounted to Baht 138 million and Baht 280 million, respectively, net loss for the three-month period ended 31 March 2011 amounted to Baht 3.1 million and net income for the three-month period ended 31 March 2010 amounted to Baht 1.1 million. Those statements were reviewed by other auditors whose reports have been furnished to me, and my report, insofar as it relates to the amounts included for these subsidiaries and associate, is based solely on the reports of the other auditors.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews and the reports of the other auditors, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Tipco Asphalt Public Company Limited and its subsidiaries and the separate financial statements of Tipco Asphalt Public Company Limited for the year ended 31 December 2010 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements, based on my audit and the reports of the other auditors, under my report dated 14 February 2011. The consolidated and separate statements of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of the above report. In addition, as described in Note 1.4 to the financial statements, during the current quarter, the Company and its subsidiaries adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in their preparation and presentation of the interim financial statements.

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Siraporn Ouakun
Certified Public Accountant (Thailand) No. 3844

Ernst & Young Office Limited
Bangkok: 9 May 2011

Tipco Asphalt Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2011	31 December 2010	31 March 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		251,960	299,920	45,142	20,319
Current investments	3	53,634	52,106	1,341	1,341
Trade accounts receivable					
Related parties	5	168,086	189,762	225,249	115,045
Unrelated parties		2,106,566	1,856,358	1,160,001	991,559
Less: Allowance for doubtful accounts		(84,095)	(97,891)	(72,555)	(69,971)
Trade accounts receivable - net	4	2,190,557	1,948,229	1,312,695	1,036,633
Amounts due from related parties	5	7,466	8,098	613,264	1,010,273
Short-term loans to related parties and accrued interest income	5	-	-	14,144	5,161
Inventories - net	6	2,382,633	3,531,814	280,981	308,696
Other current assets					
Forward exchange contracts	17	4,324	33,191	1,013	1,652
Advance for purchase of goods and services		41,249	62,640	22,854	11,952
Cash paid as securities for import and bidding		41,796	-	-	-
Value added tax refundable		72,094	-	-	-
Others		71,110	67,501	9,163	13,808
Total current assets		5,116,823	6,003,499	2,300,597	2,409,835

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



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Tipco Asphalt Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2011	31 December 2010	31 March 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Non-current assets					
Deposits with financial institutions with restrictions	12	67,971	72,573	-	-
Investments in subsidiaries	7	-	-	4,576,754	4,576,754
Investment in associate	8	27,155	26,729	18,404	18,404
Investment properties	9	273,450	-	68,358	-
Property, plant and equipment - net	10	4,215,733	4,235,614	625,472	691,822
Goodwill	7	146,294	146,294	-	-
Intangible assets					
Computer software - net		9,640	10,489	1,922	1,908
Other non-current assets					
Leasehold rights - net		212,826	212,590	4,501	4,558
Deferred charges - net		-	28,256	-	8,997
Interest rate swap contract	11	1,773	-	1,773	-
Others		13,746	12,567	9,210	8,861
Total non-current assets		4,968,588	4,745,112	5,306,394	5,311,304
Total assets		10,085,411	10,748,611	7,606,991	7,721,139

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



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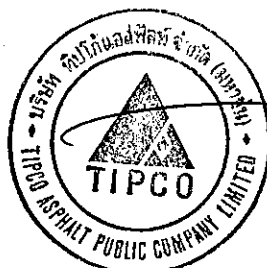
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Tipco Asphalt Public Company Limited and its subsidiaries
Statements of financial position (continued)

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2011	31 December 2010	31 March 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks		1,596,688	2,338,749	568,412	574,542
Trade accounts payable					
Related parties	5	588	902	8,579	168,142
Unrelated parties		724,947	487,180	285,635	168,158
Amounts due to related parties	5	12,763	7,675	9,186	5,037
Short-term loans from related parties and accrued interest payable	5	-	-	9,900	94,467
Current portion of liabilities under finance lease agreements		12,098	10,646	6,102	5,384
Current portion of long-term loans	11	451,639	440,673	213,633	203,633
Corporate income tax payable		62,677	36,846	37,823	18,536
Cash received from former co-venturer		52,293	50,765	-	-
Other current liabilities					
Accrued expenses		108,425	156,275	17,305	60,835
Forward exchange contracts	17	10,436	7,112	463	172
Payables from price hedging contracts	18	31,824	1,349	-	-
Price hedging contracts	18	46,206	143,635	-	-
Advance from customers		53,429	169,418	12,357	12,280
Other payable		67,843	82,148	13,769	16,124
Others		18,431	50,192	12,300	19,470
Total current liabilities		3,250,287	3,983,565	1,195,464	1,346,780
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion		17,641	14,594	7,486	5,393
Long-term loans - net of current portion	11	2,979,772	3,095,328	2,407,267	2,468,175
Interest rate swap contracts	11	9,240	27,113	-	14,510
Provision for long-term employee benefits	1.4	61,090	-	49,767	-
Total non-current liabilities		3,067,743	3,137,035	2,464,520	2,488,078
Total liabilities		6,318,030	7,120,600	3,659,984	3,834,858

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



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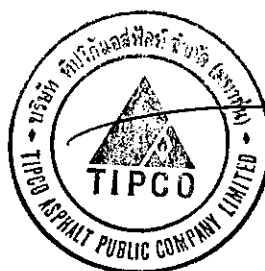
Tipco Asphalt Public Company Limited and its subsidiaries
Statements of financial position (continued)

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2011	31 December 2010	31 March 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	19				
Registered, issued and fully paid					
152,547,663 ordinary shares of Baht 10 each		1,525,477	1,525,477	1,525,477	1,525,477
Premium on share capital		886,091	886,091	886,091	886,091
Retained earnings					
Appropriated - statutory reserve		94,203	94,203	94,203	94,203
Unappropriated		879,761	778,249	1,439,463	1,395,020
Other components of shareholders' equity		(199,246)	(237,871)	1,773	(14,510)
Equity attributable to owners of the Company		3,186,286	3,046,149	3,947,007	3,886,281
Non-controlling interests of the subsidiaries		581,095	581,862	-	-
Total shareholders' equity		3,767,381	3,628,011	3,947,007	3,886,281
Total liabilities and shareholders' equity		10,085,411	10,748,611	7,606,991	7,721,139

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

Directors



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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

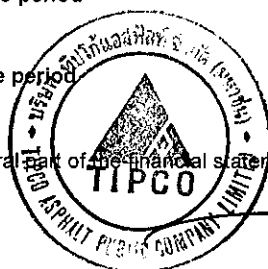
Statements of comprehensive income

For the three-month periods ended 31 March 2011 and 2010

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Revenues					
Sales and service income		4,685,467	6,398,752	1,773,423	2,216,772
Other income					
Dividend income from subsidiary	7	-	-	20,000	-
Gain on exchange	17	6,901	60,518	1,394	3,941
Gain on sales of equipment		18,485	214	12,489	193
Others		16,148	13,117	16,881	15,722
Total revenues		4,727,001	6,472,601	1,824,187	2,236,628
Expenses					
Cost of sales and services		4,230,133	5,934,145	1,586,876	1,984,448
(Gain) loss from price hedging contracts	18	94,210	(184,006)	-	-
Allowance for diminution in value of inventories (reversal)	6	(945)	122,753	(148)	(24)
		4,323,398	5,872,892	1,586,728	1,984,424
Selling expenses		27,428	30,363	12,785	11,486
Administrative expenses		153,541	141,485	76,824	71,261
Other expenses					
Allowance for doubtful accounts (reversal)		(13,863)	939	2,584	(3,588)
Loss from claim under bank guarantee		-	11,185	-	-
Total expenses		4,490,504	6,056,864	1,678,921	2,063,583
Profit before share of loss from investment in associate, finance cost and corporate income tax		236,497	415,737	145,266	173,045
Share of loss from investment in associate	8	(19)	(19)	-	-
Profit before finance cost and corporate income tax		236,478	415,718	145,266	173,045
Finance cost		(53,283)	(64,294)	(33,450)	(25,786)
Profit before corporate income tax		183,195	351,424	111,816	147,259
Corporate income tax	13	(29,644)	(34,200)	(19,614)	(22,797)
Profit for the period		153,551	317,224	92,202	124,462
Other comprehensive income:					
Change in fair value of interest rate swap contract		16,283	(12,975)	16,283	(12,975)
Exchange differences on translation of financial statements in foreign currencies		28,091	(51,354)	-	-
Other comprehensive income for the period		44,374	(64,329)	16,283	(12,975)
Total comprehensive income for the period		197,925	252,895	108,485	111,487

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



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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

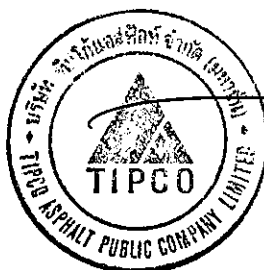
Statements of comprehensive income (continued)


For the three-month periods ended 31 March 2011 and 2010

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

	Consolidated financial statements		Separate financial statements	
Note	2011	2010	2011	2010
Profit attributable to:				
Equity holders of the Company	157,970	316,765	92,202	124,462
Non-controlling interests of the subsidiaries	(4,419)	459		
	<u>153,551</u>	<u>317,224</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	196,595	263,146	108,485	111,487
Non-controlling interests of the subsidiaries	1,330	(10,251)		
	<u>197,925</u>	<u>252,895</u>		
Earnings per share (Baht)	14			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.04</u>	<u>2.08</u>	<u>0.60</u>	<u>0.82</u>

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




D. O. N. N. N.

(Unaudited but reviewed)

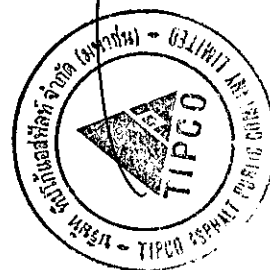
Tipco Asphalt Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity
For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements

Equity attributable to owners of the Company											
Other components of equity											
Other comprehensive income											
Non-controlling interests of subsidiary acquired by the Company											
Exchange differences on translation of financial statements in foreign currencies											
Fair value of interest rate swap contract											
Total other components of shareholders' equity											
Total equity attributable to shareholders of the Company											
Equity attributable to non-controlling interests of the subsidiaries											
Total the shareholders' equity											
Balance as at 31 December 2009 (Audited)	1,525,477	886,091	73,803	(209,016)	6,238	(12,144)	(45,964)	(51,870)	2,224,485	628,712	2,853,197
Total comprehensive income for the period	-	-	-	316,765	-	(12,975)	(51,354)	(64,329)	252,436	(10,251)	242,185
Balance as at 31 March 2010	1,525,477	886,091	73,803	107,749	6,238	(25,119)	(97,318)	(116,199)	2,476,921	618,461	3,095,382
Balance as at 31 December 2010 (Audited)	1,525,477	886,091	94,203	778,249	6,238	(14,510)	(229,599)	(237,871)	3,046,149	581,862	3,628,011
Cumulative effect of change in accounting policy for employee benefits (Note 1.4)	-	-	-	(56,458)	-	-	-	-	(56,458)	(2,097)	(58,555)
Total comprehensive income for the period	-	-	-	157,970	-	16,283	22,342	38,625	196,595	1,330	197,925
Balance as at 31 March 2011	1,525,477	886,091	94,203	879,761	6,238	1,773	(207,257)	(199,246)	3,186,286	581,095	3,767,381

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



D. O'Neil

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

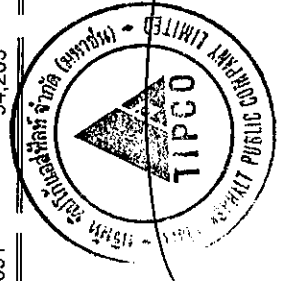
For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

Separate financial statements

	Other component of equity						
	Other						Total shareholders' equity
	comprehensive income			Total other component of shareholders' equity			
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Fair value of interest rate swap contracts	Total other component of shareholders' equity	
			Appropriated - statutory reserve	Unappropriated			
Balance as at 31 December 2009 (Audited)	1,525,477	886,091	73,803	1,010,086	(12,144)	(12,144)	3,483,313
Total comprehensive income for the period	-	-	-	124,462	(12,975)	(12,975)	111,487
Balance as at 31 March 2010	1,525,477	886,091	73,803	1,134,548	(25,119)	(25,119)	3,594,800
Balance as at 31 December 2010 (Audited)	1,525,477	886,091	94,203	1,395,020	(14,510)	(14,510)	3,886,281
Cumulative effect of change in accounting policy for employee benefits (Note 1.4)	-	-	-	(47,759)	-	-	(47,759)
Total comprehensive income for the period	-	-	-	92,202	16,283	16,283	108,485
Balance as at 31 March 2011	1,525,477	886,091	94,203	1,439,463	1,773	1,773	3,947,007

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



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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

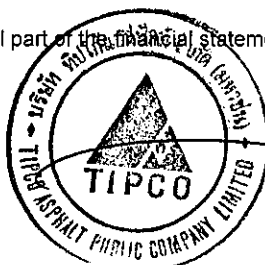
Cash flow statements

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities:				
Net income before tax	183,195	351,424	111,816	147,259
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	100,689	88,468	23,099	21,069
Allowance for doubtful accounts (reversal)	(13,863)	939	2,584	(3,588)
Allowance for diminution in value of inventories (reversal)	(945)	122,753	(148)	(24)
Dividend income from subsidiary	-	-	(20,000)	-
Unrealised (gain) loss on exchange	(5,586)	(3,469)	(1,066)	3,341
Gain on sales of equipment	(18,485)	(214)	(12,489)	(193)
Loss from written-off of equipment	10,909	-	2,047	-
Impairment loss of land	1,183	-	1,183	-
Loss from claim under bank guarantee	-	11,185	-	-
Share of loss from investment in associate	19	19	-	-
Provision for long-term employee benefits	2,534	-	2,009	-
Unrealised (gain) loss on forward exchange contracts	32,191	(33,536)	930	1,093
Payables (receivables) from price hedging contracts	31,824	(48,513)	-	-
Change in fair value of price hedging contracts	(97,430)	(17,545)	-	-
Change in fair value of interest rate swap contract recognised in income statement	(3,363)	(7,138)	-	-
Interest expenses	48,851	65,604	32,803	23,225
Income from operating activities before changes in operating assets and liabilities	271,723	529,977	142,768	192,182
(Increase) decrease in operating assets				
Trade accounts receivable	(226,649)	(800,305)	(277,549)	(368,540)
Amounts due from related parties	496	(2,678)	(1,645)	1,969
Inventories	1,150,126	(251,992)	27,863	(77,417)
Other current assets	(108,235)	(48,461)	(13,385)	(12,922)
Other non-current assets	(1,543)	382	(217)	502
Increase (decrease) in operating liabilities				
Trade accounts payable	242,976	2,744,711	(37,833)	1,654,049
Other current liabilities	(196,626)	(271,424)	(52,773)	(9,465)
Cash flows from (used in) operating activities	1,132,268	1,900,210	(212,771)	1,380,358
Cash paid for interest expenses	(46,557)	(53,344)	(33,009)	(27,775)
Cash paid for corporate income tax	(8,524)	(2,332)	(326)	(561)
Net cash flows from (used in) operating activities	1,077,187	1,844,534	(246,106)	1,352,022

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



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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

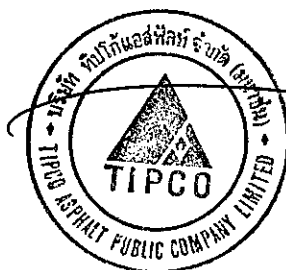
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from investing activities:				
(Increase) decrease in restricted bank deposits	2,864	(59,009)	-	-
Decrease in amounts due from related parties	-	-	398,517	478,685
Dividend income from subsidiary	-	-	20,000	-
(Increase) decrease in short-term loans to related parties and accrued interest income	-	-	(8,983)	15,203
Acquisition of equipment	(322,685)	(38,163)	(12,633)	(2,527)
Acquisition of computer software	(306)	(138)	(306)	(138)
Proceeds from sales of equipment	22,591	2,271	16,501	2,250
Net cash flows from (used in) investing activities	(297,536)	(95,039)	413,096	493,473
Cash flows from financing activities:				
Decrease in short-term loans from banks	(744,354)	(1,634,541)	(6,131)	(1,780,739)
Increase (decrease) in short-term loan from related party and accrued interest payable	-	-	(84,567)	995
Cash paid under finance lease agreements	(1,979)	(3,346)	(561)	(1,954)
Cash receipt from long-term loan	6,809	-	-	-
Repayment of long-term loans	(110,410)	(68,469)	(50,908)	(59,469)
Net cash used in financing activities	(849,934)	(1,706,356)	(142,167)	(1,841,167)
Translation adjustments	22,323	(9,685)	-	-
Net increase (decrease) in cash and cash equivalents	(47,960)	33,454	24,823	4,328
Cash and cash equivalents at beginning of period	299,920	107,478	20,319	19,746
Cash and cash equivalents at end of period	251,960	140,932	45,142	24,074

Supplemental cash flows information

Non-cash transactions:

Acquisition of assets through finance lease agreements	3,840	792	3,240	-
Purchase of equipment for which cash has not been paid	9,551	52,337	-	-

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



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Tipco Asphalt Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month period ended 31 March 2011 and 2010

1. General information

1.1 Corporate information

Tipco Asphalt Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The major shareholders of the Company are Supsakorn family and Colas Group, incorporated in France. The Company is principally engaged in the manufacture and distribution of asphalt and petroleum oil products, and its registered address is 118/1 Rama 6 Road, Samsen-nai Sub district, Phayathai District, Bangkok.

1.2 Basis for the preparation of interim financial statements

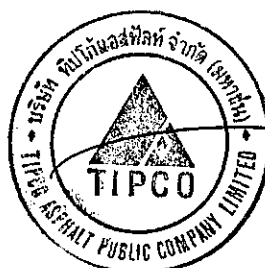
These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive 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 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 2010.




D. Onnir

1.4 Application of new accounting standards during the period

During the current quarter, the Company and its subsidiaries adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.


Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources




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Post-employment benefits (Defined benefit plans) and other long-term employee benefits

The Company and its local subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, and mortality rate.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability through an adjustment to the beginning balance of retained earnings in the current quarter.

Investment properties

Investment properties are measured at cost less accumulated depreciation and allowance for impairment loss.

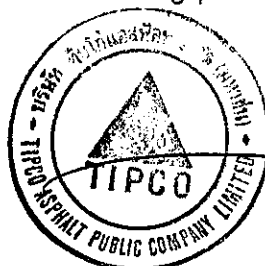
Depreciation of land improvement is calculated by reference to its cost on the straight-line basis over the estimated useful life of 20 years. No depreciation is provided for land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

Change of estimations

Residual value of vessels and trucks

During the current quarter, the Company and its subsidiaries have changed the residual value of their vessels and trucks using the prospective basis. The change has an effect of increasing the profit of the Company and its subsidiaries for the three-months period ended 31 March 2011 by Baht 2.7 million, or 0.02 Baht per share (Separate financial statements: increasing profit by Baht 1.5 million, or 0.01 Baht per share).



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2. New accounting standards issued during the period not yet effective

During the current quarter, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

- | | |
|--------|---|
| SIC 10 | Government Assistance - No Specific Relation to Operating Activities |
| SIC 21 | Income Taxes - Recovery of Revalued Non-Depreciable Assets |
| SIC 25 | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders |

3. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
Current portion of investment in debt security	1,341	1,341	1,341	1,341
Bank deposits - cash received from Aras	52,293	50,765	-	-
Total current investments	53,634	52,106	1,341	1,341

4. Trade accounts receivable

The balances of trade accounts receivable as at 31 March 2011 and 31 December 2010 are aged on the basis of due date, are summarised below:

	(Unit: Thousand Baht)			
Age of receivables	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	(Audited)		(Audited)	
<u>Trade accounts receivable - related parties</u>				
Not yet due	140,757	173,940	175,084	70,165
Past due				
Up to 3 months	24,886	15,150	49,621	41,409
3 - 6 months	2,442	672	543	3,471
6 - 9 months	1	-	1	-
Total	168,086	189,762	225,249	115,045



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(Unaudited but reviewed)


Age of receivables	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010 (Audited)	31 March 2011	31 December 2010 (Audited)
Trade accounts receivable - unrelated parties				
Not yet due	1,533,555	1,224,756	892,397	752,692
Past due				
Up to 3 months	231,016	321,916	80,188	78,286
3 - 6 months	156,959	139,912	54,157	51,660
6 - 9 months	51,531	46,718	30,247	25,817
9 - 12 months	29,613	21,929	17,840	14,422
Over 12 months	103,892	101,127	85,172	68,682
Total	2,106,566	1,856,358	1,160,001	991,559
Total trade accounts receivable	2,274,652	2,046,120	1,385,250	1,106,604
Less: Allowance for doubtful accounts	(84,095)	(97,891)	(72,555)	(69,971)
Trade accounts receivable - net	2,190,557	1,948,229	1,312,695	1,036,633

5. 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 between the Company and its subsidiaries and those related parties.

(Unit : Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	156.5	273.7	Cost plus certain margin
Margin on sales of raw materials	-	-	-	2.0	Contract price
Rental and service income	-	-	4.2	5.0	Contract price
Technical assistance fee income	-	-	4.5	4.5	Contract price
Loans to (weighted average balance of loans outstanding during the period)	-	-	7.6	77.9	
Interest income	-	-	-	0.9	4.5 and 5.0 percent per annum
Dividend income	-	-	20.0	-	
Purchase of goods	-	-	204.0	707.9	Cost plus certain margin
Rental and service expenses	-	-	12.0	14.7	Contract price





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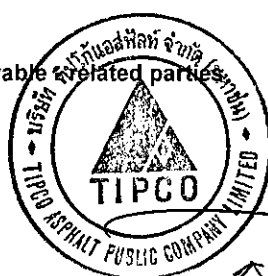
(Unit : Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with related companies</u>					
Sales and services	406.6	647.7	74.5	150.0	Market price/Contract price
Rental and service income	1.5	0.4	0.7	0.4	Contract price
Rental and service expenses	18.0	13.8	12.6	10.7	Contract price
Technical assistance fee					
expenses	9.0	10.6	4.8	6.5	Contract price

The balances of the accounts as at 31 March 2011 and 31 December 2010 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiaries</u>				
Surat Bitumen Co., Ltd.	-	-	52,475	-
Thai Bitumen Co., Ltd.	-	-	35,107	9,138
Alpha Maritime Co., Ltd.	-	-	2,777	2,099
Bitumen Marine Co., Ltd.	-	-	-	1,359
Raycol Asphalt Co., Ltd.	-	-	7,966	-
Tipco Asphalt (Cambodia) Co., Ltd.	-	-	66,601	60,500
<u>Related companies</u>				
Thai Slurry Seal Co., Ltd.	46,058	19,749	5,769	3,060
Thai Crushing Plant Co., Ltd.	8,058	7,635	8,059	7,635
Thanomwongse Service Co., Ltd.	37,094	22,547	37,094	22,547
Tipco Foods (Thailand) Public Company Limited	5,225	1,506	5,225	1,505
Highway Resources Pte. Ltd.	95	15,399	-	-
Colas S.A.	67,136	-	-	-
Hindustan Colas Ltd.	-	2,422	-	2,422
Sami Bitumen Technologies Pty. Ltd.	3,822	4,779	3,822	4,779
Sami Bitumen Technologies (QLD) Pty. Ltd.	-	115,304	-	-
Others	598	421	354	1
Total trade accounts receivable related parties	168,086	189,762	225,249	115,045

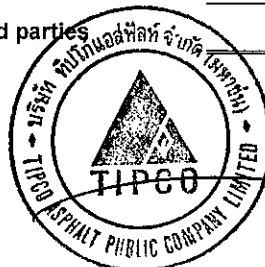


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(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
<u>Amounts due from related parties</u>				
<u>Subsidiaries</u>				
Surat Bitumen Co., Ltd.	-	-	1,670	243
Thai Bitumen Co., Ltd.	-	-	595,464	993,337
Raycol Asphalt Co., Ltd.	-	-	1,553	379
Tasco International (Hong Kong) Ltd.	-	-	2,074	2,883
Kemaman Oil Corporation Sdn Bhd	-	-	1,769	1,772
Kemaman Bitumen Company Sdn Bhd	-	-	2,585	2,404
Others	-	-	1,664	2,137
<u>Related companies</u>				
Thanomwongse Service Co., Ltd.	7,196	7,255	6,215	6,275
Others	270	843	270	843
Total amounts due from related parties	7,466	8,098	613,264	1,010,273
<u>Short-term loans to related parties and accrued interest income</u>				
<u>Short-term loans to related parties</u>				
<u>Subsidiaries</u>				
Delta Shipping Co., Ltd.	-	-	2,500	-
Alpha Maritime Co., Ltd.	-	-	6,000	-
Tasco Shipping Co., Ltd.	-	-	450	-
Kemaman Oil Corporation Sdn Bhd	-	-	5,187	5,161
	-	-	14,137	5,161
<u>Accrued interest income from related parties</u>				
<u>Subsidiaries</u>				
	-	-	7	-
Total short-term loans to related parties and accrued interest income	-	-	14,144	5,161
<u>Trade accounts payable - related parties</u>				
<u>Subsidiaries</u>				
Surat Bitumen Co., Ltd.	-	-	433	1,539
Thai Bitumen Co., Ltd.	-	-	-	162,526
Bitumen Marine Co., Ltd.	-	-	4,864	408
Others	-	-	2,808	3,178
Related companies	588	902	474	491
Total trade accounts payable - related parties	588	902	8,579	168,142



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(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
<u>Amounts due to related parties</u>				
<u>Subsidiaries</u>	-	-	964	930
<u>Related companies</u>				
Thanomwongse Service Co., Ltd.	2,706	2,487	2,338	2,169
Tipco F&B Co., Ltd.	3	1,004	-	873
AB1 Shipping Pte. Ltd.	-	1,559	-	-
AD Shipping Pte. Ltd.	-	1,560	-	-
Colas S.A.	10,054	1,065	5,884	1,065
Total amounts due to related parties	12,763	7,675	9,186	5,037

Short- term loans from related parties and accrued interest payable

Short-term loans from related parties

Subsidiary

Tipco Maritime Co., Ltd.	-	-	9,800	16,300
Delta Shipping Co., Ltd.	-	-	-	1,000
Tasco Shipping Co., Ltd.	-	-	-	77,000
	-	-	9,800	94,300

Accrued interest payable to related parties

Subsidiaries

Total short-term loans from related parties and

accrued interest payable

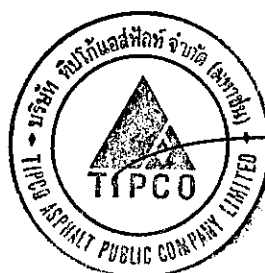
-	-	100	167
-	-	9,900	94,467



Management's remunerations

During the three-month period ended 31 March 2011, the Company and its subsidiaries had employee benefits of their directors and management recognised as expenses totaling Baht 21.8 million (Separate financial statements: Baht 18.6 million).

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 12 to the financial statements.



6. Inventories

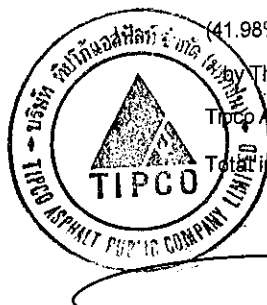
Movements in the allowance for diminution in value of inventories during the three-month period ended 31 March 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2010 (Audited)	3,280	1,673
Allowance reversed during the period	(945)	(148)
Balance as at 31 March 2011	<u>2,335</u>	<u>1,525</u>

7. Investments in subsidiaries

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

(Unit: Thousand Baht)					
Company's name	Shareholding percentage	Investment cost of		Dividend received	
		the Company		during the period by	
				the Company	
	(%)	31 March	31 December		
		2011	2010	2011	2010
		(Audited)			
<u>Local subsidiaries</u>					
Surat Bitumen Co., Ltd.	99.99	99,999	99,999	20,000	-
Raycol Asphalt Co., Ltd.	41.44	193,200	193,200	-	-
Thai Bitumen Co., Ltd.	99.99	2,299,918	2,299,918	-	-
Less: Provision for impairment loss of investment		(60,775)	(60,775)	-	-
Tipco Maritime Co., Ltd.	99.97	1,999	1,999	-	-
Alpha Maritime Co., Ltd.	99.93	999	999	-	-
Bitumen Marine Co., Ltd.	99.99	149,999	149,999	-	-
Delta Shipping Co., Ltd.	99.99	79,999	79,999	-	-
Tasco Shipping Co., Ltd.	99.99	159,999	159,999	-	-
<u>Overseas subsidiaries</u>					
Tasco International (Hong Kong) Ltd.	100.00	130,006	130,006	-	-
Add: Additional investment cost from the acquisition of subsidiary under common control		115,849	115,849		
Kemaman Oil Corporation Sdn Bhd (KOC) (11.68% owned by the Company and 53.58% owned by Thai Bitumen Co., Ltd.)	65.26	173,678	173,678	-	-
Kemaman Bitumen Company Sdn Bhd (KBC) (41.98% owned by the Company, 11.82% owned by Thai Bitumen Co., Ltd. And 44.80% owned by KOC)	83.03	1,231,719	1,231,719	-	-
Tipco Asphalt (Cambodia) Co., Ltd.	100.00	165	165	-	-
Total investments in subsidiaries		4,576,754	4,576,754	20,000	



On 13 December 2010, the Board of Directors approved the entire business transfer of Surat Bitumen Company Limited to Thai Bitumen Company Limited. The entire business transfer effective on 1 April 2011.

Currently, the Appeal Court in Malaysia is during the consideration of the petition filed by Aras Jalinan Sdn Bhd regarding the convention of the extraordinary general meeting of KOC. The management of the Company and Thai Bitumen believe that the outcome of the Appeal Court, of which the result has yet been reached, will not affect the value of the investments and the equity interests of the Company and Thai Bitumen in KOC and KBC.

As at the dates of the statement of financial position, the values of the Company's investment costs in Thai Bitumen, KOC and KBC accounted for under the cost method in the separate financial statements were higher than the Company's attributable net worth in these subsidiaries. The Company believes that the recoverable benefits from these investments will exceed their costs. Therefore no allowance for impairment is made in the accounts.

8. Investment in associate

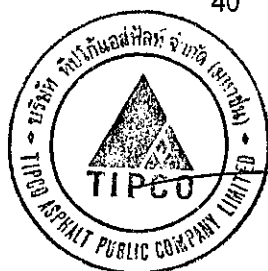
8.1 Details of associate:

(Unit: Thousand Baht)

Consolidated financial statements					
Company's name	Shareholding percentage (%)	Cost		Carrying amounts based on equity method	
		31 March 2011	31 December 2010	31 March 2011	31 December 2010
			(Audited)		(Audited)
Colasie Co., Ltd. (Registered under the law of France)	40	18,404	18,404	27,155	26,729

(Unit: Thousand Baht)

Separate financial statements					
Company's name	Shareholding percentage (%)	Cost		Carrying amounts based on cost method	
		31 March 2011	31 December 2010	31 March 2011	31 December 2010
			(Audited)		(Audited)
Colasie Co., Ltd.	40	18,404	18,404	18,404	18,404



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8.2 Share of income/loss and dividend received:

Company's name	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of loss from investment in associate for the three-month periods ended 31 March		Dividend received for the three-month periods ended 31 March	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Colasie Co., Ltd.	19	19	-	-
Total	19	19	-	-

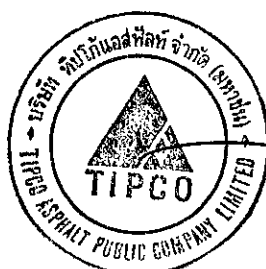
9. Investment properties

To comply with TAS 40 (revised 2009) Investment Property, during the current quarter, the Company presented its land and land improvement rented to a subsidiary and another subsidiary presented its land not being used in operation with a net value of Baht 68.4 million and Baht 273.5 million, respectively, as investment properties in the statements of financial position. These assets are previously presented as part of property, plant and equipment (Note 10).

10. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2011 are summarised below.

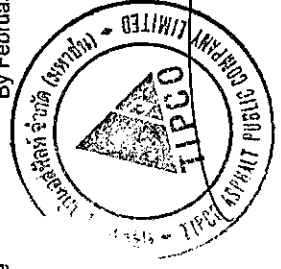
	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2010 (Audited)	4,235,614	691,822
Acquisitions during period – at cost	309,703	15,873
Transfer from deferred expenses for vessel repair	28,256	8,997
Disposals during period – net book value at disposal date	(15,015)	(6,059)
Transfer to investment properties (Note 9)	(273,450)	(68,491)
Depreciation for the period	(80,856)	(15,487)
Impairment loss of land	(1,183)	(1,183)
Exchange differences on translation of financial statements in foreign currencies	12,664	-
Net book value as at 31 March 2011	4,215,733	625,472



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11. Long-term loans

Loan	Loaner	Lender	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements		(Unit: Thousand Baht)
					31 March 2011	31 December 2010	31 March 2011	31 December 2010	
(Audited)									
Long-term loans in Baht									
(1)	The Company	Local bank	Fixed rate	Monthly installments of Baht 0.3 million each, commencing April 2009 to March 2014	10,900	11,808	10,900	11,808	
(2)	The Company	Local bank	Rate referenced to THBFX	Quarterly installments of Baht 200 million for 2011 and Baht 240 million for 2012 to 2015	1,110,000	1,160,000	1,110,000	1,160,000	
(3)	The Company	Local bank	Fixed rate for the first two years and for the third to the eighth years at a rate referenced to Minimum Loan Rate	Quarterly installments, as stipulated in the agreement, commencing June 2012	1,500,000	1,500,000	1,500,000	1,500,000	
(4)	Bitumen Marine Company Limited	Local bank	Rate referenced to THBFX	Quarterly installments of Baht 9.2 million each, commencing December 2010 to September 2013	91,660	100,830	-	-	
Long-term loans in Yen									
(5)	Tasco Shipping Company Limited	Local bank	Rate referenced to Japanese Yen LIBOR, as stipulated in the agreements	As stipulated in the agreements	258,546	261,953	-	-	
Long-term loans in USD									
(6)	Kemaman Bitumen Company Sdn Bhd	Bank in Malaysia	Rate referenced to Lender's Cost of Funds	Quarterly installments of USD 2.08 million each, commencing September 2010 to June 2013	453,496	501,410	-	-	
Long-term loan in Renminbi									
(7)	Zhenjiang Tipco Asphalt Company Limited	A shareholder of the lender	No interest rate	By February 2013	6,809	-	-	-	
Total					3,431,411	3,536,001	2,620,900	2,671,808	
Less: Current portion					(451,639)	(440,673)	(213,633)	(203,633)	
Long-term loans - net of current portion					2,979,772	3,095,328	2,407,267	2,468,175	



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Loan covenants

The Company's loan agreements contain certain restrictive covenants pertaining to, among others things, the maintenance of financial ratios, the prohibition on the Company creating lien over its property, plant and equipment, the loan to related parties, the maintenance of trade accounts receivable and inventory balance, the maintenance of shareholders and the limitation on creation of additional long-term debt. The loan agreements of subsidiaries contain certain restrictive covenants pertaining to, among other things, the maintenance of financial ratios.

Long-term loan securities

Please refer to Note 12 to the financial statements.

Interest rate swap agreements

In May 2009, the Company entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan from a local bank to a fixed rate interest at 4.365 percent per annum. As at 31 March 2011, the notional amount of Baht 1,110.0 million (31 December 2010: Baht 1,160.0 million) was outstanding. The notional amount reduces on a quarterly basis in accordance with the long-term loan repayment schedule of the Company in (2) and maturing in November 2015.

As at 31 March 2011, Kemaman Bitumen Company Sdn Bhd had outstanding interest rate swap agreement amounting to USD 10.0 million (31 December 2010: USD 16.6 million). The agreement swaps a floating interest rate with reference to LIBOR interest rate to a fixed interest rate at 5.5 percent per annum. Payment is to be made on a monthly basis, and the agreement expires in June 2012.

Movements in the long-term loans account during the three-month period ended 31 March 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2010 (Audited)	3,536,001	2,671,808
Additions	6,809	-
Repayments	(110,410)	(50,908)
Unrealised gain on exchange	(3,407)	-
Exchange differences on translation of financial statements in foreign currencies	2,418	-
Balance as at 31 March 2011	3,431,411	2,620,900



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In May 2011, Kemaman Bitumen Company Sdn Bhd entered into a long-term loan agreement with a local Malaysian bank to obtain a loan facility of USD 38.6 million, to refinance its existing loans and for acquisition of property, plant and equipment. USD 16.6 million of the loan is repayable in quarterly installments of USD 0.83 million each, commencing after the sixth month from the drawdown date, while USD 22.0 million is repayable in quarterly installments of USD 1.10 million each, commencing after the eighteenth months from the drawdown date. The loan is subject to interest at the rate referenced to the lender's cost of funds. The loan agreement contains certain restrictive covenants pertaining to, among others things, the maintenance of financial ratios, restrictions on dividend payment and the maintenance of shareholdings. The loan is secured by a guarantee by the Company and the pledge/mortgage of the subsidiary's assets. However, the loan drawdown is subject to the compilation of precedent conditions as stipulated in the loan agreement.

12. Credit facilities

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

- The guarantees by the Company and subsidiaries.
- The pledges/mortgages by the assets of subsidiaries of which the net book value as at 31 March 2011 and 31 December 2010 of the assets are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	
	31 March 2011	31 December 2010
		(Audited)
<u>Assets of the borrower subsidiary</u>		
Deposits with financial institutions with restrictions	68	73
Trade accounts receivable - net	51	147
Inventories - net	166	183
Other current assets	72	70
Leasehold rights - net	197	197
Property, plant and equipment - net	2,689	2,706
Computer software - net	8	8
<u>Assets of the guarantor subsidiary</u>		
Vessel	389	393



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- c) The prohibition from creating lien over the Company's property, plant and equipment under conditions of the Company's long-term long agreements.
- d) Financial support for the Company's subsidiaries provided by the Company 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 drawn down by the subsidiaries.

13. Corporate income tax

Interim corporate income tax was calculated on net income before income tax from non-promoted operations for the period after adding back expenses which are disallowable and deducting income which are exempted for tax computation purposes, using the estimated effective tax rate for the year.

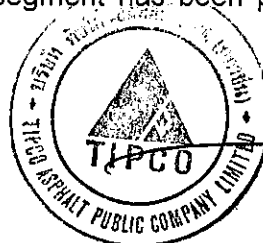
14. Earnings per share

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, as follows:

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	Financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the period (Thousand Baht)	157,970	316,765	92,202	124,462
Weighted average number of ordinary shares				
(Thousand shares)	152,548	152,548	152,548	152,548
Earnings per share (Baht per share)	1.04	2.08	0.60	0.82

15. Segment information

The Company and its subsidiaries' business operations involve three principal segments: (1) manufacture and distribution of asphalt and petroleum oil products (2) marine transportation (3) investment and others. The business operations are carried on both in Thailand and overseas. However, the Company and its subsidiaries did not have significant business transactions during the three-month period ended 31 March 2011 and 2010, and did not have significant outstanding balances relating to the marine transportation and investment and other business segments. Therefore financial information by segment has been presented only by geographic area, as follows:



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(Unaudited but reviewed)

(Unit: Million Baht)

	Thailand		Overseas		Elimination of inter-segment revenues		Consolidation	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	4,339	5,726	346	673	-	-	4,685	6,399
Inter segment revenues	564	635	86	229	(650)	(864)	-	-
Total revenues	4,903	6,361	432	902	(650)	(864)	4,685	6,399
Segment operating income (loss)	206	304	(76)	19	28	(6)	158	317

Transfer prices between business segments are as set out in Note 5 to the financial statements.

16. Commitments and contingent liabilities

16.1 Capital commitments

As at 31 March 2011, the Company's subsidiaries had outstanding capital commitments totaling approximately Ringgit 6.4 million, USD 2.7 million and Yen 1,090 million (31 December 2010: Ringgit 5.9 million and Yen 1,090 million) relating to and the purchase of machinery and equipment, and vessels.


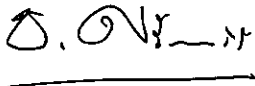
16.2 Operating lease commitments

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

Future minimum rental and service fees payable under these as at 31 March 2011 were as follow:

	Consolidated		Separate
	financial statements		financial statements
	Million Baht	Million Ringgit	Million Baht
Payable within:			
1 year	45.2	1.3	30.8
2-5 years	22.2	0.8	14.2



16.3 Long-term service commitments

- (1) Service agreements with Colas S.A. to receive management and marketing services and advice on methods and systems of management and technical assistance in the manufacture of Asphalt Emulsion and Modified Asphalt:

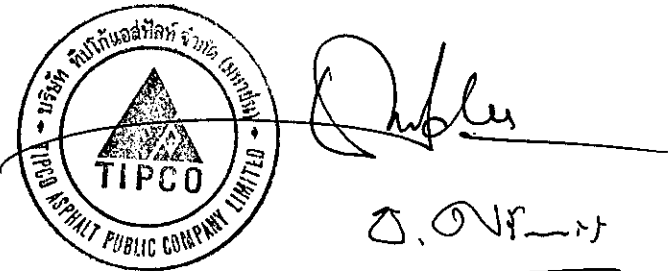
<u>Counterparty</u>	<u>Agreement term</u>	<u>Expiry date</u>	<u>Fee</u>
The Company	3 years	31 December 2011	Annual lump sum administrative fee of Euro 130,000 plus a technical assistance fee equivalent to 0.75 percent of the consolidated revenues of the Company generated from the stipulated products
A subsidiary	5 years	2 October 2012	Annual fee of at least Baht 8 million

- (2) Consultancy Agreement for procurement of crude oil:

On 1 March 2007, a subsidiary entered into the Consultancy Agreement with an overseas company for procurement of crude oil. Under the agreement, which is for a period of six years, the subsidiary agrees to pay a monthly retainer and consultant fees at the rates stipulated in the agreement. These rates depend upon the performance of the consultant. The maximum amount payable in the future stipulated in the agreement as at the dates of the statements of financial position was USD 2.5 million.

16.4 Bank guarantees

As at 31 March 2011, there were outstanding bank guarantees of approximately Baht 5.1 million and Ringgit 2.6 million (Separate financial statements: Baht 2.3 million and Ringgit 1.4 million) 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.



17. Foreign currency risk

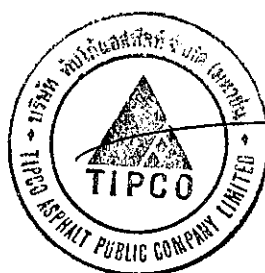
The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies as at 31 March 2011 are summarised below.

Foreign currency	Consolidated		Separate		Average exchange rate as at 31 March 2011 (Baht per 1 foreign currency unit)
	financial statements		financial statements		
	Financial assets (Million)	Financial liabilities (Million)	Financial assets (Million)	Financial liabilities (Million)	
US Dollar	15.4	16.0	5.7	4.0	30.3
Renminbi	0.5	-	0.5	-	4.6
Yen	0.1	704.4	-	0.2	0.4

Foreign exchange contracts of the Company and its subsidiaries outstanding at 31 March 2011 are summarised below.

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Contracts to sell (Million)	Contracts to buy (Million)	Contracts to sell (Million)	Contracts to buy (Million)	Sell (Baht per 1 foreign currency unit)	Buy (Baht per 1 foreign currency unit)
US Dollar	58.2	10.6	4.3	3.5	29.7 to 31.2	30.2 to 30.8
Yen	-	1.3	-	0.2	-	0.4
GBP	-	0.2	-	-	-	47.0 to 47.1

However, the Company and its subsidiaries are exposed to foreign exchange risk on their investments in overseas subsidiaries and associate. These investments are currently not hedged by derivative financial instruments.



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18. Price hedging contracts

A subsidiary is exposed to risk from fluctuations in the price of raw materials and finished goods. To manage these risks, the subsidiary has entered into price hedging contracts with banks to hedge the risk from fluctuation in such prices.

As at 31 March 2011 and 31 December 2010, the subsidiary had outstanding price hedging contracts which are presented in the statements of financial position at fair value and are summarised below.

	(Unit: Million Baht)	
	31 March 2011	31 December 2010
<u>Contracts presented as liabilities</u>		
Contracts to sell raw materials	44.0	132.1
Contracts to sell finished goods	2.2	11.5
Total price hedging contracts presented as liabilities	46.2	143.6

19. Subsequent events

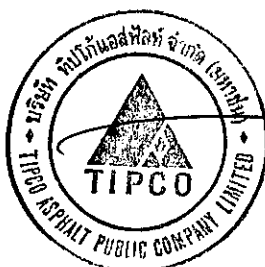
The Annual General Meeting of the shareholders held on 5 April 2011 approved the following resolutions.

Warrants

- 1) Issue warrants to purchase new ordinary shares of the Company (TASCO-W3) without charge to the Company's shareholders, at a rate of 10 existing ordinary shares for 1 TASCO-W3 warrant. Each TASCO-W3 can be exercised to purchase 1 new ordinary share at the following exercise prices:

<u>Exercise month (from date of issuance)</u>	<u>Exercise price (Baht per share)</u>
Months 1 to 12	62.19
Months 13 to 18	63.74
Months 19 to 24	65.30
Months 25 to 30	66.85
Months 31 to 36	68.41

The holders of TASCO-W3 are able to exercise their rights to purchase the Company's ordinary shares from the last business day of the month in which such warrants are issued. TASCO-W3 warrants have a term of 3 years.



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- 2) Issue warrants to purchase new ordinary shares of the Company without charge to the executive directors and/or employees of the Company and subsidiaries (ESOP-W1). Each ESOP-W1 warrant can be exercised to purchase 1 new ordinary share at an exercise price of Baht 62.19 per share.

The holders of ESOP-W1 are able to exercise their rights to purchase the Company's ordinary shares after the second year, counting from the warrant issue date, and the holders of the warrants must still be executive directors and/or employees of the Company or its subsidiaries on the date the warrants are exercised. ESOP-W1 warrants have a term of 5 years.

The exercise prices are subject to change according the conditions of any rights adjustment.

On 18 April 2011, which was the date that the warrants were issued, the Company allocated 15,254,321 units of TASCO-W3 to the shareholders and 1,088,100 units of ESOP-W1 to executive directors and/or employees of the Company and subsidiaries. There are 112,345 unallocated warrants which the Company plans to cancel later.

The Stock Exchange of Thailand approved the listing of TASCO-W3 warrants, and the warrants began trading on 6 May 2011.

Increase of share capital

- 1) Increase the Company's registered capital by Baht 164,547,660, from Baht 1,525,476,630 (152,547,663 ordinary shares of Baht 10 each) to Baht 1,690,024,290 (169,002,429 ordinary shares of Baht 10 each), through the issue of 16,454,766 new ordinary shares of Baht 10 each.
- 2) Allocate and reserve the 16,454,766 new ordinary shares of Baht 10 each, a total of Baht 164,547,660, to support the exercise of the warrants, with 15,254,766 shares supporting the exercise of the TASCO-W3 warrants and 1,200,000 shares supporting the exercise of the ESOP-W1 warrants.

The Company registered the capital increase on 22 April 2011.

20. Approval of financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 9 May 2011.

