

Tipco Asphalt Public Company Limited and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month and six-month periods  
ended 30 June 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 30 June 2011, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 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 interim financial statements of certain overseas subsidiaries which were included in the consolidated financial statements and whose total assets as at 30 June 2011 amounted to Baht 1,176 million, total revenues for the three-month and six-month periods ended 30 June 2011 amounted to Baht 425 million and Baht 563 million, respectively, (2010: Baht 221 million and Baht 501 million, respectively) and net income for the three-month and six-month periods ended 30 June 2011 amounted to Baht 4 million and Baht 1 million, respectively (2010: Baht 21million and Baht 22 million, respectively). 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, 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 report. In addition, as described in Note 1.4 to the financial statements, since the first quarter of 2011, the Company and its subsidiaries has adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and has applied them in their preparation and presentation of the interim financial statements.

A handwritten signature in black ink, appearing to read 'Siraporn' followed by a stylized surname.

Siraporn Ouuanunkun  
Certified Public Accountant (Thailand) No. 3844

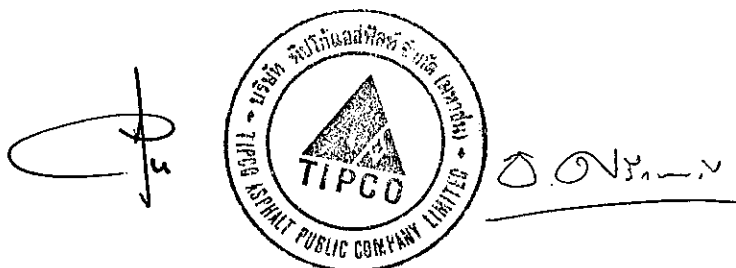
Ernst & Young Office Limited  
Bangkok: 8 August 2011

**Tipco Asphalt Public Company Limited and its subsidiaries**  
**Statements of financial position**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		290,760	299,920	81,386	20,319
Current investments	3	53,318	52,106	-	1,341
Trade accounts receivable					
Related parties	5	132,807	189,762	268,640	115,045
Unrelated parties		2,206,637	1,856,358	1,087,806	991,559
Less: Allowance for doubtful accounts		(90,904)	(97,891)	(76,244)	(69,971)
Trade accounts receivable - net	4	2,248,540	1,948,229	1,280,202	1,036,633
Amounts due from related parties	5	12,330	8,098	2,673,114	1,010,273
Short-term loans to related parties and accrued interest income	5	-	-	14,895	5,161
Inventories - net	6	6,874,008	3,531,814	524,559	308,696
Other current assets					
Forward exchange contracts	19	1,641	33,191	108	1,652
Price hedging contracts	20	34,551	-	-	-
Advance for purchase of goods and services		31,679	62,640	7,595	11,952
Value added tax refundable		111,822	-	14,956	-
Others		65,868	67,501	9,363	13,808
<b>Total current assets</b>		<b>9,724,517</b>	<b>6,003,499</b>	<b>4,606,178</b>	<b>2,409,835</b>

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

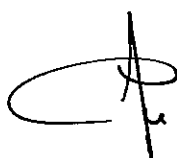
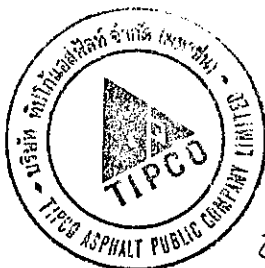
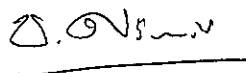


**Tipco Asphalt Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Non-current assets</b>					
Deposits with financial institutions with restrictions	11	70,353	72,573	-	-
Investments in subsidiaries	7	-	-	4,626,152	4,576,754
Investment in associate		22,200	26,729	18,404	18,404
Investment properties	8	273,450	-	68,220	-
Property, plant and equipment - net	9	4,342,763	4,235,614	622,396	691,822
Goodwill	7	146,294	146,294	-	-
Intangible assets					
Computer software - net		9,586	10,489	2,678	1,908
Other non-current assets					
Leasehold rights - net		215,254	212,590	4,444	4,558
Deferred charges - net		-	28,256	-	8,997
Interest rate swap contract	10	3,728	-	3,728	-
Others		13,528	12,567	9,008	8,861
<b>Total non-current assets</b>		<b>5,097,156</b>	<b>4,745,112</b>	<b>5,355,030</b>	<b>5,311,304</b>
<b>Total assets</b>		<b>14,821,673</b>	<b>10,748,611</b>	<b>9,961,208</b>	<b>7,721,139</b>

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

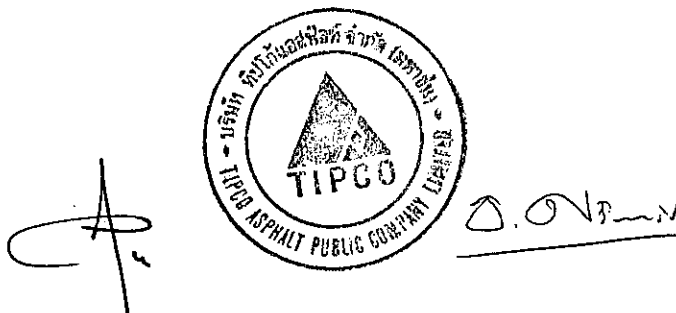




**Tipco Asphalt Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks		4,466,224	2,338,749	2,820,034	574,542
Trade accounts payable					
Related parties	5	919	902	88,475	168,142
Unrelated parties		2,236,148	487,180	238,311	168,158
Amounts due to related parties	5	23,865	7,675	14,653	5,037
Short-term loans from related parties and accrued interest payable	5	-	-	11,018	94,467
Current portion of liabilities under finance lease agreements		11,887	10,646	6,102	5,384
Current portion of long-term loans	10	336,874	440,673	223,633	203,633
Corporate income tax payable		56,690	36,846	34,103	18,536
Cash received from former co-venturer	7	53,318	50,765	-	-
Other current liabilities					
Accrued expenses		164,839	156,275	29,090	60,835
Forward exchange contracts	19	17,184	7,112	1,556	172
Payables from price hedging contracts	20	78,588	1,349	-	-
Price hedging contracts	20	74,944	143,635	-	-
Advance from customers		43,883	169,418	13,513	12,280
Other payable		62,571	82,148	15,971	16,124
Others		18,219	50,192	3,770	19,470
<b>Total current liabilities</b>		<b>7,646,153</b>	<b>3,983,565</b>	<b>3,500,229</b>	<b>1,346,780</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements - net of current portion		14,438	14,594	5,494	5,393
Long-term loans - net of current portion	10	3,286,573	3,095,328	2,346,359	2,468,175
Interest rate swap contracts	10	6,428	27,113	-	14,510
Provision for long-term employee benefits	1.4	63,624	-	51,776	-
<b>Total non-current liabilities</b>		<b>3,371,063</b>	<b>3,137,035</b>	<b>2,403,629</b>	<b>2,488,078</b>
<b>Total liabilities</b>		<b>11,017,216</b>	<b>7,120,600</b>	<b>5,903,858</b>	<b>3,834,858</b>

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




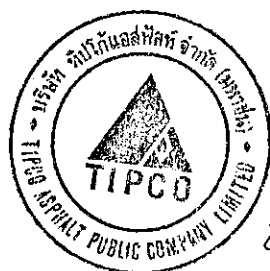
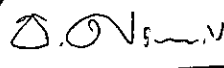
**Tipco Asphalt Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	30 June 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
<b>Shareholders' equity</b>					
Share capital	14				
Registered					
169,002,429 ordinary shares (31 December 2010: 152,547,663 ordinary shares) of Baht 10 each		<u>1,690,024</u>	<u>1,525,477</u>	<u>1,690,024</u>	<u>1,525,477</u>
Issued and fully paid up					
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
Capital reserve for share-based payment transactions	16	1,333	-	1,333	-
Retained earnings					
Appropriated - statutory reserve		94,203	94,203	94,203	94,203
Unappropriated		901,993	778,249	1,546,518	1,395,020
Other components of shareholders' equity		<u>(160,683)</u>	<u>(237,871)</u>	<u>3,728</u>	<u>(14,510)</u>
Equity attributable to owners of the Company		3,248,414	3,046,149	4,057,350	3,886,281
Non-controlling interests of the subsidiaries		<u>556,043</u>	<u>581,862</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>		<u>3,804,457</u>	<u>3,628,011</u>	<u>4,057,350</u>	<u>3,886,281</u>
<b>Total liabilities and shareholders' equity</b>		<u>14,821,673</u>	<u>10,748,611</u>	<u>9,961,208</u>	<u>7,721,139</u>

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

Directors

(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

## Statements of comprehensive income

For the three-month periods ended 30 June 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
<b>Revenues</b>					
Sales and service income		4,328,445	7,312,056	1,705,463	2,534,586
Other income					
Dividend income from subsidiary	7	-	-	12,420	-
Dividend income from associate		-	-	5,150	1,472
Reversal of loss from claim under bank guarantee		-	5,871	-	-
Gain on exchange	19	-	34,880	4,120	11,430
Gain on sales of equipment		746	-	1,031	273
Others		12,184	11,944	15,261	16,128
<b>Total revenues</b>		<b>4,341,375</b>	<b>7,364,751</b>	<b>1,743,445</b>	<b>2,563,889</b>
<b>Expenses</b>					
Cost of sales and services		3,929,244	6,911,655	1,488,922	2,330,278
(Gain) loss from price hedging contracts	20	93,319	(185,631)	-	-
Allowance for diminution in value of inventories (reversal)	6	1,024	(41,816)	-	3
		4,023,587	6,684,208	1,488,922	2,330,281
Selling expenses		27,194	35,230	13,865	14,121
Administrative expenses		157,950	167,057	80,713	97,720
Other expenses					
Allowance for doubtful accounts		6,713	11,206	3,689	6,750
Loss on exchange	19	39,232	-	-	-
<b>Total expenses</b>		<b>4,254,676</b>	<b>6,897,701</b>	<b>1,587,189</b>	<b>2,448,872</b>
<b>Profit before share of loss from investment in associate, finance cost and corporate income tax</b>					
		86,699	467,050	156,256	115,017
Share of loss from investment in associate		(19)	(17)	-	-
<b>Profit before finance cost and corporate income tax</b>		<b>86,680</b>	<b>467,033</b>	<b>156,256</b>	<b>115,017</b>
Finance cost		(59,068)	(77,056)	(34,192)	(23,946)
<b>Profit before corporate income tax</b>		<b>27,612</b>	<b>389,977</b>	<b>122,064</b>	<b>91,071</b>
Corporate income tax	12	(20,034)	(28,177)	(15,009)	(13,870)
<b>Profit for the period</b>		<b>7,578</b>	<b>361,800</b>	<b>107,055</b>	<b>77,201</b>
<b>Other comprehensive income:</b>					
Change in fair value of interest rate swap contract		1,955	36,608	1,955	(10,688)
Exchange differences on translation of financial statements in foreign currencies		43,760	(49,886)	-	-
<b>Other comprehensive income for the period</b>		<b>45,715</b>	<b>(13,278)</b>	<b>1,955</b>	<b>(10,688)</b>
<b>Total comprehensive income for the period</b>		<b>53,293</b>	<b>348,522</b>	<b>109,010</b>	<b>66,513</b>

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



(Unaudited but reviewed)

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

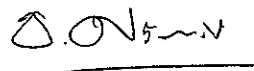
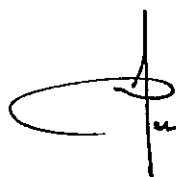
**Statements of comprehensive income (continued)**

**For the three-month periods ended 30 June 2011 and 2010**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Note</b>				
<b>Profit attributable to:</b>				
Equity holders of the Company	22,232	343,655	107,055	77,201
Non-controlling interests of the subsidiaries	(14,654)	18,145		
	<u>7,578</u>	<u>361,800</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	60,795	327,470	109,010	66,513
Non-controlling interests of the subsidiaries	(7,502)	21,052		
	<u>53,293</u>	<u>348,522</u>		
<b>Earnings per share (Baht)</b>				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.15	2.25	0.70	0.51

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



(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

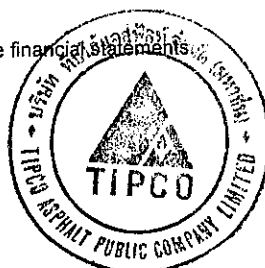
## Statements of comprehensive income

For the six-month periods ended 30 June 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
<b>Revenues</b>					
Sales and service income		9,013,912	13,710,808	3,478,886	4,751,358
Other income					
Dividend income from subsidiaries	7	-	-	32,420	-
Dividend income from associate		-	-	5,150	1,472
Gain on exchange	19	-	95,398	5,514	15,371
Gain on sales of equipment		19,231	-	13,520	466
Others		28,332	25,275	32,142	31,850
<b>Total revenues</b>		<b>9,061,475</b>	<b>13,831,481</b>	<b>3,567,632</b>	<b>4,800,517</b>
<b>Expenses</b>					
Cost of sales and services		8,159,377	12,845,800	3,075,798	4,314,726
(Gain) loss from price hedging contracts	20	187,529	(369,636)	-	-
Allowance for diminution in value of inventories (reversal)	6	79	80,937	(148)	(21)
		8,346,985	12,557,101	3,075,650	4,314,705
Selling expenses		54,622	65,593	26,650	25,607
Administrative expenses		311,491	308,542	157,537	168,981
Other expenses					
Allowance for doubtful accounts (reversal)		(7,150)	12,145	6,273	3,162
Loss from claim under bank guarantee		-	5,313	-	-
Loss on exchange	19	32,331	-	-	-
<b>Total expenses</b>		<b>8,738,279</b>	<b>12,948,694</b>	<b>3,266,110</b>	<b>4,512,455</b>
<b>Profit before share of loss from investment in associate, finance cost and corporate income tax</b>					
		323,196	882,787	301,522	288,062
Share of loss from investment in associate		(38)	(36)	-	-
<b>Profit before finance cost and corporate income tax</b>		<b>323,158</b>	<b>882,751</b>	<b>301,522</b>	<b>288,062</b>
Finance cost		(112,351)	(141,349)	(67,642)	(49,732)
<b>Profit before corporate income tax</b>		<b>210,807</b>	<b>741,402</b>	<b>233,880</b>	<b>238,330</b>
Corporate income tax	12	(49,678)	(62,377)	(34,623)	(36,667)
<b>Profit for the period</b>		<b>161,129</b>	<b>679,025</b>	<b>199,257</b>	<b>201,663</b>
<b>Other comprehensive income:</b>					
Change in fair value of interest rate swap contract		18,238	23,633	18,238	(23,663)
Exchange differences on translation of financial statements in foreign currencies		71,851	(101,241)	-	-
<b>Other comprehensive income for the period</b>		<b>90,089</b>	<b>(77,608)</b>	<b>18,238</b>	<b>(23,663)</b>
<b>Total comprehensive income for the period</b>		<b>251,218</b>	<b>601,417</b>	<b>217,495</b>	<b>178,000</b>

The accompanying notes are an integral part of the financial statements



D. N. S. S.

(Unaudited but reviewed)

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

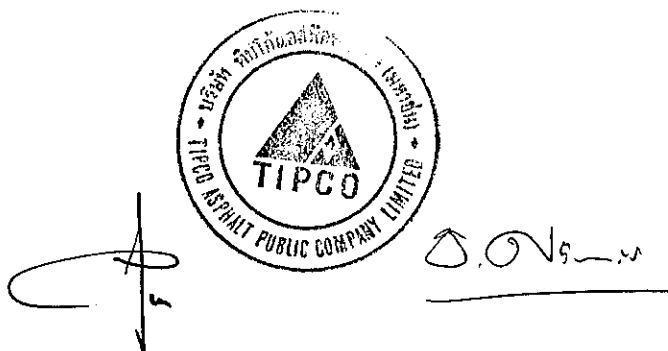
**Statements of comprehensive income (continued)**

**For the six-month periods ended 30 June 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
<b>Profit attributable to:</b>					
Equity holders of the Company		180,202	660,420	199,257	201,663
Non-controlling interests of the subsidiaries		(19,073)	18,605		
		<u>161,129</u>	<u>679,025</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		257,390	590,616	217,495	178,000
Non-controlling interests of the subsidiaries		(6,172)	10,801		
		<u>251,218</u>	<u>601,417</u>		
<b>Earnings per share (Baht)</b>					
	13				
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		1.18	4.33	1.31	1.32

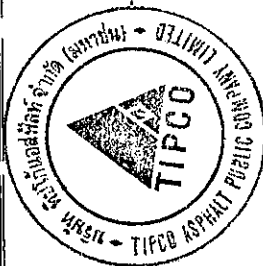
The accompanying notes are an integral part of the financial statements.



Tipco Asphalt Public Company Limited and its subsidiaries  
 Statements of changes in shareholders' equity  
 For the six-month periods ended 30 June 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												
Issued and paid-up share capital	Premium on share capital	Capital reserve for share-base payment transactions	Retained earnings		Fair value of interest rate swap contract	Exchange differences on translation of financial statements in foreign currencies	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries		Total	Equity
			Appropriated	Unappropriated (Deficit)								
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	-	-	-	660,420	-	-	(23,663)	(46,141)	(69,804)	590,616	10,801	601,417
Balance as at 30 June 2010	1,525,477	886,091	-	73,803	451,404	6,238	(35,807)	(92,105)	(121,674)	2,815,101	639,513	3,454,614
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)
Share-base payment transactions	-	-	1,333	-	-	-	-	-	-	1,333	-	1,333
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	-	(17,550)	(17,550)
Total comprehensive income for the period	-	-	-	-	180,202	-	18,238	58,950	77,188	257,390	(6,172)	251,218
Balance as at 30 June 2011	1,525,477	886,091	-	94,203	901,993	6,238	3,728	(170,649)	(160,683)	3,248,414	556,043	3,804,457



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

Tipco Asphalt Public Company Limited and its subsidiaries  
 Statements of changes in shareholders' equity (continued)  
 For the six-month periods ended 30 June 2011 and 2010

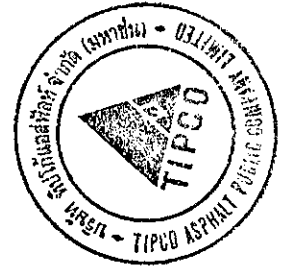
(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

	Other component of equity									
	Other									
	comprehensive income									
	Fair value of interest rate swap contracts									
Issued and paid-up share capital	Premium on share capital	Capital reserve for share-base payment transactions	Retained earnings - Appropriated - statutory reserve	Unappropriated	Fair value of interest rate swap contracts	Total other component of shareholders' equity	Total	shareholders' equity		
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	-	-	-	-	201,663	(23,663)	(23,663)	178,000		
Balance as at 30 June 2010	1,525,477	886,091	-	73,803	1,211,749	(35,807)	(35,807)	3,661,313		
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)		
Share-base payment transactions	-	-	1,333	-	-	-	-	1,333		
Total comprehensive income for the period	-	-	-	-	199,257	18,238	18,238	217,495		
Balance as at 30 June 2011	1,525,477	886,091	1,333	94,203	1,546,518	3,728	3,728	4,057,350		

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 six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b>Cash flows from operating activities:</b>				
Income before tax	210,807	741,402	233,880	238,330
Adjustments to reconcile income before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	197,669	187,091	42,586	44,082
Write-off withholding tax	43	71	-	-
Allowance for doubtful accounts (reversal)	(7,150)	12,145	6,273	3,162
Allowance for diminution in value of inventories (reversal)	79	80,937	(148)	(21)
Dividend income from subsidiary	-	-	(32,420)	-
Dividend income from associate	-	-	(5,150)	(1,472)
Unrealised (gain) loss on exchange	47,391	6,232	(2,703)	(1,589)
Gain on sales of equipment	(19,231)	(1,980)	(13,520)	(466)
Loss from write-off of equipment	10,909	-	2,047	-
Loss from claim under bank guarantee	-	5,313	-	-
Impairment loss of land	1,183	-	1,183	-
Share of loss from investment in associate	38	36	-	-
Share-base payment transactions	1,332	-	935	-
Provision for long-term employee benefits	5,068	-	4,017	-
Unrealised (gain) loss on forward exchange contracts	41,622	(11,575)	2,928	(1,290)
(Receivables) payables from price hedging contracts	78,588	(75,717)	-	-
Change in fair value of price hedging contracts	(103,242)	(230,587)	-	-
Change in fair value of interest rate swap contract				
recognised in income statement	(6,175)	(6,060)	-	-
Interest expenses	97,220	127,192	65,764	44,900
Income from operating activities before changes in				
operating assets and liabilities	556,151	834,500	305,672	325,636
(Increase) decrease in operating assets				
Trade accounts receivable	(288,549)	(745,126)	(246,923)	(76,740)
Amounts due from related parties	824	(2,471)	(1,239)	451
Inventories	(3,342,274)	(455,518)	(215,715)	(347,983)
Other current assets	(99,739)	(143,673)	(1,357)	(156,214)
Other non-current assets	(38,261)	(1,449)	(15,183)	(7,716)
Increase (decrease) in operating liabilities				
Trade accounts payable	1,718,179	270,986	(23)	155,991
Other current liabilities	(158,783)	(200,105)	(38,578)	(1,694)
<b>Cash flows from (used in) operating activities</b>	<b>(1,652,452)</b>	<b>(442,856)</b>	<b>(213,346)</b>	<b>(108,269)</b>
Cash paid for interest expenses	(90,872)	(138,222)	(74,505)	(77,343)
Cash paid for corporate income tax	(33,527)	(57,329)	(18,099)	(38,948)
<b>Net cash flows used in operating activities</b>	<b>(1,776,851)</b>	<b>(638,407)</b>	<b>(305,950)</b>	<b>(224,560)</b>

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

(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

## Cash flow statements (continued)

For the six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b>Cash flows from investing activities:</b>				
Increase in restricted bank deposits	(600)	(55,662)	-	-
Cash receipt from redemption of amortising debentures	1,341	1,199	1,341	1,199
(Increase) decrease in amounts due from related parties	-	-	(1,656,547)	1,494,473
Investments in subsidiaries	-	-	(49,000)	-
Dividend received from subsidiaries	-	-	32,420	-
(Increase) decrease in short-term loans to related parties and accrued interest income	-	-	(9,734)	71,398
Acquisition of equipment	(431,267)	(192,689)	(25,579)	(4,731)
Acquisition of computer software	(1,332)	(207)	(1,332)	(207)
Proceeds from sales of equipment	23,256	3,913	17,563	2,399
Cash received from claim under bank guarantee	-	492,453	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>(408,602)</b>	<b>249,007</b>	<b>(1,690,868)</b>	<b>1,564,531</b>
<b>Cash flows from financing activities:</b>				
Increase (decrease) in short-term loans from financial institutions	2,098,031	(687,808)	2,245,491	(2,887,121)
Increase (decrease) in short-term loan from related party	-	-	(83,449)	142,363
Cash paid under finance lease agreements	(3,435)	(6,366)	(2,341)	(3,784)
Cash receipt from long-term loans	700,973	1,500,000	-	1,500,000
Repayment of long-term loans	(631,475)	(429,916)	(101,816)	(90,377)
Dividend paid to non-controlling interests of subsidiary	(17,550)	-	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>2,146,544</b>	<b>375,910</b>	<b>2,057,885</b>	<b>(1,338,919)</b>
<b>Exchange differences on translation of financial statements in foreign currencies</b>	<b>29,749</b>	<b>20,391</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(9,160)</b>	<b>6,901</b>	<b>61,067</b>	<b>1,052</b>
Cash and cash equivalents at beginning of period	299,920	107,478	20,319	19,746
<b>Cash and cash equivalents at end of period</b>	<b>290,760</b>	<b>114,379</b>	<b>81,386</b>	<b>20,798</b>

## Supplemental cash flows information

## Non-cash transactions:

Acquisition of assets through finance lease	4,773	4,417	3,240	274
Purchase of equipment for which cash has not been paid	34,521	1,355	-	-

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



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

**Notes to consolidated interim financial statements**

**For the three-month and six-month periods ended 30 June 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.



#### 1.4 Application of new accounting standards

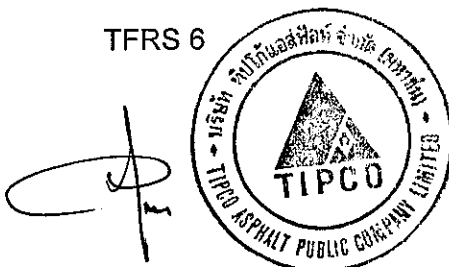
Since the first quarter of 2011, the Company and its subsidiaries has adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

##### 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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## Financial Reporting Standard Interpretations:

TFRIC 15

Agreements for the Construction of Real Estate

## Accounting Standard Interpretations:

SIC 31

Revenue-Barter Transactions Involving Advertising Services

These accounting standards do not have any significant impact on the financial statements for the current quarter, except for the following accounting standard.

**TAS 19 Employee Benefits**

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits and other long-term employee benefits using actuarial techniques. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

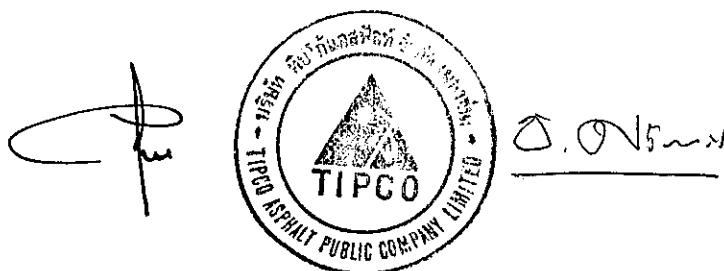
The Company and its subsidiaries changed this accounting policy in the first quarter of 2011 and recognised the liability in the transition period through an adjustment to the beginning balance of the retained earnings of the six-month period ended 30 June 2011. The change has the following effect to the income or loss for the current periods:-

	Three-month period ended 30 June 2011		Six-month period ended 30 June 2011	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Profit for the period decrease (Million Baht)	2.4	2.0	4.9	4.0
Earnings per share decrease (Baht per share)	0.02	0.01	0.03	0.03

The cumulative effect of the changes in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

**1.5 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 2010, except for the new and changes in the following significant accounting policies due to the adoption of revised and new accounting standards.



## **Change of accounting policies**

### ***Employee benefits***

#### *Post-employment benefits (Defined contribution plans)*

The Company and its local subsidiaries, and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and the subsidiaries. The fund's assets are held in a separate trust fund, and the contributions of the Company and the subsidiaries are recognised as expenses when incurred.

#### *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.

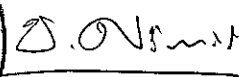
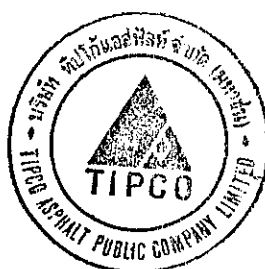
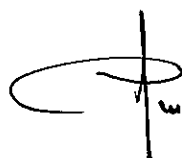
For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability through an adjustment to the beginning balance of the retained earnings of the six-month period ended 30 June 2011.

### ***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***

In the first quarter of 2011, the Company and its subsidiaries changed the residual value of their vessels and trucks using the prospective basis. The change has the following effect to the profit or loss for the current periods:-

	Three-month period ended 30 June 2011		Six-month period ended 30 June 2011	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Profit for the period increase				
(Million Baht)	2.7	1.5	5.4	2.9
Earnings per share increase				
(Baht per share)	0.02	0.01	0.04	0.02

**Adoption of new accounting standard*****Equity-settled share-based payment transactions***

The Company and its subsidiaries recognise the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

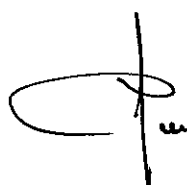
Estimating fair value for share-based payment transactions requires determination relating to appropriate assumptions, including the expected life of the share options, share price volatility and dividend yield.

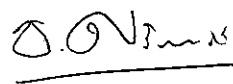
**2. New accounting standards issued during the period not yet effective**

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





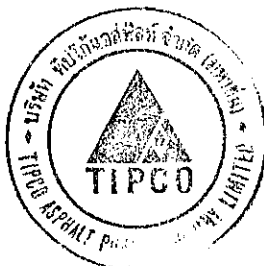
### 3. Current investments

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
Current portion of investment in debt security	-	1,341	-	1,341
Bank deposits - cash received from Aras	53,318	50,765	-	-
Total current investments	53,318	52,106	-	1,341

### 4. Trade accounts receivable

The balances of trade accounts receivable as at 30 June 2011 and 31 December 2010 are aged on the basis of due date, are summarised below:

Age of receivables	Consolidated financial statements		(Unit: Thousand Baht)	
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
<b>Trade accounts receivable - related parties</b>				
Not yet due	79,980	173,940	156,843	70,165
Past due				
Up to 3 months	39,657	15,150	111,426	41,409
3 - 6 months	13,170	672	371	3,471
Total	132,807	189,762	268,640	115,045
<b>Trade accounts receivable - unrelated parties</b>				
Not yet due	1,619,288	1,224,756	757,619	752,692
Past due				
Up to 3 months	342,495	321,916	151,923	78,286
3 - 6 months	60,261	139,912	39,963	51,660
6 - 9 months	37,574	46,718	25,749	25,817
9 - 12 months	30,380	21,929	17,653	14,422
Over 12 months	116,639	101,127	94,899	68,682
Total	2,206,637	1,856,358	1,087,806	991,559
Total trade accounts receivable	2,339,444	2,046,120	1,356,446	1,106,604
Less: Allowance for doubtful accounts	(90,904)	(97,891)	(76,244)	(69,971)
Trade accounts receivable - net	2,248,540	1,948,229	1,280,202	1,036,633

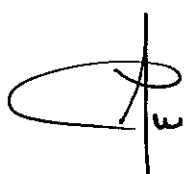


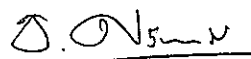
## 5. Related party transactions

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)

	For the three-month periods ended 30 June				
	Consolidated financial statements		Separate financial statements		Transfer pricing policies
	2011	2010	2011	2010	
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	160.7	197.0	Contract price margin
Margin from sales of raw materials	-	-	1.5	1.6	Contract price
Rental and service income	-	-	4.1	6.3	Contract price
Technical assistance fee income	-	-	3.0	4.5	Contract price
Loans to (weighted average balance of loans outstanding during the period)	-	-	17.2	51.8	
Interest income	-	-	0.2	0.5	4.5 and 5.0 percent per annum
Dividend income	-	-	12.4	-	
Purchase of goods	-	-	83.4	877.8	Cost plus certain margin
Rental and service expenses		-	20.4	46.4	Contract price
<b><u>Transactions with associated company</u></b>					
Dividend income	5.2	1.7	5.2	1.7	
<b><u>Transactions with related companies</u></b>					
Sales and services	490.8	362.1	127.1	134.9	Market price / Contract price
Rental and service income	2.1	0.4	0.7	0.4	Contract price
Rental and service expenses	8.1	9.7	6.8	7.7	Contract price
Technical assistance fee expenses	10.0	10.8	5.9	6.7	Contract price

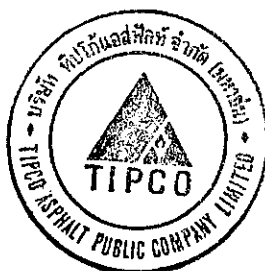
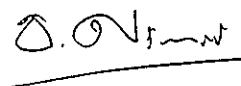




(Unaudited but reviewed)

(Unit : Million Baht)

	For the six-month periods ended 30 June				
	Consolidated financial statements		Separate financial statements		Transfer pricing policies
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	317.2	470.7	Cost plus certain margin
Margin from sales of raw materials	-	-	1.5	3.6	Contract price
Rental and service income	-	-	8.3	11.3	Contract price
Technical assistance fee income	-	-	7.5	9.0	Contract price
Loans to (weighted average balance of loans outstanding during the period)	-	-	12.5	64.8	
Interest income	-	-	0.2	1.4	4.5 and 5.0 percent annum
Dividend income	-	-	32.4	-	
Purchase of goods	-	-	287.4	1,585.7	Cost plus certain margin
Rental and service expenses	-	-	32.4	61.1	Contract price
<b><u>Transactions with associated company</u></b>					
Dividend income	5.2	1.5	5.2	1.5	
<b><u>Transactions with related companies</u></b>					
Sales and services	897.4	1,009.8	201.6	284.9	Market price / Contract price
Rental and service income	3.6	0.8	1.4	0.8	Contract price
Rental and service expenses	26.1	23.5	19.4	18.4	Contract price
Technical assistance fee expenses	19.0	21.4	10.7	13.1	Contract price

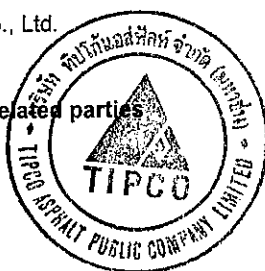




(Unaudited but reviewed)

The balances of the accounts as at 30 June 2011 and 31 December 2010 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

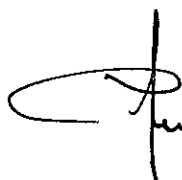
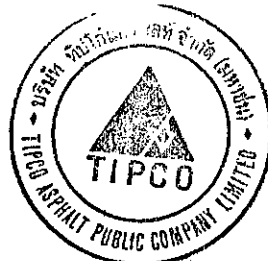
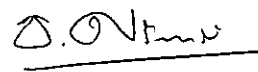
	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Audited)		(Audited)
<b><u>Trade accounts receivable - related parties</u></b>				
<b><u>Subsidiaries</u></b>				
Thai Bitumen Co., Ltd.	-	-	102,271	9,138
Tipco Maritime Co., Ltd.	-	-	376	-
Alpha Maritime Co., Ltd.	-	-	8,008	2,099
Bitumen Marine Co., Ltd.	-	-	-	1,359
Delta Shipping Co., Ltd.	-	-	1,918	-
Raycol Asphalt Co., Ltd.	-	-	20,547	-
Tipco Asphalt (Cambodia) Co., Ltd.	-	-	62,061	60,500
<b><u>Related companies</u></b>				
Thai Slurry Seal Co., Ltd.	63,391	19,749	4,471	3,060
Thai Crushing Plant Co., Ltd.	6,752	7,635	6,752	7,635
Thanomwongse Service Co., Ltd.	56,223	22,547	56,223	22,547
Tipco Foods (Thailand) Public Company Limited	3,685	1,506	3,685	1,505
Highway Resources Pte. Ltd.	-	15,399	-	-
Hindustan Colas Ltd.	-	2,422	-	2,422
Sami Bitumen Technologies Pty. Ltd.	1,983	4,779	1,983	4,779
Sami Bitumen Technologies (QLD) Pty. Ltd.	-	115,304	-	-
Others	773	421	345	1
<b>Total trade accounts receivable - related parties</b>	<b>132,807</b>	<b>189,762</b>	<b>268,640</b>	<b>115,045</b>
<b><u>Amounts due from related parties</u></b>				
<b><u>Subsidiaries</u></b>				
Surat Bitumen Co., Ltd.	-	-	-	243
Thai Bitumen Co., Ltd.	-	-	2,650,273	993,337
Raycol Asphalt Co., Ltd.	-	-	3,732	379
Tasco International (Hong Kong) Ltd.	-	-	2,106	2,883
Kemaman Oil Corporation Sdn Bhd	-	-	1,795	1,772
Kemaman Bitumen Company Sdn Bhd	-	-	2,888	2,404
Others	-	-	972	2,137
<b><u>Associate</u></b>				
Colasie Company Limited	5,150	-	5,150	-
<b><u>Related companies</u></b>				
Thanomwongse Service Co., Ltd.	7,088	7,255	6,106	6,275
Others	92	843	92	843
<b>Total amounts due from related parties</b>	<b>12,330</b>	<b>8,098</b>	<b>2,673,114</b>	<b>1,010,273</b>



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010 (Audited)	30 June 2011	31 December 2010 (Audited)
<b><u>Short-term loans to related parties and accrued interest income</u></b>				
<b><u>Short-term loans to related parties</u></b>				
<b><u>Subsidiaries</u></b>				
Delta Shipping Co., Ltd.	-	-	2,500	-
Alpha Maritime Co., Ltd.	-	-	7,000	-
Kemaman Oil Corporation Sdn Bhd	-	-	5,264	5,161
	-	-	14,764	5,161
<b><u>Accrued interest income from related parties</u></b>				
<b><u>Subsidiaries</u></b>				
	-	-	131	-
<b>Total short-term loans to related parties and accrued interest income</b>	-	-	14,895	5,161
<b><u>Trade accounts payable - related parties</u></b>				
<b><u>Subsidiaries</u></b>				
Surat Bitumen Co., Ltd.	-	-	-	1,539
Thai Bitumen Co., Ltd.	-	-	79,131	162,526
Alpha Maritime Co., Ltd.	-	-	3,682	-
Bitumen Marine Co., Ltd.	-	-	1,713	408
Others	-	-	3,448	3,178
<b>Related companies</b>	919	902	501	491
<b>Total trade accounts payable - related parties</b>	919	902	88,475	168,142
<b><u>Amounts due to related parties</u></b>				
<b><u>Subsidiaries</u></b>				
	-	-	957	930
<b><u>Related companies</u></b>				
Thanomwongse Service Co., Ltd.	2,250	2,487	1,912	2,169
Tipco F&B Co., Ltd.	62	1,004	62	873
AB1 Shipping Pte. Ltd.	-	1,559	-	-
AD Shipping Pte. Ltd.	-	1,560	-	-
Colas S.A.	20,062	1,065	11,722	1,065
Retalink Co., Ltd.	1,491	-	-	-
<b>Total amounts due to related parties</b>	23,865	7,675	14,653	5,037

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Audited)		(Audited)
<b><u>Short-term loans from related parties and accrued interest payable</u></b>				
<b><u>Short-term loans from related parties</u></b>				
<b><u>Subsidiaries</u></b>				
Tipco Maritime Co., Ltd.	-	-	11,000	16,300
Delta Shipping Co., Ltd.	-	-	-	1,000
Tasco Shipping Co., Ltd.	-	-	-	77,000
	-	-	11,000	94,300
<b><u>Accrued interest payable to related parties</u></b>				
<b><u>Subsidiaries</u></b>				
	-	-	18	167
<b>Total short-term loans from related parties and accrued interest payable</b>	-	-	11,018	94,467

**Management's remunerations**

During the three-month and six-month periods ended 30 June 2011, the Company and its subsidiaries had employee benefits of their directors and management recognised as expenses totaling Baht 24.5 million and Baht 46.3 million, respectively (Separate financial statements: Baht 19.9 million and Baht 38.5 million, respectively).

**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 financial statements.

**6. Inventories**

Movements in the allowance for diminution in value of inventories during the six-month period ended 30 June 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Balance as at 31 December 2010 (Audited)</b>	3,280	1,673
Allowance recorded (reversed) during the period	79	(148)
<b>Balance as at 30 June 2011</b>	3,359	1,525


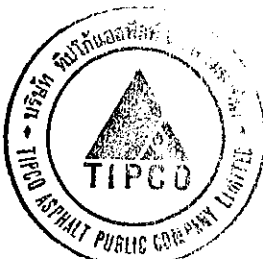
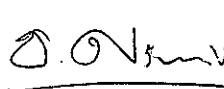


## 7. Investments in subsidiaries

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

Company's name	Shareholding percentage  (%)	Investment cost of the Company		(Unit: Thousand Baht) Dividend received during the six-month periods by the Company	
		30 June	31 December	2011	2010
		2011	2010		
		(Audited)			
<b>Local subsidiaries</b>					
Surat Bitumen Co., Ltd.	99.99	99,999	99,999	20,000	-
Raycol Asphalt Co., Ltd.	41.44	193,200	193,200	12,420	-
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.	99.99	17,999	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	191,999	159,999	-	-
<b>Overseas subsidiaries</b>					
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	-	-
Investments in subsidiaries		4,625,754	4,576,754	32,420	
Cost of share-base payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees (Note 16)		398	-		
Total Investments in subsidiaries		4,626,152	4,576,754		

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 is effective on 1 April 2011.

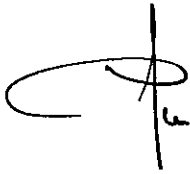
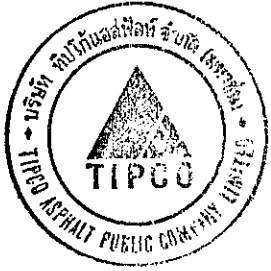
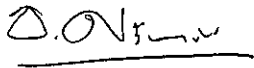
Currently, the Appeal Court in Malaysia is during the consideration of the petition filed by Aras Jalinan Sdn Bhd (Aras) regarding the convention of the extraordinary general meeting of KOC. The management of the Company and Thai Bitumen believe that the outcome of the Appeal Court, of which the result 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.

In May 2011, the International Chamber of Commerce Arbitral Tribunal concluded the final award of the arbitration proceeding relating to the dispute between the Company and Thai Bitumen, and Aras, which the Company and Thai Bitumen brought to arbitration. Except for an order to accept the share acquisition payment amounting to MYR 5 million which was made by Aras to KOC on 3 March 2008, the Arbitral Tribunal dismissed all other claims of Aras, including equal management participation and control in KOC by Aras. KOC registered additional capital amounting to MYR 5 million belonging to Aras in July 2011. As a result, the shareholdings of the Company and its subsidiaries in KOC and KBC decreased by 2.14 percent and 0.96 percent, respectively, to 63.12 percent and 82.07 percent, respectively.

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 properties

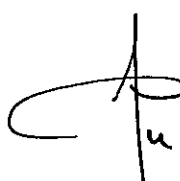
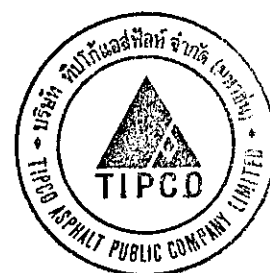
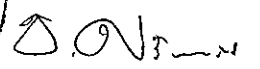
To comply with TAS 40 (revised 2009) Investment Property, in the first quarter of 2011, the Company presented its land and land improvement rented to a subsidiary and another subsidiary presented its land not being used in operation as investment properties in the statements of financial position. These assets had been previously presented as part of property, plant and equipment (Note 9).

## 9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 31 December 2010 (Audited)</b>	4,235,614	691,822
Acquisitions during period - at cost	479,013	28,819
Transfer from deferred expenses for vessel repair	28,256	8,997
Disposals during period - net book value at disposal date	(14,934)	(6,090)
Transfer to investment properties (Note 8)	(273,450)	(68,491)
Depreciation for the period	(167,970)	(31,478)
Impairment loss of land	(1,183)	(1,183)
Exchange differences on translation of financial statements in foreign currencies	57,417	-
<b>Net book value as at 30 June 2011</b>	<b>4,342,763</b>	<b>622,396</b>

## 10. Long-term loans

Loan	Loaner	Lender	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements		(Unit: Thousand Baht)
					30 June 2011	31 December 2010	30 June 2011	31 December 2010	
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	9,992	11,808	9,992	11,808	
(2)	The Company	Local bank	Rate referenced to THBFIX	Quarterly installments of Baht 200 million for 2011 and Baht 240 million for 2012 to 2015	1,060,000	1,160,000	1,060,000	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 THBFIX	Quarterly installments of Baht 9.2 million each, commencing December 2010 to September 2013	82,490	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	269,992	261,953	-	-	



(Unaudited but reviewed)

(Unit: Thousand Baht)								
Loan	Loaner	Lender	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
					30 June 2011	31 December 2010	30 June 2011	31 December 2010
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	-	501,410	-	-
(7)	Kemaman Bitumen Company Sdn Bhd	Bank in Malaysia	Rate referenced to Lender's Cost of Funds	Quarterly installments of USD 0.83 million each, commencing November 2011 to August 2016	510,403	-	-	-
(8)	Kemaman Bitumen Company Sdn Bhd	Bank in Malaysia	Rate referenced to Lender's Cost of Funds	Quarterly installments of USD 1.10 million each, commencing November 2012 to August 2017	183,565	-	-	-
Long-term loan in Renminbi								
(9)	Zhenjiang Tipco Asphalt Company Limited	A shareholder of the lender	No interest rate	By February 2013	7,005	-	-	-
Total					3,623,447	3,536,001	2,569,992	2,671,808
Less: Current portion					(336,874)	(440,673)	(223,633)	(203,633)
Long-term loans - net of current portion					3,286,573	3,095,328	2,346,359	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, restriction on dividend payment and the maintenance of shareholding.

Long-term loan securities

Please refer to Note 11 to the financial statements.

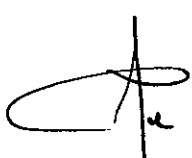
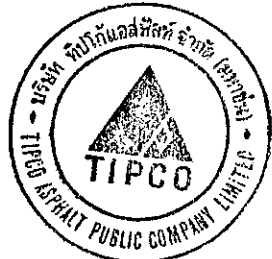
Interest rate swap agreements

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 30 June 2011, the notional amount of Baht 1,060.0 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 30 June 2011, Kemaman Bitumen Company Sdn Bhd had outstanding interest rate swap agreement amounting to USD 0.2 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 six-month period ended 30 June 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 31 December 2010 (Audited)</b>	3,536,001	2,671,808
Additions	700,973	-
Repayments	(631,475)	(101,816)
Unrealised loss on exchange	8,039	-
Exchange differences on translation of financial statements in foreign currencies	9,909	-
<b>Balance as at 30 June 2011</b>	<b>3,623,447</b>	<b>2,569,992</b>

## 11. Credit facilities

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

- a) The guarantees by the Company, its subsidiaries and a shareholder of a subsidiary.
- b) The pledges/mortgages by the assets of subsidiaries of which the net book value as at 30 June 2011 and 31 December 2010 of the assets are summarised below.

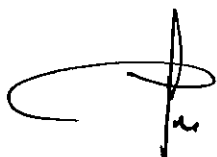
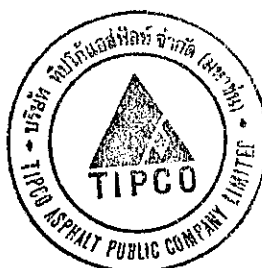
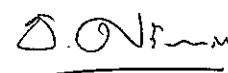
(Unit: Million Baht)

	Consolidated financial statements	
	30 June 2011	31 December 2010
		(Audited)
<u>Assets of the borrower subsidiary</u>		
Deposits with financial institutions with restrictions	58	73
Leasehold rights - net	199	197
Property, plant and equipment - net	2,702	2,706
Computer software - net	7	8
<u>Assets of the guarantor subsidiary</u>		
Vessel	385	393

- c) The prohibition from creating lien over the property, plant and equipment of the Company and its subsidiaries under conditions of loan agreements.
- 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 drawn down by the subsidiaries.

## 12. 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.

**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, as follows:

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	Financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the period (Thousand Baht)	22,232	343,655	107,055	77,201
Weighted average number of ordinary shares (Thousand shares)	152,548	152,548	152,548	152,548
Earnings per share (Baht per share)	0.15	2.25	0.70	0.51

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	Financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the period (Thousand Baht)	180,202	660,420	199,257	201,663
Weighted average number of ordinary shares (Thousand shares)	152,548	152,548	152,548	152,548
Earnings per share (Baht per share)	1.18	4.33	1.31	1.32

There is no calculation of diluted earnings per share for the three-month and six-month periods ended 30 June 2011 since the exercise prices to purchase ordinary shares of the Company are higher than the average market price of the Company's shares for the periods.

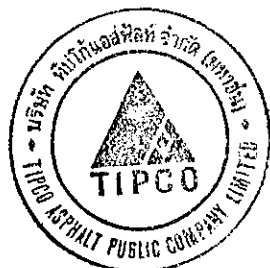
**14. Registered capital**

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

- 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 (Note 15) and 1,200,000 shares supporting the exercise of the ESOP-W1 warrants (Note 16).

The Company registered the capital increase on 22 April 2011.





In June 2011, 5 TASCO-W3 warrants were exercised to purchase 5 new ordinary shares, representing capital of Baht 311. The Company registered the resulting increase in its share capital to Baht 1,525,476,680 (152,547,668 ordinary shares of Baht 10 each) with the Ministry of Commerce on 8 July 2011.

**15. Warrants to purchase new ordinary shares of the Company issued to the Company's shareholders**

The Annual General Meeting of the shareholders held on 5 April 2011 approved the issuance of the 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 exercise prices are subject to change according to the conditions of any rights adjustment.

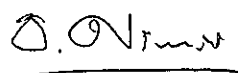
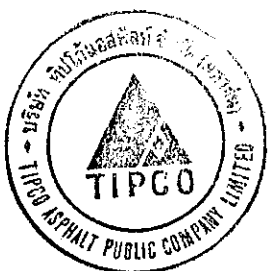
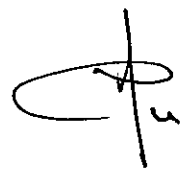
The holders of TASCO-W3 are able to exercise their rights to purchase the Company's ordinary shares from the last business day of the month in which such warrants are issued (18 April 2011). TASCO-W3 warrants have a term of 3 years.

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

**16. Warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Company and subsidiaries**

The Annual General Meeting of the shareholders held on 5 April 2011 approved the issuance of the 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 exercise prices are subject to change according to the conditions of any rights adjustment.



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.

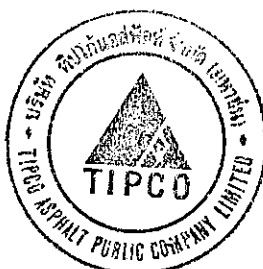
On 18 April 2011, which was the date on which the warrants were issued, the Company allocated 1,077,200 units of ESOP-W1 to executive directors and/or employees of the Company and subsidiaries. There are 122,800 unallocated warrants which the Company plans to cancel later.

## 17. 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 and six-month periods ended 30 June 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:

(Unit: Million Baht)

	For three-month periods ended 30 June							
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	3,664	6,637	665	674	-	-	4,329	7,311
Inter-segment revenues	450	471	41	262	(491)	(733)	-	-
Total revenue	4,114	7,108	706	936	(491)	(733)	4,329	7,311
Segment operating profit	117	305	(87)	35	(8)	4	22	344



(Unaudited but reviewed)

(Unit: Million Baht)

	For six-month periods ended 30 June							
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	8,003	12,363	1,011	1,347	-	-	9,014	13,710
Inter-segment revenues	1,014	1,106	127	491	(1,141)	(1,597)	-	-
Total revenue	9,017	13,469	1,138	1,838	(1,141)	(1,597)	9,014	13,710
Segment operating profit	323	609	(163)	54	20	(3)	180	660

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

## 18. Commitments and contingent liabilities

### 18.1 Capital commitments

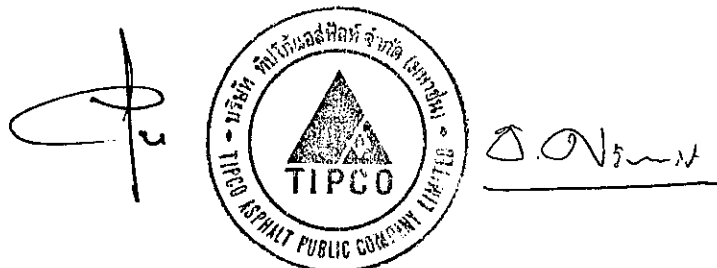
As at 30 June 2011, the Company's subsidiaries had outstanding capital commitments totaling approximately MYR 6.4 million and Yen 1,090 million (31 December 2010: MYR 5.9 million and Yen 1,090 million) relating to the purchase of machinery and equipment, and vessels.

### 18.2 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 30 June 2011 were as follow:

	Consolidated financial statements			Separate financial statements
	Million Baht	Million MYR	Million RMB	Million Baht
Payable within:				
1 year	41.2	1.3	0.3	23.7
2-5 years	15.8	0.8	0.3	11.5



**18.3 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.

**18.4 Bank guarantees**

As at 30 June 2011, there were outstanding bank guarantees of approximately Baht 4.1 million, USD 0.1 million and MYR 2.6 million (Separate financial statements: Baht 2.2 million and MYR 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.



The image shows a handwritten signature on the left, a circular stamp in the center, and another handwritten signature on the right. The circular stamp contains the text 'TIPCO ASPHALT PUBLIC COMPANY LIMITED' around the perimeter and 'TIPCO' in the center, with a triangle logo above it. The Thai text 'บริษัท ทีพีซีแอสฟัลท์ จำกัด (มหาชน)' is written around the top inner edge of the stamp.

## 19. Foreign currency risk

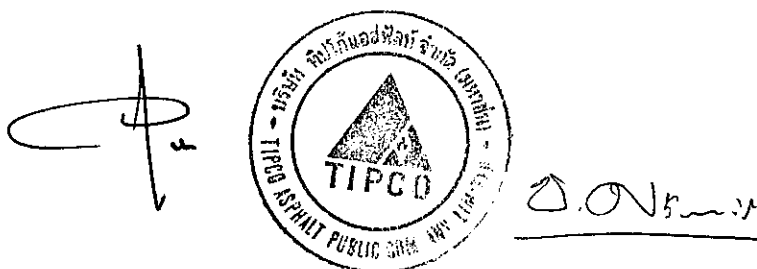
The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies as at 30 June 2011 are summarised below.

Foreign currency	Consolidated		Separate		Average exchange rate as at 30 June 2011 (Baht per 1 foreign currency unit)
	financial statements		financial statements		
	Financial	Financial	Financial	Financial	
	assets	liabilities	assets	liabilities	
	(Million)	(Million)	(Million)	(Million)	
US Dollar	9.8	163.8	3.6	77.3	30.7
Renminbi	0.5	-	0.5	-	4.8
Yen	0.1	702.3	-	-	0.4

Foreign exchange contracts of the Company and its subsidiaries outstanding at 30 June 2011 are summarised below.

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Contracts to sell	Contracts to buy	Contracts to sell	Contracts to buy	Sell	Buy
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	39.2	14.6	3.8	0.2	30.0 to 31.1	30.1 to 31.0
Yen	-	1.3	-	-	-	0.4

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.



The image shows a handwritten signature on the left and a circular official stamp in the center. The stamp contains the text 'TIPCO' and 'TIPCO ASPHALT PUBLIC CO., LTD.' around a central logo. To the right of the stamp is another handwritten signature.

**20. 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 30 June 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)	
	30 June 2011	31 December 2010
<b><u>Contracts presented as assets</u></b>		
Contracts to sell raw materials	34.5	-
Total price hedging contracts presented as assets	34.5	-
<b><u>Contracts presented as liabilities</u></b>		
Contracts to sell raw materials	63.1	132.1
Contracts to sell finished goods	11.9	11.5
Total price hedging contracts presented as liabilities	75.0	143.6

**21. Approval of financial statements**

These interim financial statements were authorised for issue by the Company's authorised directors on 8 August 2011.

