

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 2012 and 2011

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Tipco Asphalt Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Tipco Asphalt Public Company Limited and its subsidiaries as at 30 June 2012, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2012 and 2011, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2012 and 2011, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Tipco Asphalt Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my reviews.

### **Scope of review**

I conducted my reviews in accordance with Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

**Statements of financial position as at 31 December 2011 and 1 January 2011  
for comparative purposes**

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 2011 in accordance with Thai Standards on Auditing and, under my report dated 13 February 2012, expressed an unqualified opinion on those statements and drew attention to the adoption of a number of revised and new accounting standards. The consolidated and separate statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements. In addition, as described in Note 1.3 to the financial statements, during the first quarter of 2012, the Company and its subsidiaries have restated the financial statements as at 31 December 2011 and 1 January 2011 and have presented them herein for comparative purposes. In my opinion, the adjustments made for the preparation of the restated financial statements were properly applied.

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Siraporn Ouaanunkun

Certified Public Accountant (Thailand) No. 3844

Ernst & Young Office Limited

Bangkok: 8 August 2012

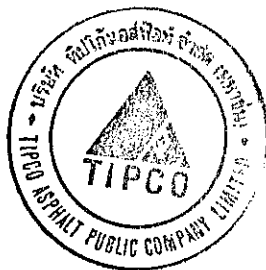
Tipco Asphalt Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

		Consolidated financial statements			Separate financial statements		
	Note	30 June 2012	31 December 2011	1 January 2011	30 June 2012	31 December 2011	1 January 2011
		(Unaudited but reviewed)	(Audited) (Restated)	(Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Restated)
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents		346,512	1,001,819	299,920	44,977	430,514	20,319
Current investments		-	-	52,106	-	-	1,341
Deposits with financial institutions with restrictions	3	119,700	-	-	-	-	-
Trade and other receivables	4	4,713,073	3,687,503	1,974,906	4,372,890	1,626,388	2,053,245
Short-term loans to related parties	5	-	-	-	5,450	25,427	5,161
Inventories	6	5,455,560	5,743,779	3,531,814	4,571,966	4,792,320	308,696
Forward exchange contracts	20	27,039	3,845	33,191	8,779	1,477	1,652
Price hedging contracts	21	491,218	67,791	-	491,218	67,791	-
Other current assets		165,814	70,074	111,563	56,803	40,579	19,421
<b>Total current assets</b>		<b>11,318,916</b>	<b>10,574,811</b>	<b>6,003,500</b>	<b>9,552,083</b>	<b>6,984,496</b>	<b>2,409,835</b>
<b>Non-current assets</b>							
Deposits with financial institutions with restrictions		-	66,038	72,573	-	-	-
Investments in subsidiaries	7	-	-	-	4,628,207	4,627,140	4,576,754
Investment in associate		64,992	41,640	26,729	18,404	18,404	18,404
Investment properties		204,200	204,200	-	101,473	101,745	-
Property, plant and equipment	8	4,461,604	4,247,667	4,235,614	505,149	505,857	691,822
Goodwill		146,294	146,294	146,294	-	-	-
Other intangible assets - Computer software		19,371	7,735	10,489	15,785	2,466	1,908
Leasehold rights		217,699	220,175	212,589	4,216	4,330	4,558
Deferred tax assets - net	12	149,644	154,046	360,003	76,678	44,828	38,174
Other non-current assets		13,711	11,948	40,823	6,296	5,251	17,858
<b>Total non-current assets</b>		<b>5,277,515</b>	<b>5,099,743</b>	<b>5,105,114</b>	<b>5,356,208</b>	<b>5,310,021</b>	<b>5,349,478</b>
<b>Total assets</b>		<b>16,596,431</b>	<b>15,674,554</b>	<b>11,108,614</b>	<b>14,908,291</b>	<b>12,294,517</b>	<b>7,759,313</b>

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



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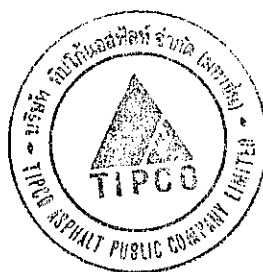
Tipco Asphalt Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

Note	Consolidated financial statements			Separate financial statements		
	30 June 2012	31 December 2011	1 January 2011	30 June 2012	31 December 2011	1 January 2011
	(Unaudited but reviewed)	(Audited) (Restated)	(Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Restated)
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short-term loans from financial institutions	6,547,795	3,784,809	2,338,748	6,299,918	2,360,331	574,542
Trade and other payables	9 1,078,191	3,485,909	747,225	1,483,987	2,968,516	428,609
Short-term loans from related parties	5 -	-	-	215,000	-	94,300
Current portion of liabilities under						
finance lease agreements	13,399	12,230	10,646	8,714	7,133	5,384
Current portion of long-term loans	10 802,742	480,369	440,673	378,633	303,633	203,633
Income tax payable	10,838	24,330	36,846	-	18,729	18,536
Cash received from former co-venturer	-	-	50,765	-	-	-
Forward exchange contracts	20 32,309	13,764	7,112	16,459	6,363	172
Price hedging contracts	21 257,376	27,996	143,635	257,376	27,996	-
Other current liabilities	98,005	86,573	207,915	54,474	49,597	21,604
<b>Total current liabilities</b>	<b>8,840,655</b>	<b>7,916,000</b>	<b>3,983,565</b>	<b>8,714,561</b>	<b>5,742,298</b>	<b>1,346,780</b>
<b>Non-current liabilities</b>						
Liabilities under finance lease agreements -						
net of current portion	15,674	12,768	14,594	10,236	6,228	5,393
Long-term loans - net of current portion	10 3,154,067	3,073,593	3,095,328	1,967,725	2,164,542	2,468,175
Interest rate swap contracts	10 20,157	10,083	27,113	20,157	8,219	14,510
Provision for long-term employee benefits	70,253	65,129	58,555	56,841	52,778	47,759
<b>Total non-current liabilities</b>	<b>3,260,151</b>	<b>3,161,573</b>	<b>3,195,590</b>	<b>2,054,959</b>	<b>2,231,767</b>	<b>2,535,837</b>
<b>Total liabilities</b>	<b>12,100,806</b>	<b>11,077,573</b>	<b>7,179,155</b>	<b>10,769,520</b>	<b>7,974,065</b>	<b>3,882,617</b>

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



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Tipco Asphalt Public Company Limited and its subsidiaries

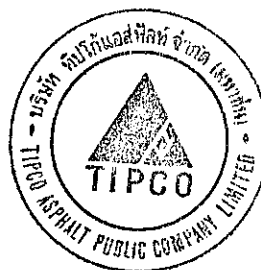
Statements of financial position (continued)

(Unit: Thousand Baht)

		Consolidated financial statements			Separate financial statements		
	Note	30 June 2012	31 December 2011	1 January 2011	30 June 2012	31 December 2011	1 January 2011
		(Unaudited but reviewed)	(Audited) (Restated)	(Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Restated)
<b>Shareholders' equity</b>							
Share capital	14						
Registered							
170,043,729 ordinary shares (31 December 2011:							
169,002,429 ordinary shares and 1 January 2011:							
152,547,663 ordinary shares) of Baht 10 each		1,700,437	1,690,024	1,525,477	1,700,437	1,690,024	1,525,477
Issued and fully paid							
152,548,068 ordinary shares (1 January 2011:							
152,547,663 ordinary shares) of Baht 10 each		1,525,481	1,525,481	1,525,477	1,525,481	1,525,481	1,525,477
Premium on share capital		886,112	886,112	886,091	886,112	886,112	886,091
Non-controlling interests of subsidiary acquired							
by the Company at price lower than book value		6,238	6,238	6,238	-	-	-
Change in the Company's interest in subsidiary							
which not resulted in loss of control		12,904	12,904	-	-	-	-
Capital reserve for share-based payment transactions	15	8,289	4,645	-	8,289	4,645	-
Retained earnings							
Appropriated - statutory reserve		115,503	115,503	94,203	115,503	115,503	94,203
Unappropriated		1,522,561	1,587,192	1,074,183	1,608,499	1,794,420	1,381,082
Other components of shareholders' equity		(163,452)	(135,291)	(239,756)	(5,113)	(5,709)	(10,157)
Equity attributable to owners of the Company		3,913,636	4,002,784	3,346,436	4,138,771	4,320,452	3,876,696
Non-controlling interests of the subsidiaries		581,989	594,197	583,023	-	-	-
<b>Total shareholders' equity</b>		<b>4,495,625</b>	<b>4,596,981</b>	<b>3,929,459</b>	<b>4,138,771</b>	<b>4,320,452</b>	<b>3,876,696</b>
<b>Total liabilities and shareholders' equity</b>		<b>16,596,431</b>	<b>15,674,554</b>	<b>11,108,614</b>	<b>14,908,291</b>	<b>12,294,517</b>	<b>7,759,313</b>

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

Directors



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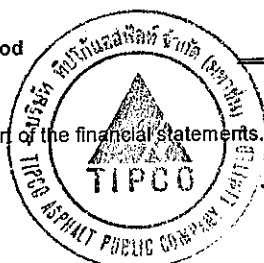
(Unaudited but reviewed)

**Tipco Asphalt Public Company Limited and its subsidiaries**  
**Statements of comprehensive income**  
**For the three-month periods ended 30 June 2012 and 2011**

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

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011 (Restated)	2012	2011 (Restated)
<b>Revenues</b>					
Sales and service income		9,160,281	4,328,445	8,942,635	1,705,463
Other income					
Dividend income from subsidiary	7	-	-	-	12,420
Dividend income from associate		-	-	-	5,150
Gain on exchange	20	-	-	-	4,120
Compensation received from claim for damages	16	50,304	-	-	-
Others		39,985	12,930	18,005	16,292
<b>Total revenues</b>		<b>9,250,570</b>	<b>4,341,375</b>	<b>8,960,640</b>	<b>1,743,445</b>
<b>Expenses</b>					
Cost of sales and services		9,075,853	3,929,244	9,032,485	1,488,922
(Gain) loss from price hedging contracts	21	(303,926)	93,319	(303,926)	-
Reduce cost of inventories to net realisable value (reversal)	6	8,073	1,024	(19,509)	-
		8,780,000	4,023,587	8,709,050	1,488,922
Selling expenses		24,433	27,194	9,840	13,865
Administrative expenses		143,893	157,950	93,189	80,713
Other expenses					
Allowance for doubtful accounts		14,277	6,713	8,317	3,689
Loss on exchange	20	44,653	39,232	15,132	-
<b>Total expenses</b>		<b>9,007,256</b>	<b>4,254,676</b>	<b>8,835,528</b>	<b>1,587,189</b>
<b>Profit before share of gain (loss) from investment in associate, finance cost and income tax</b>					
		243,314	86,699	125,112	156,256
Share of gain (loss) from investment in associate		11,316	(19)	-	-
<b>Profit before finance cost and income tax</b>		<b>254,630</b>	<b>86,680</b>	<b>125,112</b>	<b>156,256</b>
Finance cost		(80,478)	(59,068)	(71,767)	(34,192)
<b>Profit before income tax</b>		<b>174,152</b>	<b>27,612</b>	<b>53,345</b>	<b>122,064</b>
Income tax	12	(57,400)	(21,193)	(24,556)	(12,948)
<b>Profit for the period</b>		<b>116,752</b>	<b>6,419</b>	<b>28,789</b>	<b>109,116</b>
<b>Other comprehensive income:</b>					
Change in fair value of interest rate swap contract		(6,872)	1,955	(6,872)	1,955
Exchange differences on translation of financial statements in foreign currencies		13,210	43,760	-	-
Effects of changes in the applicable tax rates	12	1,581	(586)	1,581	(586)
<b>Other comprehensive income for the period</b>		<b>7,919</b>	<b>45,129</b>	<b>(5,291)</b>	<b>1,369</b>
<b>Total comprehensive income for the period</b>		<b>124,671</b>	<b>51,548</b>	<b>23,498</b>	<b>110,485</b>

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

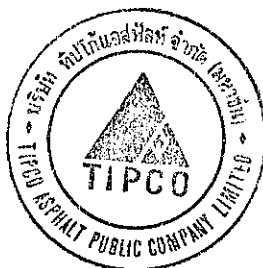
Statements of comprehensive income (continued)

For the three-month periods ended 30 June 2012 and 2011

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
		(Restated)		(Restated)
<b>Profit attributable to:</b>				
Equity holders of the Company	120,329	20,897	<u>28,789</u>	<u>109,116</u>
Non-controlling interests of the subsidiaries	<u>(3,577)</u>	<u>(14,478)</u>		
	<u>116,752</u>	<u>6,419</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	135,181	58,874	<u>23,498</u>	<u>110,485</u>
Non-controlling interests of the subsidiaries	<u>(10,510)</u>	<u>(7,326)</u>		
	<u>124,671</u>	<u>51,548</u>		
<b>Earnings per share (Baht)</b>	13			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.79</u>	<u>0.14</u>	<u>0.19</u>	<u>0.72</u>

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



Signature and stamp of the authorized signatory.



(Unaudited but reviewed)

**Tipco Asphalt Public Company Limited and its subsidiaries**  
**Statements of comprehensive income**  
**For the six-month periods ended 30 June 2012 and 2011**

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

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
			(Restated)		(Restated)
Revenues					
Sales and service income		17,831,902	9,013,912	17,313,521	3,478,886
Other income					
Dividend income from subsidiaries	7	-	-	112,947	32,420
Dividend income from associate		-	-	-	5,150
Gain on exchange	20	243,287	-	227,873	5,514
Compensation received from claim for damages	16	50,304	-	-	-
Others		60,102	47,563	36,796	45,662
Total revenues		18,185,595	9,061,475	17,691,137	3,567,632
Expenses					
Cost of sales and services		17,224,777	8,159,377	17,071,049	3,075,798
Loss from price hedging contracts	21	228,483	187,529	227,181	-
Reduce cost of inventories to net realisable value (reversal)	6	101,317	79	76,499	(148)
		17,554,577	8,346,985	17,374,729	3,075,650
Selling expenses		55,073	54,622	27,980	26,650
Administrative expenses		281,238	311,491	174,727	157,537
Other expenses					
Allowance for doubtful accounts (reversal)		20,228	(7,150)	11,456	6,273
Loss on exchange	20	-	32,331	-	-
Total expenses		17,911,116	8,738,279	17,588,892	3,266,110
Profit before share of gain (loss) from investment in associate,					
finance cost and income tax		274,479	323,196	102,245	301,522
Share of gain (loss) from investment in associate		24,928	(38)	-	-
Profit before finance cost and income tax		299,407	323,158	102,245	301,522
Finance cost		(150,944)	(112,351)	(129,510)	(67,642)
Profit (loss) before income tax		148,463	210,807	(27,265)	233,880
Income tax	12	(18,919)	(117,997)	32,028	(31,010)
Profit for the period		129,544	92,810	4,763	202,870
Other comprehensive income:					
Change in fair value of interest rate swap contract		774	18,238	774	18,238
Exchange differences on translation of					
financial statements in foreign currencies		(44,450)	71,851	-	-
Effects of changes in the applicable tax rates	12	(178)	(5,471)	(178)	(5,471)
Other comprehensive income for the period		(43,854)	84,618	596	12,767
Total comprehensive income for the period		85,690	177,428	5,359	215,637

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



2012

2011

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

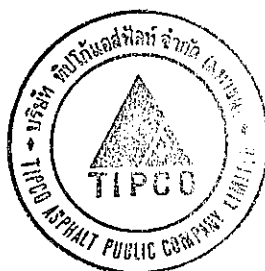
Statements of comprehensive income (continued)

For the six-month periods ended 30 June 2012 and 2011

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

	Consolidated financial statements		Separate financial statements	
Note	2012	2011	2012	2011
		(Restated)		(Restated)
<b>Profit attributable to:</b>				
Equity holders of the Company	126,053	113,889	4,763	202,870
Non-controlling interests of the subsidiaries	3,491	(21,079)		
	<u>129,544</u>	<u>92,810</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	97,892	185,606	5,359	215,637
Non-controlling interests of the subsidiaries	(12,202)	(8,178)		
	<u>85,690</u>	<u>177,428</u>		
<b>Earnings per share (Baht)</b>	13			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.83</u>	<u>0.75</u>	<u>0.03</u>	<u>1.33</u>

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



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(Unit: Thousand Baht)

## Consolidated financial statements

	Equity attributable to owners of the Company												
	Issued and paid-up share capital	Premium on share capital	Non-controlling interests of subsidiary acquired by the Company	Change in the Company's interest in subsidiary which not resulted in loss of control	Capital reserve for share-base payment transactions	Other components of equity					Equity attributable to non-controlling interests of the subsidiaries	Total the shareholders' equity	
						Retained earnings	Fair value of interest rate swap contract	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company				
										Appropriated - statutory reserve			Unappropriated
Balance as at 1 January 2011 - as previously reported	1,525,477	886,091	6,238	-	-	94,203	721,791	(14,510)	(229,599)	(244,109)	2,989,691	579,765	3,569,456
Cumulative effect of changes in accounting policy due to early adopt TAS 12: Income tax (Note 1.3)	-	-	-	-	-	-	352,392	4,353	-	4,353	356,745	3,259	360,003
Balance as at 1 January 2011 - as restated	1,525,477	886,091	6,238	-	-	94,203	1,074,183	(10,157)	(229,599)	(239,756)	3,346,436	583,023	3,929,459
Share-base payment transactions (Note 15)	-	-	-	-	1,333	-	-	-	-	-	1,333	-	1,333
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(17,550)	(17,550)
Total comprehensive income for the period (restated)	-	-	-	-	-	-	113,889	12,767	58,950	71,717	185,606	(8,178)	177,428
Balance as at 30 June 2011 - as restated	1,525,477	886,091	6,238	-	1,333	94,203	1,188,072	2,610	(170,649)	(168,039)	3,533,375	557,295	4,090,670
Balance as at 31 December 2011 - as previously reported	1,525,481	886,112	6,238	12,904	4,645	115,503	1,436,063	(7,414)	(129,582)	(136,996)	3,848,950	592,985	4,442,935
Cumulative effect of changes in accounting policy due to early adopt TAS 12: Income tax (Note 1.3)	-	-	-	-	-	-	151,129	1,705	-	1,705	152,834	1,212	154,046
Balance as at 31 December 2011 - as restated	1,525,481	886,112	6,238	12,904	4,645	115,503	1,587,192	(5,709)	(129,582)	(135,291)	4,002,784	594,197	4,596,981
Share-base payment transactions (Note 15)	-	-	-	-	3,644	-	-	-	-	-	3,644	-	3,644
Dividend paid (Note 17)	-	-	-	-	-	-	(190,684)	-	-	-	(190,684)	-	(190,684)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(6)	(6)
Total comprehensive income for the period	-	-	-	-	-	-	126,053	596	(28,757)	(28,161)	97,892	(12,202)	85,690
Balance as at 30 June 2012	1,525,481	886,112	6,238	12,904	8,289	115,503	1,522,561	(5,113)	(158,339)	(163,452)	3,913,636	591,989	4,495,625

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 changes in shareholders' equity (continued)  
For the six-month periods ended 30 June 2012 and 2011

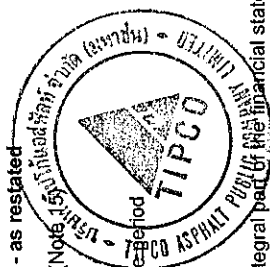
(Unaudited but reviewed)

(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	Total other component of shareholders' equity		Total		shareholders' equity	
Balance as at 1 January 2011 - as previously reported	1,525,477	886,091	-	94,203	1,347,261	(14,510)	(14,510)	3,838,522		
Cumulative effect of changes in accounting policy due to early adopt TAS 12: Income tax (Note 1.3)	-	-	-	-	33,821	4,353	4,353	38,174		
Balance as at 1 January 2011 - as restated	1,525,477	886,091	-	94,203	1,381,082	(10,157)	(10,157)	3,876,696		
Share-base payment transactions (Note 15)	-	-	1,333	-	-	-	-	1,333		
Total comprehensive income for the period (restated)	-	-	-	-	202,870	12,767	12,767	215,637		
Balance as at 30 June 2011 - as restated	1,525,477	886,091	1,333	94,203	1,583,952	2,610	2,610	4,093,666		
Balance as at 31 December 2011 - as previously reported	1,525,481	886,112	4,645	115,503	1,751,297	(7,414)	(7,414)	4,275,624		
Cumulative effect of changes in accounting policy due to early adopt TAS 12: Income tax (Note 1.3)	-	-	-	-	43,123	1,705	1,705	44,828		
Balance as at 31 December 2011 - as restated	1,525,481	886,112	4,645	115,503	1,794,420	(5,709)	(5,709)	4,320,452		
Share-base payment transactions (Note 15)	-	-	3,644	-	-	-	-	3,644		
Dividend paid (Note 17)	-	-	-	-	(190,684)	-	-	(190,684)		
Total comprehensive income for the period	-	-	-	-	4,763	596	596	5,359		
Balance as at 30 June 2012	1,525,481	886,112	8,289	115,503	1,608,499	(5,113)	(5,113)	4,138,771		

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



(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

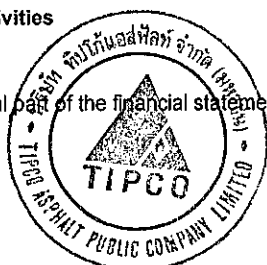
## Cash flow statements

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
		(Restated)		(Restated)
<b>Cash flows from operating activities:</b>				
Profit (loss) before tax	148,463	210,807	(27,265)	233,880
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	198,873	197,669	38,666	42,586
Write-off withholding tax	-	43	-	-
Allowance for doubtful accounts (reversal)	20,228	(7,150)	11,456	6,273
Reduce cost of inventories to net realisable value (reversal)	101,317	79	76,499	(148)
Dividend income from subsidiaries	-	-	(112,947)	(32,420)
Dividend income from associate	-	-	-	(5,150)
Unrealised (gain) loss on exchange	(18,174)	47,391	(41,354)	(2,703)
Gain on sales of equipment	(3,562)	(19,231)	(2,453)	(13,520)
Loss from write-off of equipment	-	10,909	-	2,047
Impairment loss of land	-	1,183	-	1,183
Share of (gain) loss from investment in associate	(24,928)	38	-	-
Share-base payment transactions	3,644	1,332	2,577	935
Provision for long-term employee benefits	5,124	5,068	4,063	4,017
Change in fair value of forward exchange contracts	(4,648)	41,622	2,794	2,928
Change in fair value of price hedging contracts	(194,047)	(103,242)	(194,047)	-
Change in fair value of interest rate swap contract recognised in income statement	10,066	(6,175)	12,735	-
Interest expenses	133,425	97,220	112,387	65,764
Profit (loss) from operating activities before changes in operating assets and liabilities	375,781	477,563	(116,889)	305,672
(Increase) decrease in operating assets				
Trade and other receivables	(1,012,308)	(272,423)	(2,715,407)	(243,917)
Inventories	186,905	(3,342,274)	143,854	(215,715)
Other current assets	(115,472)	(115,040)	(13,044)	(5,732)
Other non-current assets	(11,719)	(38,261)	(12,544)	(15,183)
Increase (decrease) in operating liabilities				
Trade and other payables	(2,519,491)	1,788,225	(1,599,824)	(31,771)
Other current liabilities	12,214	(150,242)	4,854	(6,831)
<b>Cash flows used in operating activities</b>	<b>(3,084,090)</b>	<b>(1,652,452)</b>	<b>(4,309,000)</b>	<b>(213,477)</b>
Cash paid for interest expenses	(131,312)	(90,872)	(109,304)	(74,505)
Cash paid for corporate income tax	(27,402)	(33,527)	(18,729)	(18,099)
<b>Net cash flows used in operating activities</b>	<b>(3,242,804)</b>	<b>(1,776,851)</b>	<b>(4,437,033)</b>	<b>(306,081)</b>

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 six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

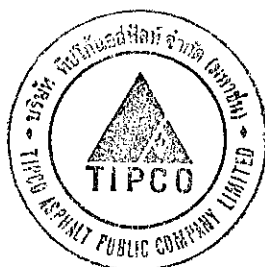
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
		(Restated)		(Restated)
<b>Cash flows from investing activities:</b>				
Increase in restricted bank deposits	(53,635)	(600)	-	-
Cash receipt from redemption of amortising debentures	-	1,341	-	1,341
Increase in amounts due from related parties	-	-	-	(1,656,547)
Investments in subsidiaries	-	-	-	(49,000)
Dividend received from subsidiaries	-	-	112,947	32,420
Increase (decrease) in short-term loans to related parties	-	-	19,977	(9,603)
Acquisition of equipment	(371,719)	(431,267)	(19,865)	(25,579)
Acquisition of computer software	(14,093)	(1,332)	(13,934)	(1,332)
Proceeds from sales of equipment	6,230	23,256	2,641	17,563
<b>Net cash flows from (used in) investing activities</b>	<b>(433,217)</b>	<b>(408,602)</b>	<b>101,766</b>	<b>(1,690,737)</b>
<b>Cash flows from financing activities:</b>				
Increase in short-term loans from financial institutions	2,874,441	2,098,031	4,050,496	2,245,491
Increase (decrease) in short-term loan from related parties	-	-	215,000	(83,449)
Cash paid under finance lease agreements	(5,895)	(3,435)	(3,371)	(2,341)
Cash receipt from long-term loans	619,407	700,973	-	-
Repayment of long-term loans	(228,973)	(631,475)	(121,817)	(101,816)
Dividend paid to shareholders	(190,578)	-	(190,578)	-
Dividend paid to non-controlling interests of subsidiaries	(6)	(17,550)	-	-
<b>Net cash flows from financing activities</b>	<b>3,068,396</b>	<b>2,146,544</b>	<b>3,949,730</b>	<b>2,057,885</b>
<b>Exchange differences on translation of</b>				
<b>financial statements in foreign currencies</b>	<b>(47,682)</b>	<b>29,749</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(655,307)</b>	<b>(9,160)</b>	<b>(385,537)</b>	<b>61,067</b>
Cash and cash equivalents at beginning of period	1,001,819	299,920	430,514	20,319
<b>Cash and cash equivalents at end of period</b>	<b>346,512</b>	<b>290,760</b>	<b>44,977</b>	<b>81,386</b>

## Supplemental cash flows information

## Non-cash transactions:

Acquisition of assets through finance lease	6,812	4,773	5,927	3,240
Purchase of equipment for which cash has not been paid	-	34,521	-	-

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 and six-month periods ended 30 June 2012 and 2011**

**1. General information**

**1.1 Basis for the preparation of interim financial statements**

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

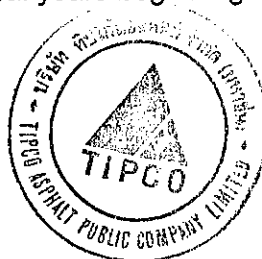
**1.2 Basis of consolidation**

The consolidated interim financial statements include the financial statements of Tipco Asphalt Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2011.

**1.3 Application of new accounting standards**

In the first quarter of 2012, the Company and its subsidiaries elected to early adopt TAS 12: Income Tax.

This accounting standard requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the statement of financial position and its tax base in order to recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. This accounting standard is effective for fiscal years beginning on or after 1 January 2013.



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(Unaudited but reviewed)

However, the Company and its subsidiaries selected to adopt this accounting policy in the first quarter of 2012 and restated the prior year's financial statements, presented for comparative purposes, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The change has the following effect to the income or loss for the three-month and six-month periods ended 30 June 2012 and 2011:

(Unit : Million Baht)

	For three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit for the period increase				
(decrease)	(72)	(1)	(46)	2
Earnings per share increase				
(decrease) (Baht per share)	(0.47)	(0.01)	(0.30)	0.01

(Unit : Million Baht)

	For six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit for the period increase				
(decrease)	(8)	(66)	32	4
Earnings per share increase				
(decrease) (Baht per share)	(0.05)	(0.43)	0.21	0.02

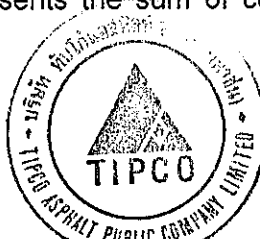
The cumulative effect of the change in accounting policy has been separately presented in the statements of changes in shareholders' equity.

#### 1.4 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 2011, except for changes in the accounting policies due to the early adopt TAS 12: Income Tax as follows:-

##### Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.



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### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

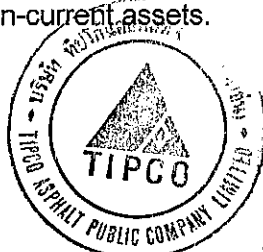
## **2. New accounting standards issued during the period and not yet effective**

During the current period, the Federation of Accounting Professions issued the financial reporting standard TFRS 8: Operating Segments, which is effective for fiscal years beginning on or after 1 January 2013.

The management of the Company and its subsidiaries believe that this financial reporting standard will not have any significant impact on the financial statements when it is initially applied.

## **3. Deposits with financial institutions with restrictions**

This balance represents a bill of exchange which a subsidiary pledged with a bank to secure a long-term loan from the bank, in order to comply with the conditions of the loan agreement. The conditions will terminate when the subsidiary settles the loan, which is due in November 2012. As at 31 December 2011, bill of exchange amounting to Baht 60 million was presented as non-current assets.



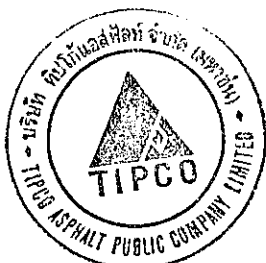
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**4. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
		(Audited)		(Audited)
<b><u>Trade receivables - related parties (Note 5)</u></b>				
Aged on the basis of due dates				
Not yet due	520,819	823,477	1,223,546	460,799
Past due				
Up to 3 months	141,591	43,035	384,670	57,583
3 - 6 months	7,938	-	21,085	-
Total trade receivables - related parties	670,348	866,512	1,629,301	518,382
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	2,824,024	2,170,662	2,026,556	811,422
Past due				
Up to 3 months	731,274	357,905	462,447	104,768
3 - 6 months	179,452	101,383	19,633	53,862
6 - 9 months	70,938	25,954	13,710	17,688
9 - 12 months	26,473	15,590	13,313	8,281
Over 12 months	134,951	127,810	110,760	104,289
Total	3,967,112	2,799,304	2,646,419	1,100,310
Less: Allowance for doubtful accounts	(121,576)	(101,107)	(99,709)	(88,252)
Total trade receivables - unrelated parties, net	3,845,536	2,698,197	2,546,710	1,012,058
Total trade receivables - net	4,515,884	3,564,709	4,176,011	1,530,440
<b><u>Other receivables</u></b>				
Amounts due from related parties (Note 5)	7,163	8,698	23,182	24,600
Accounts receivable from price				
hedging contracts	171,588	78,837	171,588	69,454
Other receivables	18,438	35,259	2,109	1,894
Total other receivables	197,189	122,794	196,879	95,948
Trade and other receivables - net	4,713,073	3,687,503	4,372,890	1,626,388



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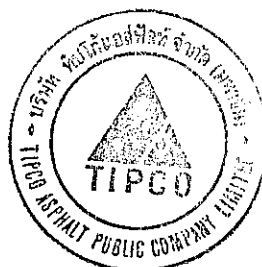
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## 5. Related party transactions

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
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	1,285	161	Cost plus certain margin
Margin from sales of raw materials	-	-	-	2	Contract price
Rental and service income	-	-	9	4	Contract price
Technical assistance fee income	-	-	3	3	Contract price
Dividend income	-	-	-	12	
Purchase of goods	-	-	9	83	Cost plus certain margin
Rental and service expenses	-	-	370	20	Contract price
<b><u>Transactions with associated company</u></b>					
Dividend income	-	5	-	5	
<b><u>Transactions with related companies</u></b>					
Sales and services	945	491	873	127	Market price / Contract price
Rental and service income	-	2	-	1	Contract price
Rental and service expenses	8	8	7	6	Contract price
Technical assistance fee expenses	9	10	5	6	Contract price



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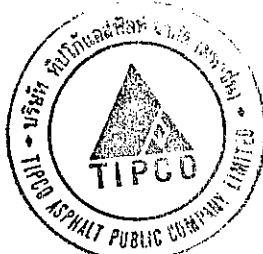
(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated financial		Separate financial		
	statements		statements		Transfer pricing policies
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	2,309	317	Cost plus certain margin
Margin from sales of raw materials	-	-	-	2	Contract price
Rental and service income	-	-	13	8	Contract price
Technical assistance fee income	-	-	6	8	Contract price
Dividend income	-	-	113	32	
Purchase of goods	-	-	522	287	Cost plus certain margin
Rental and service expenses	-	-	791	32	Contract price
<b><u>Transactions with associated company</u></b>					
Dividend income	-	5	-	5	
<b><u>Transactions with related companies</u></b>					
Sales and services	2,471	897	2,351	202	Market price / Contract price
Rental and service income	2	4	1	1	Contract price
Rental and service expenses	16	26	13	19	Contract price
Technical assistance fee expenses	18	19	10	11	Contract price

The balances of the accounts as at 30 June 2012 and 31 December 2011 between the Company and its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
		(Audited)		(Audited)
<b><u>Trade and other receivables- related parties (Note 4)</u></b>				
Subsidiaries	-	-	1,096,824	281,547
Related companies (common shareholders and directors)	677,511	875,210	555,659	261,435
<b>Total trade and other receivables - related parties</b>	<b>677,511</b>	<b>875,210</b>	<b>1,652,483</b>	<b>542,982</b>



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(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
		(Audited)		(Audited)
<b><u>Trade and other payables - related parties (Note 9)</u></b>				
Subsidiaries	-	-	705,992	321,663
Related companies (common shareholders and directors)	26,429	42,584	16,466	31,730
<b>Total trade and other payables - related parties</b>	<b>26,429</b>	<b>42,584</b>	<b>722,458</b>	<b>353,393</b>

**Loans to related and loan from related parties**

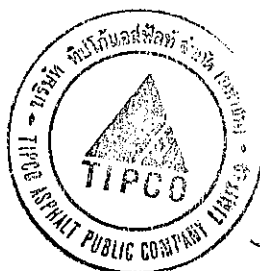
As at 30 June 2012 and 31 December 2011, the balances of loans between the Company and its subsidiaries and the movements are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Loans to related parties	Related by	Balance as at 31 December 2011	Decrease during the period	Unrealise gain on exchange rate	Balance as at 30 June 2012
		(Audited)			
Alpha Maritime Co., Ltd.	Subsidiary	20,000	(20,000)	-	-
Kemaman Oil Corporation Sdn Bhd	Subsidiary	5,427	-	23	5,450
<b>Total</b>		<b>25,427</b>	<b>(20,000)</b>	<b>23</b>	<b>5,450</b>

(Unit: Thousand Baht)

		Separate financial statements		
Loans from related party	Related by	Balance as at 31 December 2011	Increase during the period	Balance as at 30 June 2012
Thai Bitumen Co., Ltd.	Subsidiary	-	215,000	215,000
<b>Total</b>		<b>-</b>	<b>215,000</b>	<b>215,000</b>



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(Unaudited but reviewed)

Directors and management's benefits

For the three-month and six-month periods ended 30 June 2012 and 2011, the Company and its subsidiaries had employee benefit expenses of their directors and management as detailed below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	27	21	22	18
Post-employment benefits	1	1	1	1
Share-based payment transactions	1	1	1	1
Total	29	23	24	20

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	54	43	45	36
Post-employment benefits	2	2	2	2
Share-based payment transactions	2	1	2	1
Total	58	46	49	39

Guarantee obligations with related parties

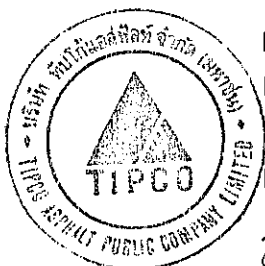
The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 11 to the financial statements.

**6. Inventories**

Movements in the reduce cost to net realisable value of inventories account during the six-month period ended 30 June 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2011 (Audited)	2,334	1,524
Reduce cost of inventories to net realisable value during the period	101,314	76,499
Balance as at 30 June 2012	103,648	78,023



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## 7. Investments in subsidiaries

During the six-month periods ended 30 June 2012 and 2011, the Company recorded cost of share-base payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees amounted to Baht 1.1 million and Baht 0.4 million, respectively, as a cost of investments in subsidiaries (Note 15).

During the six-month periods ended 30 June 2012 and 2011, the Company received following dividends from its subsidiaries:

(Unit: Thousand Baht)

Company's name	Dividend received during the period by the Company	
	<u>2012</u>	<u>2011</u>
Surat Bitumen Co., Ltd.	-	20,000
Raycol Asphalt Co., Ltd.	-	12,420
Thai Bitumen Co., Ltd.	95,450	-
Tipco Maritime Co., Ltd.	17,497	-
<b>Total dividend received during the period</b>	<b>112,947</b>	<b>32,420</b>

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 Kemaman Oil Corporation Sdn Bhd (KOC). The management of the Company and Thai Bitumen Co., Ltd. (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 Kemaman Bitumen Company Sdn Bhd (KBC).

At the end of reporting period, the values of the Company's investment costs in 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.



*D. N. W.*

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(Unaudited but reviewed)

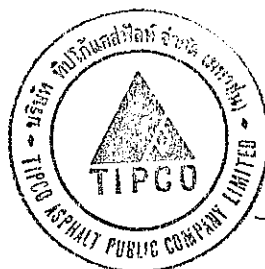
## 8. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2011 (Audited)</b>	4,247,667	505,857
Acquisitions during period - at cost	380,363	28,845
Disposals/write-off during period - net book value at disposal/write-off date	(2,667)	(188)
Depreciation for the period	(170,338)	(29,365)
Exchange differences on translation of financial statements in foreign currencies	6,579	-
<b>Net book value as at 30 June 2012</b>	<b>4,461,604</b>	<b>505,149</b>

## 9. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011 (Audited)	30 June 2012	31 December 2011 (Audited)
Trade payables - related parties (Note 5)	1,733	1,251	706,622	317,874
Trade payables - unrelated parties	793,262	3,098,871	628,670	2,493,787
Amounts due to related parties (Note 5)	24,696	41,333	15,836	35,519
Accounts payable from price hedging contracts	69,957	114,537	69,957	39,380
Accrued expenses	140,875	154,640	53,650	70,284
Other payables	47,668	75,277	9,252	11,672
<b>Total trade and other payables</b>	<b>1,078,191</b>	<b>3,485,909</b>	<b>1,483,987</b>	<b>2,968,516</b>



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**10. Long-term loans**

Movements in the long-term loan account during the six-month period ended 30 June 2012 are summarised below.

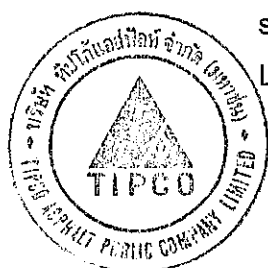
	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 31 December 2011 (Audited)</b>	3,553,982	2,468,175
Additions	619,407	-
Repayments	(228,973)	(121,817)
Unrealised losses on exchange	9,304	-
Exchange differences on translation of financial statements in foreign currencies	3,089	-
<b>Balance as at 30 June 2012</b>	3,956,809	2,346,358
<b>Less: Current portion</b>	(802,742)	(378,633)
<b>Long-term loans - net of current portion</b>	3,154,067	1,967,725

During the current quarter, the Company has amended long-term loan agreement from a local bank to change the interest rate of long-term loan amounting to Baht 1,500 million from interest rate with referenced to MLR as specified in the long-term loan agreement to interest rate with referenced to THBFIX.

The agreements contain certain restrictive covenants pertaining to, among others things, the maintenance of financial ratios, the prohibition from creating lien over assets, the loan to related parties, the maintenance of trade receivables 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, the prohibition from creating lien over assets, restriction on dividend payment and the maintenance of shareholding.

As at 30 June 2012, a long-term credit facility of a subsidiary which has not yet been drawn down amounted to Baht 4 million and JPY 390 million.

On 16 July 2012, a subsidiary has amended long-term loan agreement from a local bank to change currency from Japanese Yen to United States Dollar and the interest rate of long-term loan from interest rate with referenced to Japanese Yen LIBOR as specified in the long-term loan agreement to interest rate with referenced to USD LIBOR.



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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 interest rate at 4.365 percent per annum. As at 30 June 2012, the notional amount of Baht 840 million (31 December 2011: Baht 960 million) was outstanding. The notional amount reduces on a quarterly basis in accordance with the related long-term loan repayment schedule of the Company and maturing in November 2015.

In May 2012, the Company entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan from a local bank to a fixed interest rate at 5.21 percent per annum. As at 30 June 2012, the notional amount of Baht 750 million was outstanding, and this will reduce every quarter in accordance with the related long-term loan repayment schedule, starting from June 2012 and ending when the loan mature in June 2018.

**11. Credit facilities**

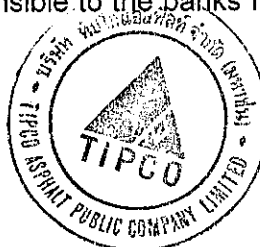
The credit facilities of the Company and its subsidiaries granted by financial institutions are secured by the following:

- a) The guarantees of the Company, its subsidiaries and a shareholder of a subsidiary
- b) The pledges/mortgages of the assets of subsidiaries of which the net book value as at 30 June 2012 and 31 December 2011 is summarised below

(Unit: Million Baht)

	Consolidated financial statements	
	30 June 2012	31 December 2011
		(Audited)
Deposits with financial institutions with restrictions	120	66
Leasehold rights - net	185	187
Property, plant and equipment - net	2,905	2,908
Computer software - net	3	5

- c) The prohibition from creating lien over assets of the Company and a subsidiary.
- 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.



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**12. Income tax**

Interim corporate income tax was calculated on profit (loss) before income tax for the period, using the estimated effective tax rate for the year.

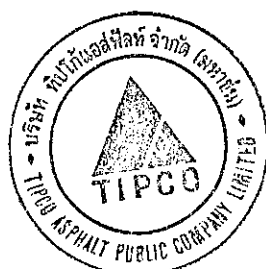
Income tax expenses for the three-month and six-month periods ended 30 June 2012 and 2011 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u> (Restated)	<u>2012</u>	<u>2011</u> (Restated)
<b>Current income tax:</b>				
Current income tax charge	(11,336)	20,034	(21,565)	15,009
<b>Deferred tax:</b>				
Relating to origination and reversal				
of temporary differences	100,765	(8,717)	96,593	(2,061)
Utilisation (record) of tax loss carried				
forward during the period	(32,029)	9,876	(50,472)	-
<b>Income tax expense reported in the</b>				
<b>    statement of comprehensive</b>				
<b>    income</b>	<u>57,400</u>	<u>21,193</u>	<u>24,556</u>	<u>12,948</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u> (Restated)	<u>2012</u>	<u>2011</u> (Restated)
<b>Current income tax:</b>				
Current income tax charge	14,695	49,678	-	34,623
<b>Deferred tax:</b>				
Relating to origination and reversal				
of temporary differences	14,379	11,811	18,444	(3,613)
Utilisation (record) of tax loss carried				
forward during the period	(10,155)	56,508	(50,472)	-
<b>Income tax expense (income)</b>				
<b>    reported in the statement of</b>				
<b>    comprehensive income</b>	<u>18,919</u>	<u>117,997</u>	<u>(32,028)</u>	<u>31,010</u>



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(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2012 and 2011 are as follows:

(Unit : Thousand Baht)

For the three-month periods  
ended 30 June

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u> (Restated)	<u>2012</u>	<u>2011</u> (Restated)
Deferred tax relating to change in fair value of interest rate swap contract	<u>(1,581)</u>	<u>586</u>	<u>(1,581)</u>	<u>586</u>

(Unit : Thousand Baht)

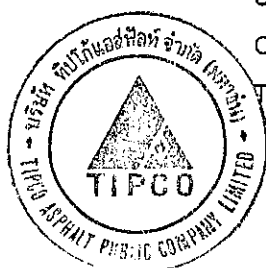
For the six-month periods  
ended 30 June

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u> (Restated)	<u>2012</u>	<u>2011</u> (Restated)
Deferred tax relating to change in fair value of interest rate swap contract	<u>178</u>	<u>5,471</u>	<u>178</u>	<u>5,471</u>

As of 30 June 2012 and 31 December 2011, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 June 2012</u>	<u>31 December 2011</u> (Restated)	<u>30 June 2012</u>	<u>31 December 2011</u> (Restated)
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	14,051	13,026	11,368	10,556
Allowance for doubtful accounts	25,651	22,441	21,308	18,809
Reduce cost of inventories to net realisable value	23,319	537	17,945	350
Allowance for asset impairment	71,375	71,375	22,326	22,326
Fair value of price hedging contracts	61,256	6,439	61,256	6,439
Unused tax losses	60,216	50,061	50,472	-
Others	10,461	7,996	8,423	3,353
<b>Total</b>	<u>266,329</u>	<u>171,875</u>	<u>193,098</u>	<u>61,833</u>



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(Unaudited but reviewed)

(Unit: Thousand Baht)

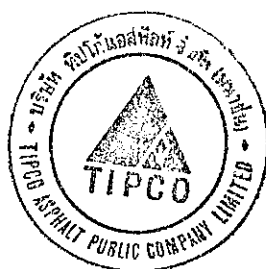
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
		(Restated)		(Restated)
<b>Deferred tax liabilities</b>				
Fair value of price hedging contracts	(112,743)	(15,592)	(112,743)	(15,592)
Difference depreciation for tax purpose	(1,918)	(1,368)	(1,658)	(1,073)
Fair value of forward exchange contracts	(2,024)	(869)	(2,019)	(340)
<b>Total</b>	<b>(116,685)</b>	<b>(17,829)</b>	<b>(116,420)</b>	<b>(17,005)</b>
Deferred tax assets - net	149,644	154,046	76,678	44,828

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the tax rates decrease for 2012 to 2014 were enacted through a royal decree. The Company and its subsidiaries have reflected the changes in tax rates in their deferred tax calculation, as presented above.

### 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	
	2012	2011	2012	2011
		(Restated)		(Restated)
Profit for the period (Thousand Baht)	120,329	20,897	28,789	109,116
Weighted average number of ordinary shares (Thousand shares)	152,548	152,548	152,548	152,548
Earnings per share (Baht per share)	0.79	0.14	0.19	0.72



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(Unaudited but reviewed)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u> (Restated)	<u>2012</u>	<u>2011</u> (Restated)
Profit for the period (Thousand Baht)	126,053	113,889	4,763	202,870
Weighted average number of ordinary shares (Thousand shares)	152,548	152,548	152,548	152,548
Earnings per share (Baht per share)	0.83	0.75	0.03	1.33

There is no calculation of diluted earnings per share for the three-month and six-month periods ended 30 June 2012 and 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 27 April 2012 approved the following resolutions.

##### Decrease of share capital

Decrease the Company's registered capital by Baht 1,587,000 from Baht 1,690,024,290 (169,002,429 ordinary shares of Baht 10 each) to Baht 1,688,437,290 (168,843,729 ordinary shares of Baht 10 each), by decreasing the ordinary shares reserved for the exercise of ESOP-W1 of 158,700 shares at the par value of Baht 10 each.

The Company registered the capital decrease on 15 May 2012.

##### Increase of share capital

- 1) Increase the Company's registered capital by Baht 12,000,000 from Baht 1,688,437,290 (168,843,729 ordinary shares of Baht 10 each) to Baht 1,700,437,290 (170,043,729 ordinary shares of Baht 10 each), through the issue of 1,200,000 new ordinary shares of Baht 10 each.
- 2) Allocate and reserve the 1,200,000 new ordinary shares to support the exercise of the ESOP-W2 warrants (Note 15).

The Company registered the capital increase on 16 May 2012.



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**15. Warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Company and subsidiaries (ESOP)**

The 2012 and 2011 annual general meetings of the shareholders each approved the issuance of 1,200,000 warrants to purchase new ordinary shares of the Company to the executive directors and/or employees of the Company and its subsidiaries, without charge. Details of these issues of ESOP warrants are summarised below.

	<u>ESOP-W1</u>	<u>ESOP-W2</u>
Annual General Meeting of the shareholders date	5 April 2011	27 April 2012
Exercise price	62.19 Baht per share	49.13 Baht per share
Issue date	18 April 2011	18 May 2012
Number of warrants subscribed	1,041,300 warrants	1,128,700 warrants
Number of warrants unsubscribed	158,700 warrants	71,300 warrants

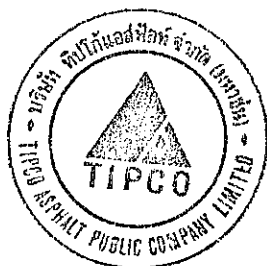
Each ESOP warrant can be exercised to purchase 1 new ordinary share at the exercise prices specified above. However, these exercise prices are subject to change in accordance with the conditions of any subsequent rights adjustment.

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

The Company plans to cancel the unallocated ESOP-W2 specified above later.

**16. Compensation received from claims for damages**

In June 2012, Thai Bitumen Company Limited (Thai Bitumen) received a sum of USD 1.6 million being the claim for reimbursement expenses incurred from Glencore case. Thai Bitumen recorded the cash receipt as income in the consolidated profit or loss in the current period and the case has been fully settled accordingly.



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**17. Dividend**

On 27 April 2012, the Annual General Meeting of the shareholders approved the payment of a dividend for the year 2011 of Baht 1.25 per share, or a total of Baht 190,684,210, to the Company's shareholders. Dividends were paid to the shareholders on 16 May 2012.

**18. 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 2012 and 2011, 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:

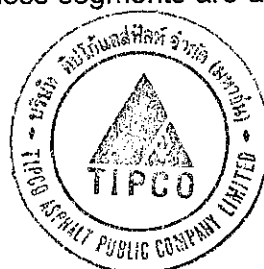
(Unit: Million Baht)

	For three-month periods ended 30 June							
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(Restated)		(Restated)		(Restated)		(Restated)	
Revenue from external customers	8,382	3,664	779	665	-	-	9,161	4,329
Inter-segment revenues	974	450	235	41	(1,209)	(491)	-	-
Total revenue	<u>9,356</u>	<u>4,114</u>	<u>1,014</u>	<u>706</u>	<u>(1,209)</u>	<u>(491)</u>	<u>9,161</u>	<u>4,329</u>
Segment operating profit (loss)	<u>111</u>	<u>115</u>	<u>(20)</u>	<u>(86)</u>	<u>29</u>	<u>(8)</u>	<u>120</u>	<u>21</u>

(Unit: Million Baht)

	For six-month periods ended 30 June							
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(Restated)		(Restated)		(Restated)		(Restated)	
Revenue from external customers	16,317	8,003	1,515	1,011	-	-	17,832	9,014
Inter-segment revenues	1,857	1,014	524	127	(2,381)	(1,141)	-	-
Total revenue	<u>18,174</u>	<u>9,017</u>	<u>2,039</u>	<u>1,138</u>	<u>(2,381)</u>	<u>(1,141)</u>	<u>17,832</u>	<u>9,014</u>
Segment operating profit (loss)	<u>83</u>	<u>254</u>	<u>31</u>	<u>(160)</u>	<u>12</u>	<u>20</u>	<u>126</u>	<u>114</u>

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



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**19. Commitments and contingent liabilities****19.1 Capital commitments**

As at 30 June 2012, the Company and its subsidiaries had outstanding capital commitments relating to the purchase of land, machinery and equipment, computer software and vessels, as follows:

<u>Foreign currency</u>	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
	(Million)	(Million)
Baht	7	7
Ringgit	7	-
Yen	390	-

**19.2 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.

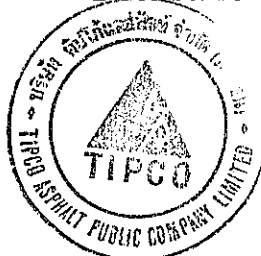
Future minimum rental and service fees payable under these as at 30 June 2012 were as follows:

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>
	<u>Million Baht</u>	<u>Million Ringgit</u>	<u>Million Baht</u>
Payable within:			
1 year	26	1	24
2-5 years	5	-	5

**19.3 Long-term service commitments**

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	5 years	31 December 2012	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



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**19.4 Crude oil purchase commitments**

As at 30 June 2012, the Company had outstanding commitment in respect of the purchase of crude oil approximately 0.9 million barrels.

**19.5 Bank guarantees**

As at 30 June 2012, there were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business which are summarised below.

Foreign currency	Consolidated financial statements	Separate financial statements
	(Million)	(Million)
Baht	3	2
Ringgit	2	-
Renminbi	5	5

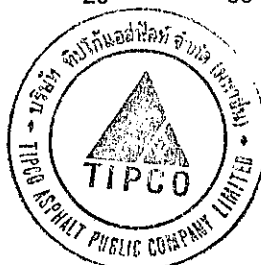
**20. Foreign currency risk**

The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies as at 30 June 2012 are summarised below.

Foreign currency	Consolidated		Separate		Average exchange rate as at 30 June 2012  (Baht per 1 foreign currency unit)
	financial statements		financial statements		
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	
US Dollar	52	192	79	191	31.8
HKD	-	-	1	-	4.1
Yen	2	1,402	1	2	0.4
Ringgit	-	1	-	1	10.0

Foreign exchange contracts, which maturity date within one year, of the Company and its subsidiaries outstanding at 30 June 2012 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	20	35	19	30.8 - 32.2	31.0 - 31.8



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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.

## 21. Raw material and finished goods price risk

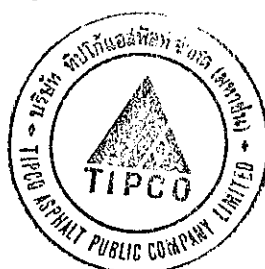
The Company is exposed to risk from fluctuations in the price of raw materials and finished goods. To manage these risks, the Company has entered into forward contracts to purchase/sell of raw materials and finished goods, and option contract to purchase/sell of raw materials and finished goods with banks to hedge the risk from fluctuation in such prices.

As at 30 June 2012 and 31 December 2011, the Company had outstanding price hedging contracts which are presented in the statements of financial position at fair value and are summarised below.

	(Unit: Million Baht)	
	Consolidated/Separate financial statements	
	30 June 2012	31 December 2011
		(Audited)
<b><u>Contracts presented as assets</u></b>		
Forward contracts to sell raw materials	14	13
Forward contracts to sell finished goods	475	55
Three-ways collar options to purchase raw materials	2	-
Total price hedging contracts presented as assets	491	68
<b><u>Contracts presented as liabilities</u></b>		
Forward contracts to purchase raw materials	139	17
Forward contracts to sell raw materials	-	1
Forward contracts to sell finished goods	12	10
Three-ways collar options to purchase raw materials	106	-
Total price hedging contracts presented as liabilities	257	28

## 22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 8 August 2012.



*D. Omit*  
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