

Tipco Asphalt Public Company Limited and its subsidiaries  
Report and interim consolidated financial statements  
For the three-month and six-month periods ended  
30 June 2014

## **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 2014, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2014, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Tipco Asphalt Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 6 August 2014


Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		490,849	495,435	67,808	89,696
Trade and other receivables	2, 3	4,082,874	3,966,573	4,564,742	3,663,367
Short-term loans to related parties	3	-	-	87,558	40,621
Inventories	4	7,556,480	9,349,415	6,716,857	8,651,623
Price hedging contracts	17	22,151	134,594	22,151	134,594
Forward exchange contracts	16	1,469	1,625	1,469	1,563
Other current assets		166,162	270,943	46,761	40,638
<b>Total current assets</b>		<b>12,319,985</b>	<b>14,218,585</b>	<b>11,507,346</b>	<b>12,622,102</b>
<b>Non-current assets</b>					
Investment in subsidiaries	5	-	-	3,955,183	3,829,061
Investment in associate		113,929	110,521	18,404	18,404
Investment properties		199,433	199,433	100,381	100,651
Property, plant and equipment	6	5,468,534	5,246,623	459,836	455,784
Goodwill		146,294	146,294	-	-
Other intangible assets - Computer software		21,999	21,790	21,428	21,223
Leasehold rights		211,221	217,813	3,760	3,874
Deferred tax assets - net	10	129,281	102,408	66,759	45,872
Other non-current assets		8,680	10,052	4,610	4,931
<b>Total non-current assets</b>		<b>6,299,371</b>	<b>6,054,934</b>	<b>4,630,361</b>	<b>4,479,800</b>
<b>Total assets</b>		<b>18,619,356</b>	<b>20,273,519</b>	<b>16,137,707</b>	<b>17,101,902</b>

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



The image shows a handwritten signature on the left and a circular official stamp on the right. The stamp contains the text 'บริษัท อสฟัลท์ จำกัด (มหาชน)' (Tipco Asphalt Public Company Limited) around the perimeter and 'TIPCO' in the center. A handwritten signature is written across the stamp.

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions		8,901,497	9,416,460	8,299,163	9,164,536
Trade and other payables	3, 7	1,439,249	1,611,815	1,507,791	1,682,324
Short-term loan from related party	3	-	-	18,000	-
Current portion of liabilities under finance lease agreements		6,227	7,010	4,666	5,239
Current portion of long-term loans from financial institutions	8	692,072	688,821	350,000	352,500
Income tax payable		43,564	13,736	29,823	1,458
Price hedging contracts	17	87,230	119,814	87,230	119,814
Forward exchange contracts	16	1,149	7,812	1,104	6,586
Other current liabilities		37,182	228,942	28,972	28,568
<b>Total current liabilities</b>		<b>11,208,170</b>	<b>12,094,410</b>	<b>10,326,749</b>	<b>11,361,025</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements - net of current portion		7,054	8,279	5,201	7,337
Long-term loans from financial institutions - net of current portion	8	1,909,511	2,179,870	587,500	772,500
Long-term loan from related party	3	7,684	7,951	-	-
Interest rate swap contracts	8	21,273	22,250	19,380	21,111
Provision for long-term employee benefits		81,250	69,822	67,904	55,545
<b>Total non-current liabilities</b>		<b>2,026,772</b>	<b>2,288,172</b>	<b>679,985</b>	<b>856,493</b>
<b>Total liabilities</b>		<b>13,234,942</b>	<b>14,382,582</b>	<b>11,006,734</b>	<b>12,217,518</b>

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



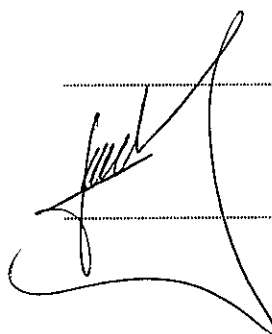
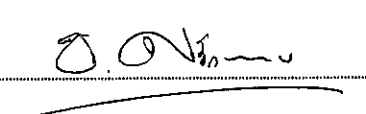
Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position (continued)

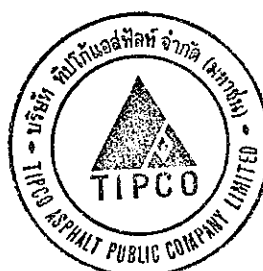
(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital	12				
Registered					
172,123,329 ordinary shares (31 December 2013:					
171,059,929 ordinary shares) of Baht 10 each		1,721,233	1,710,599	1,721,233	1,710,599
Issued and fully paid					
152,581,457 ordinary shares (31 December 2013:					
152,580,868 ordinary shares) of Baht 10 each		1,525,815	1,525,809	1,525,815	1,525,809
Premium on share capital		887,859	887,824	887,859	887,824
Shares subscription	13	33,180	-	33,180	-
Non-controlling interests of subsidiary acquired					
by the Company at price lower than book value		6,238	6,238	-	-
Change in the Company's interest in subsidiaries					
which does not result in a loss of control	5	(308,455)	12,904	-	-
Capital reserve for share-based payment transactions	13	29,754	23,255	29,754	23,255
Retained earnings					
Appropriated - statutory reserve		162,053	162,053	162,053	162,053
Unappropriated		2,933,337	2,682,129	2,495,035	2,289,092
Other components of shareholders' equity		(110,780)	(58,505)	(2,723)	(3,649)
Equity attributable to owners of the Company		5,159,001	5,241,707	5,130,973	4,884,384
Non-controlling interests of the subsidiaries		225,413	649,230	-	-
<b>Total shareholders' equity</b>		<b>5,384,414</b>	<b>5,890,937</b>	<b>5,130,973</b>	<b>4,884,384</b>
<b>Total liabilities and shareholders' equity</b>		<b>18,619,356</b>	<b>20,273,519</b>	<b>16,137,707</b>	<b>17,101,902</b>

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

Directors



(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

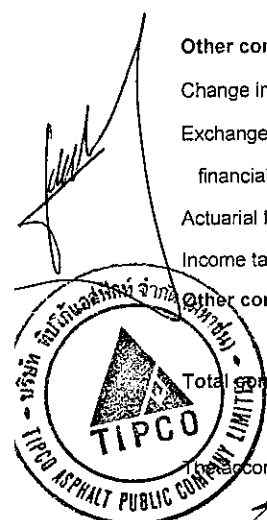
## Statement of comprehensive income

For the three-month period ended 30 June 2014

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

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
<b>Revenues</b>					
Sales and service income		11,316,526	8,189,289	10,762,542	8,104,091
Other income					
Dividend income from subsidiary	5	-	-	16,100	16,100
Dividend income from associate		-	-	32,569	-
Gain on exchange	16	64,272	-	61,289	-
Others		22,943	22,829	31,367	21,538
<b>Total revenues</b>		<b>11,403,741</b>	<b>8,212,118</b>	<b>10,903,867</b>	<b>8,141,729</b>
<b>Expenses</b>					
Cost of sales and services		11,057,943	7,918,805	10,712,819	8,031,030
(Gain) loss from price hedging contracts	17	331,058	(172,356)	331,058	(172,356)
Reversal of reduction of cost of inventories to net realisable value	4	(224,251)	(135,818)	(314,435)	(124,561)
		11,164,750	7,610,631	10,729,442	7,734,113
Selling expenses		42,728	30,203	15,697	15,770
Administrative expenses		141,847	161,582	61,541	102,496
Other expenses					
Allowance for doubtful accounts (reversal)		10,468	(29,490)	(1,119)	(1,576)
Loss on exchange	16	-	175,222	-	182,111
Impairment loss of equipment		6,954	-	-	-
<b>Total expenses</b>		<b>11,366,747</b>	<b>7,948,148</b>	<b>10,805,561</b>	<b>8,032,914</b>
<b>Profit before share of profit from investment in associate,</b>					
<b>finance cost and income tax income (expenses)</b>		<b>36,994</b>	<b>263,970</b>	<b>98,306</b>	<b>108,815</b>
Share of profit from investment in associate		17,283	16,132	-	-
<b>Profit before finance cost and income tax income (expenses)</b>		<b>54,277</b>	<b>280,102</b>	<b>98,306</b>	<b>108,815</b>
Finance cost		(54,498)	(44,031)	(34,305)	(31,220)
<b>Profit before income tax income (expenses)</b>		<b>(221)</b>	<b>236,071</b>	<b>64,001</b>	<b>77,595</b>
Income tax income (expenses)	10	11,719	(26,755)	560	(5,216)
<b>Profit for the period</b>		<b>11,498</b>	<b>209,316</b>	<b>64,561</b>	<b>72,379</b>
<b>Other comprehensive income:</b>					
Change in fair value of interest rate swap contract		710	(785)	710	(785)
Exchange differences on translation of					
financial statements in foreign currencies		2,806	135,151	-	-
Actuarial loss		(4,814)	-	(7,913)	-
Income tax effect	10	821	157	1,441	157
<b>Other comprehensive income for the period</b>		<b>(477)</b>	<b>134,523</b>	<b>(5,762)</b>	<b>(628)</b>
<b>Total comprehensive income for the period</b>		<b>11,021</b>	<b>343,839</b>	<b>58,799</b>	<b>71,751</b>

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

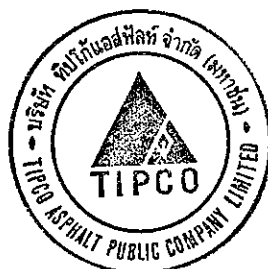
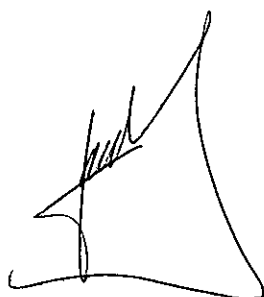
Statement of comprehensive income (continued)

For the three-month period ended 30 June 2014

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Profit attributable to:</b>				
Equity holders of the Company	1,704	184,754	<u>64,561</u>	<u>72,379</u>
Non-controlling interests of the subsidiaries	<u>9,794</u>	<u>24,562</u>		
	<u>11,498</u>	<u>209,316</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	694	295,385	<u>58,799</u>	<u>71,751</u>
Non-controlling interests of the subsidiaries	<u>10,327</u>	<u>48,454</u>		
	<u>11,021</u>	<u>343,839</u>		
<b>Earnings per share (Baht)</b>				
	11			
<b>Basic earnings per share</b>				
Profit attributable to equity holders of the Company	<u>0.01</u>	<u>1.21</u>	<u>0.42</u>	<u>0.47</u>
<b>Diluted earnings per share</b>				
Profit attributable to equity holders of the Company	<u>0.01</u>	<u>1.21</u>	<u>0.42</u>	<u>0.47</u>

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(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

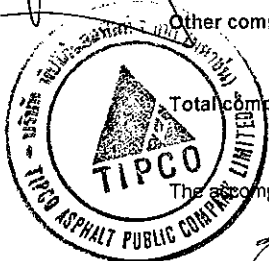
## Statement of comprehensive income

For the six-month period ended 30 June 2014

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

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
<b>Revenues</b>					
Sales and service income		23,367,539	16,254,423	22,380,958	15,934,829
Other income					
Dividend income from subsidiaries	5	-	-	136,100	16,100
Dividend income from associate		-	-	32,569	-
Gain on exchange	16	244,620	200,047	244,899	166,322
Others		34,412	35,894	47,015	35,500
<b>Total revenues</b>		<b>23,646,571</b>	<b>16,490,364</b>	<b>22,841,541</b>	<b>16,152,751</b>
<b>Expenses</b>					
Cost of sales and services		22,577,985	15,488,816	22,037,317	15,563,917
(Gain) loss from price hedging contracts	17	286,073	(146,910)	286,073	(146,910)
Reduction of cost of inventories to net realisable value	4	21,223	950	21,616	5,824
		22,885,281	15,342,856	22,345,006	15,422,831
Selling expenses		76,324	57,162	35,689	31,159
Administrative expenses		302,840	333,335	165,992	217,234
Other expenses					
Allowance for doubtful accounts (reversal)		13,668	(19,447)	(1,189)	(3,017)
Impairment loss of equipment		5,890	-	-	-
<b>Total expenses</b>		<b>23,284,003</b>	<b>15,713,906</b>	<b>22,545,498</b>	<b>15,668,207</b>
<b>Profit before share of profit from investment in associate,</b>					
<b>finance cost and income tax expenses</b>		<b>362,568</b>	<b>776,458</b>	<b>296,043</b>	<b>484,544</b>
Share of profit from investment in associate		36,792	30,564	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>399,360</b>	<b>807,022</b>	<b>296,043</b>	<b>484,544</b>
Finance cost		(109,548)	(94,731)	(72,433)	(66,250)
<b>Profit before income tax expenses</b>		<b>289,812</b>	<b>712,291</b>	<b>223,610</b>	<b>418,294</b>
Income tax expenses	10	(22,566)	(97,312)	(11,337)	(66,774)
<b>Profit for the period</b>		<b>267,246</b>	<b>614,979</b>	<b>212,273</b>	<b>351,520</b>
<b>Other comprehensive income:</b>					
Change in fair value of interest rate swap contract		1,158	(256)	1,158	(256)
Exchange differences on translation of					
financial statements in foreign currencies		(60,749)	21,456	-	-
Actuarial loss		(4,814)	-	(7,913)	-
Income tax effect	10	731	51	1,351	51
<b>Other comprehensive income for the period</b>		<b>(63,674)</b>	<b>21,251</b>	<b>(5,404)</b>	<b>(205)</b>
<b>Total comprehensive income for the period</b>		<b>203,572</b>	<b>636,230</b>	<b>206,869</b>	<b>351,315</b>

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





(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries




Statement of comprehensive income (continued)

For the six-month period ended 30 June 2014

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		255,353	594,122	<u>212,273</u>	<u>351,520</u>
Non-controlling interests of the subsidiaries		<u>11,893</u>	<u>20,857</u>		
		<u>267,246</u>	<u>614,979</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		198,933	613,423	<u>206,869</u>	<u>351,315</u>
Non-controlling interests of the subsidiaries		<u>4,639</u>	<u>22,807</u>		
		<u>203,572</u>	<u>636,230</u>		
<b>Earnings per share (Baht)</b>					
	<b>11</b>				
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		<u>1.67</u>	<u>3.89</u>	<u>1.39</u>	<u>2.30</u>
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company		<u>1.67</u>	<u>3.88</u>	<u>1.39</u>	<u>2.30</u>

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Issued and paid-up share capital	Premium on share capital	Shares subscription	Non-controlling interests of subsidiary acquired by the Company at price lower than book value	Change in the Company's interest in subsidiaries which does not result in a loss of control	Capital reserve for share-base payment transactions	Retained earnings - Appropriated - statutory reserve	Unappropriated reserve	Fair value of interest rate swap contract	Other components of equity			
										Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
Balance as at 1 January 2013	1,525,481	886,112	-	6,238	12,904	13,141	140,503	2,024,808	(4,643)	(179,878)	(184,521)	4,424,666	5,042,692
Cash receipts from shares subscription	-	-	2,040	-	-	-	-	-	-	-	2,040	-	2,040
Share base payment transactions	-	-	-	-	-	4,709	-	-	-	-	4,709	-	4,709
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(205)	19,506	19,301	-	19,301
Balance as at 30 June 2013	1,525,481	886,112	2,040	6,238	12,904	17,850	140,503	2,618,930	(4,848)	(160,372)	(165,220)	5,044,838	5,652,921
Balance as at 1 January 2014	1,525,809	887,824	-	6,238	12,904	23,255	162,053	2,682,129	(3,649)	(54,856)	(58,505)	649,230	5,890,937
Change in the Company's interest in subsidiaries which does not result in a loss of control (Note 5)	-	-	-	-	(321,359)	-	-	-	-	-	-	(321,359)	(405,706)
Increase in share capital (Note 12)	6	35	-	-	-	-	-	-	-	-	41	-	41
Cash receipts from shares subscription (Note 13)	-	-	33,180	-	-	-	-	-	-	-	33,180	-	33,180
Share-base payment transactions (Note 13)	-	-	-	-	-	6,499	-	-	-	-	6,499	-	6,499
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	251,208	926	(53,201)	(52,275)	198,933	203,572
Balance as at 30 June 2014	1,525,815	887,859	33,180	6,238	(308,455)	29,754	162,053	2,933,337	(2,723)	(108,057)	(110,780)	225,413	5,384,414

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



(Unaudited but reviewed)

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

**Statement of changes in shareholders' equity (continued)**

**For the six-month period ended 30 June 2014**

(Unit: Thousand Baht)

**Separate financial statements**

	Other component of equity									
	Other									
	comprehensive									
	income									
	Issued and paid-up share capital	Premium on share capital	Shares subscription	Capital reserve for share-base payment transactions	Retained earnings - Appropriated - statutory reserve	Unappropriated	Fair value of interest rate swap contract	Total other component of shareholders' equity	Total	shareholders' equity
<b>Balance as at 1 January 2013</b>	1,525,481	886,112	-	13,141	140,503	2,032,967	(4,643)	(4,643)	4,593,561	4,593,561
Cash receipts from shares subscription	-	-	2,040	-	-	-	-	-	2,040	2,040
Share-base payment transactions (Note 13)	-	-	-	3,752	-	-	-	-	3,752	3,752
Total comprehensive income for the period	-	-	-	-	-	351,520	(205)	(205)	351,315	351,315
<b>Balance as at 30 June 2013</b>	<u>1,525,481</u>	<u>886,112</u>	<u>2,040</u>	<u>16,893</u>	<u>140,503</u>	<u>2,384,487</u>	<u>(4,848)</u>	<u>(4,848)</u>	<u>4,950,668</u>	<u>4,950,668</u>
<b>Balance as at 1 January 2014</b>	1,525,809	887,824	-	23,255	162,053	2,289,092	(3,649)	(3,649)	4,884,384	4,884,384
Increase in share capital (Note 12)	6	35	-	-	-	-	-	-	41	41
Cash receipts from shares subscription (Note 13)	-	-	33,180	-	-	-	-	-	33,180	33,180
Share-base payment transactions (Note 13)	-	-	-	6,499	-	-	-	-	6,499	6,499
Total comprehensive income for the period	-	-	-	-	-	205,943	926	926	206,869	206,869
<b>Balance as at 30 June 2014</b>	<u>1,525,815</u>	<u>887,859</u>	<u>33,180</u>	<u>29,754</u>	<u>162,053</u>	<u>2,495,035</u>	<u>(2,723)</u>	<u>(2,723)</u>	<u>5,130,973</u>	<u>5,130,973</u>

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



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(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

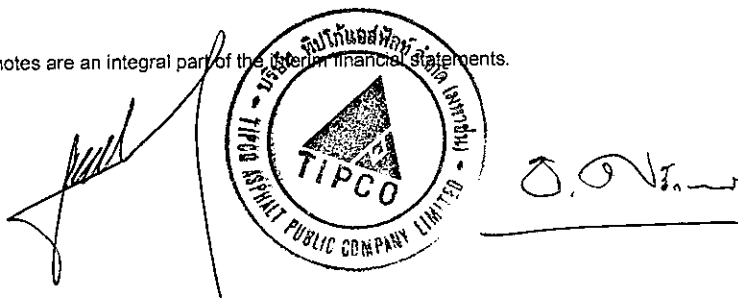
## Cash flow statement

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from operating activities:</b>				
Profit before income tax expenses	289,812	712,291	223,610	418,294
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	230,002	220,641	34,252	38,943
Written-off withholding tax	176	-	-	-
Allowance for doubtful accounts (reversal)	13,668	(19,447)	(1,189)	(3,017)
Reduction of cost of inventories to net realisable value	21,223	950	21,616	5,824
Dividend income from subsidiaries	-	-	(136,100)	(16,100)
Dividend income from associate	-	-	(32,569)	-
Unrealised (gain) loss on exchange	(13,778)	184,352	(26,321)	168,562
(Gain) loss on sales of equipment	2,320	(16,884)	(138)	(4,635)
Impairment loss of equipment	5,890	-	-	-
Share of gain from investment in associate	(36,792)	(30,564)	-	-
Share-base payment transactions	6,499	4,709	5,377	3,593
Provision for long-term employee benefits	6,614	4,699	4,446	3,680
Change in fair value of forward exchange contracts	(6,507)	27,871	(5,388)	26,308
Change in fair value of price hedging contracts	79,859	793	79,859	793
Change in fair value of interest rate swap contract recognised in income statement	1,838	387	1,044	387
Interest expenses	102,761	87,961	68,024	62,437
Profit from operating activities before changes in operating assets and liabilities	703,585	1,177,759	236,523	705,069
(Increase) decrease in operating assets				
Trade and other receivables	(97,094)	1,087,777	(852,419)	935,533
Inventories	1,772,054	90,282	1,913,150	770,152
Other current assets	87,434	(152,646)	(19,466)	(12,595)
Other non-current assets	780	92,751	7,108	(22,989)
Increase (decrease) in operating liabilities				
Trade and other payables	(147,176)	1,241,405	(51,082)	1,290,079
Other current liabilities	(193,417)	69,897	(1,213)	14,757
<b>Cash flows from operating activities</b>	<b>2,126,166</b>	<b>3,607,225</b>	<b>1,232,601</b>	<b>3,680,006</b>
Cash paid for interest expenses	(114,023)	(73,459)	(71,425)	(46,727)
Cash paid for corporate income tax	(19,178)	(71,289)	(2,507)	(38,815)
<b>Net cash flows from operating activities</b>	<b>1,992,965</b>	<b>3,462,477</b>	<b>1,158,669</b>	<b>3,594,464</b>

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



The image shows a handwritten signature on the left and a circular official stamp on the right. The stamp contains the text 'TIPCO' in the center, with 'TIPCO ASPHALT PUBLIC COMPANY LIMITED' around the perimeter. There is also some Thai text at the top of the stamp.

(Unaudited but reviewed)

## Tipco Asphalt Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

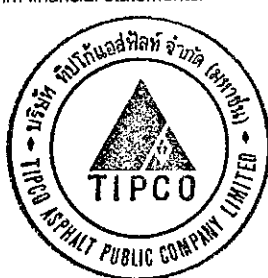
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from investing activities:</b>				
Cash receipts from business transfer to subsidiary	-	-	-	61,068
Cash paid for investment in subsidiary	-	-	(125,000)	-
Dividend received from subsidiary	-	-	16,100	16,100
Increase in short-term loans to related parties	-	-	(47,000)	-
Acquisition of equipment	(502,322)	(503,405)	(31,357)	(29,093)
Acquisition of computer software	(801)	(1,874)	(708)	(1,856)
Proceeds from sales of equipment	11,375	51,621	261	1,640
<b>Net cash flows from (used in) investing activities</b>	<b>(491,748)</b>	<b>(453,658)</b>	<b>(187,704)</b>	<b>47,859</b>
<b>Cash flows from financing activities:</b>				
Cash paid to acquisition of non-controlling interests of subsidiaries	(727,065)	-	-	-
Cash receipt from capital increase	41	-	41	-
Decrease in short-term loans from financial institutions	(495,966)	(3,286,277)	(854,237)	(3,498,523)
Increase in short-term loan from related party	-	-	18,000	-
Cash paid under finance lease agreements	(3,493)	(4,153)	(2,337)	(2,233)
Cash receipt from long-term loans	99,098	289,978	-	-
Repayment of long-term loans	(353,776)	(284,465)	(187,500)	(143,292)
Cash receipts from shares subscription	33,180	2,040	33,180	2,040
Dividend paid to non-controlling interests of subsidiaries	(22,750)	(22,750)	-	-
<b>Net cash flows used in financing activities</b>	<b>(1,470,731)</b>	<b>(3,305,627)</b>	<b>(992,853)</b>	<b>(3,642,008)</b>
<b>Exchange differences on translation of</b>				
financial statements in foreign currencies	(35,072)	(10,713)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4,586)</b>	<b>(307,521)</b>	<b>(21,888)</b>	<b>315</b>
Cash and cash equivalents at beginning of period	495,435	739,597	89,696	44,141
<b>Cash and cash equivalents at end of period</b>	<b>490,849</b>	<b>432,076</b>	<b>67,808</b>	<b>44,456</b>

## Supplemental cash flows information

## Non-cash transactions:

Acquisition of assets through finance lease	1,900	2,629	-	2,629
Purchase of equipment for which cash has not been paid	4,115	2,838	-	-
Settlement of dividend received from subsidiary				
with account payable (Note 5)	-	-	120,000	-

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



**Tipco Asphalt Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial statements**  
**For the three-month and six-month periods ended 30 June 2014**

**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 2012) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

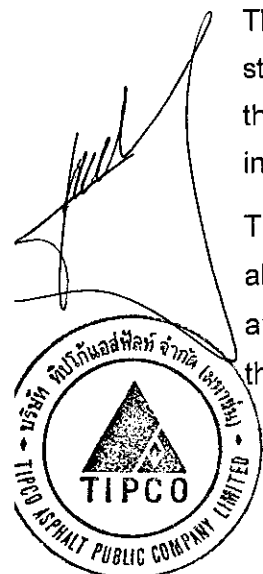
**1.2 Basis of consolidation**

The consolidated interim financial statements include the financial statements of Tipco Asphalt Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2013, except the change in percentage of shareholding in two subsidiaries as described in Note 5 to the interim financial statements.

**1.3 Accounting standards that became effective in the current accounting year and accounting standards that will become effective in the future**

The Company and its subsidiaries disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014 and will be effective in the future, in notes to the financial statements for the year ended 31 December 2013.

The management of the Company and its subsidiaries has assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company and its subsidiaries or do not have a significant impact.



O. N. S.

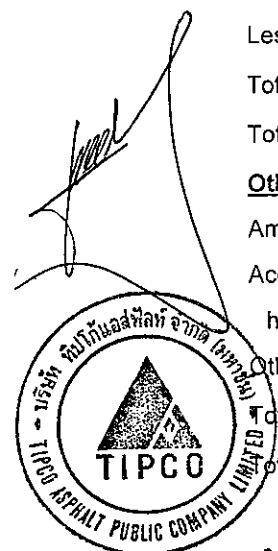
(Unaudited but reviewed)

## 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 2013.

## 2. Trade and other receivables

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013 (Audited)	30 June 2014	31 December 2013 (Audited)
<b><u>Trade receivables - related parties</u></b> (Note 3)				
Aged on the basis of due dates				
Not yet due	256,136	490,525	1,219,574	1,269,351
Past due				
Up to 3 months	40,078	21,051	665,850	279,848
3 - 6 months	-	-	458,681	56,375
6 - 9 months	119	58	85,181	-
9 - 12 months	-	61	4,006	3,272
Over 12 months	98	176	-	-
Total trade receivables - related parties	296,431	511,871	2,433,292	1,608,846
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	3,143,859	2,749,017	1,848,406	1,827,445
Past due				
Up to 3 months	401,124	454,089	180,718	152,994
3 - 6 months	131,381	120,295	6,233	22,959
6 - 9 months	29,813	39,668	13,333	669
9 - 12 months	18,176	6,878	13	1,824
Over 12 months	119,161	115,022	81,966	82,325
Total	3,849,514	3,484,969	2,130,669	2,088,216
Less: Allowance for doubtful accounts	(129,279)	(115,833)	(74,844)	(76,033)
Total trade receivables - unrelated parties, net	3,720,235	3,369,136	2,055,825	2,012,183
Total trade receivables - net	4,016,666	3,881,007	4,489,117	3,621,029
<b><u>Other receivables</u></b>				
Amounts due from related parties (Note 3)	40,774	12,224	67,042	26,409
Accounts receivable from price				
hedging contracts	-	5,866	-	5,866
Other receivables	25,434	67,476	8,583	10,063
Total other receivables	66,208	85,566	75,625	42,338
Total trade and other receivables - net	4,082,874	3,966,573	4,564,742	3,663,367



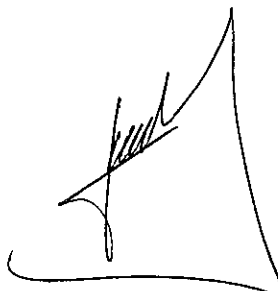

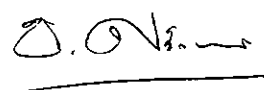
(Unaudited but reviewed)

### 3. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon among the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

For the three-month periods ended 30 June					
Consolidated		Separate		Transfer pricing policies	
financial statements		financial statements			
2014	2013	2014	2013		
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	1,319	1,734	Cost plus certain margin
Rental and service income	-	-	13	9	Contract price
Technical assistance fee income	-	-	3	3	Contract price
Interest income	-	-	1	-	2.8 percent per annum
Dividend income	-	-	16	16	
Purchase of goods	-	-	11	1	Cost plus certain margin
Rental and service expenses	-	-	344	371	Contract price
<b><u>Transactions with associated company</u></b>					
Dividend income	-	-	33	-	
<b><u>Transactions with related companies</u></b>					
Sales and services	566	789	529	745	Market price / Contract price
Rental and service income	1	-	1	-	Contract price
Rental and service expenses	11	11	7	8	Contract price
Technical assistance fee expenses	14	11	9	6	Contract price



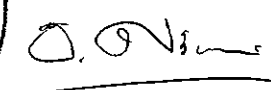


(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Consolidated		Separate		Transfer pricing policies
	financial statements		financial statements		
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	2,412	3,112	Cost plus certain margin
Rental and service income	-	-	20	13	Contract price
Technical assistance fee income	-	-	6	6	Contract price
Interest income	-	-	2	-	2.8 percent per annum
Dividend income	-	-	136	16	
Purchase of goods	-	-	15	5	Cost plus certain margin
Rental and service expenses	-	-	775	748	Contract price
<b><u>Transactions with associated company</u></b>					
Dividend income	-	-	33	-	
<b><u>Transactions with related companies</u></b>					
Sales and services	1,354	1,770	1,271	1,689	Market price / Contract price
Rental and service income	1	1	1	1	Contract price
Rental and service expenses	19	20	15	16	Contract price
Technical assistance fee expenses	25	21	15	12	Contract price

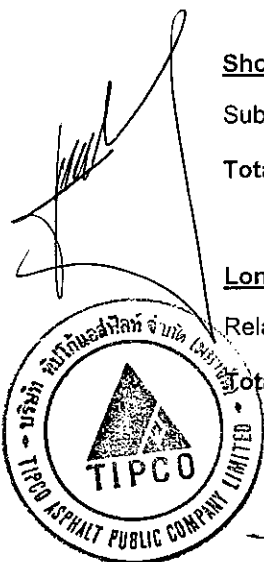
  

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2014 and 31 December 2013 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
<b><u>Trade and other receivables- related parties</u></b>				
(Note 2)				
Subsidiaries	-	-	2,187,855	1,154,376
Associated company	32,569	-	32,569	-
Related companies (common shareholders and directors)	304,636	524,095	279,910	480,879
<b>Total trade and other receivables - related parties</b>	<b>337,205</b>	<b>524,095</b>	<b>2,500,334</b>	<b>1,635,255</b>
<b><u>Short-term loans to related parties</u></b>				
Subsidiaries	-	-	87,558	40,621
<b>Total short-term loans to related parties</b>	<b>-</b>	<b>-</b>	<b>87,558</b>	<b>40,621</b>
<b><u>Trade and other payables - related parties</u></b>				
(Note 7)				
Subsidiaries	-	-	388,189	449,778
Related companies (common shareholders and directors)	32,513	45,198	20,215	37,879
<b>Total trade and other payables - related parties</b>	<b>32,513</b>	<b>45,198</b>	<b>408,404</b>	<b>487,657</b>
<b><u>Short-term loan from related party</u></b>				
Subsidiaries	-	-	18,000	-
<b>Total short-term loan from related party</b>	<b>-</b>	<b>-</b>	<b>18,000</b>	<b>-</b>
<b><u>Long-term loan from related party</u></b>				
Related company (shareholder of subsidiary)	7,684	7,951	-	-
<b>Total long-term loan from related party</b>	<b>7,684</b>	<b>7,951</b>	<b>-</b>	<b>-</b>



*[Handwritten signature]*

(Unaudited but reviewed)

Loans to related parties and loans from related parties

As at 30 June 2014 and 31 December 2013, the balances of loans between the Company and those related companies and the movements were as follows:

(Unit: Thousand Baht)


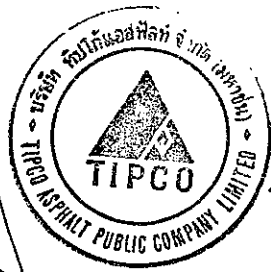
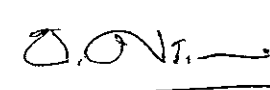
		Separate financial statements				
Loans to related parties	Related by	Balance as at 31 December 2013	Increase during the period	Decrease during the period	Unrealise loss on exchange rate	Balance as at 30 June 2014
(Audited)						
Alpha Maritime Co., Ltd.	Subsidiary	35,000	-	(35,000)	-	-
Thai Bitumen Co., Ltd.	Subsidiary	-	308,000	(226,000)	-	82,000
Kemaman Oil Corporation						
Sdn Bhd	Subsidiary	5,621	-	-	(63)	5,558
Total		40,621	308,000	(261,000)	(63)	87,558

(Unit: Thousand Baht)

		Separate financial statements		
Loans from related parties	Related by	Balance as at 31 December 2013	Increase during the period	Balance as at 30 June 2014
(Audited)				
Alpha Maritime Co., Ltd.	Subsidiary	-	18,000	18,000

(Unit: Thousand Baht)

		Consolidated financial statements		
Loans from related parties	Related by	Balance as at 31 December 2013	Translation adjustment	Balance as at 30 June 2014
(Audited)				
Zhenjiang Highway Materials Company	Shareholder of subsidiary	7,951	(267)	7,684

(Unaudited but reviewed)

Directors and management's benefits

For the three-month and six-month periods ended 30 June 2014 and 2013, the Company and its subsidiaries had employee benefit expenses of their directors and management as detailed below.

(Unit: Million Baht)



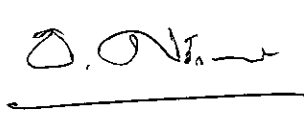
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	25	25	21	21
Post-employment benefits	2	1	2	1
Share-based payment transactions	2	1	2	2
Total	29	27	25	24

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	53	53	44	45
Post-employment benefits	3	2	3	2
Share-based payment transactions	4	2	4	3
Total	60	57	51	50

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 9 to the interim financial statements.

(Unaudited but reviewed)

#### 4. Inventories

Movements in the reduction of cost to net realisable value of inventories account during the six-month period ended 30 June 2014 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2014</b>	11,485	3,282
Reduction of cost of inventories to net realisable value during the period	21,223	21,616
Exchange differences on translation of financial statements in foreign currencies	(346)	-
<b>Balance as at 30 June 2014</b>	<u>32,362</u>	<u>24,898</u>

#### 5. Investments in subsidiaries

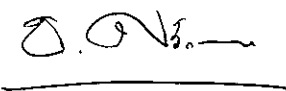
During the second quarter of 2014, the Company invested in new ordinary shares of Alpha Maritime Company Limited amounted to Baht 125 million.

During the six-month period ended 30 June 2014, 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 (2013: Baht 0.2 million), as a cost of investments in subsidiaries.

During the six-month periods ended 30 June 2014 and 2013, the Company received the following dividends from its subsidiaries:

	(Unit: Thousand Baht)	
	Dividend received during the period	
Company's name	by the Company	
	<u>2014</u>	<u>2013</u>
Raycol Asphalt Co., Ltd.	16,100	16,100
Bitumen Marine Co., Ltd.*	120,000	-
<b>Total dividend received during the period</b>	<u>136,100</u>	<u>16,100</u>

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

(Unaudited but reviewed)

Kemaman Oil Corporation Sdn Bhd ("KOC") and Kemaman Bitumen Company Sdn Bhd ("KBC")

In the first quarter of 2014, the Company, Thai Bitumen Company Limited ("Thai Bitumen") and Tasco International (Hong Kong) Limited ("TIHK"), altogether referred to as "The Group", entered into Settlement Agreement with ARAS Group, which comprised Aras Jalinan Sdn Bhd ("AJSB"), Multi Strategies Sdn Bhd ("MSSB") and Specialist Oils & Emultions Sdn Bhd ("SOE"). The Agreement stipulates that TIHK shall acquire all shares in KOC and KBC held by ARAS Group in the amount of totaling MYR 75 million. Details were as follows:

Investment in KOC

Shareholders' name	Number of share (Million shares)	Acquire amount (Million ringgit)	Percentage of shareholding
AJSB	31.35	40.47	20.63
MSSB	24.70	31.89	16.25
Total	56.05	72.36	36.88

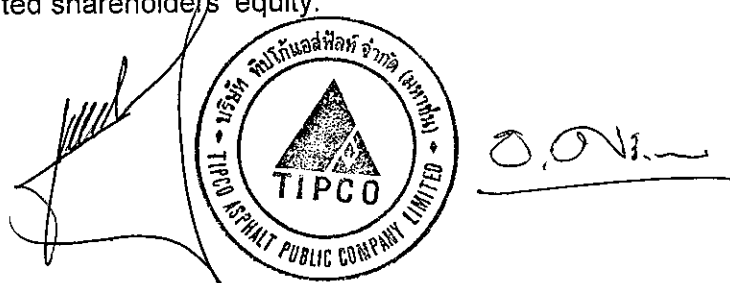
Investment in KBC

Shareholders' name	Number of share (Million shares)	Acquire amount (Million ringgit)	Percentage of shareholding
SOE	4.43	2.64	1.40
Total	4.43	2.64	1.40

TIHK paid for share acquisition of MYR 75 million (approximately Baht 727 million) to ARAS Group and received the share transfer on 17 March 2014.

The Settlement Agreement also stipulates that The Group and Aras Group irrevocably and unconditionally agreed and undertook to release and discharged each other from any and all claims and agreed to withdraw and discontinued the current litigation without any claim as to costs and without any rights to file any further claim to each other.

As a result of the Settlement Agreement, the shareholdings of the Company and its subsidiaries in KOC and KBC increased to 100 percent and the Company recorded the change in the subsidiaries' interest amounting to Baht 321 million under the caption of "Change in the Company's interest in subsidiaries which does not result in a loss of control" in the consolidated shareholders' equity.



(Unaudited but reviewed)

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.

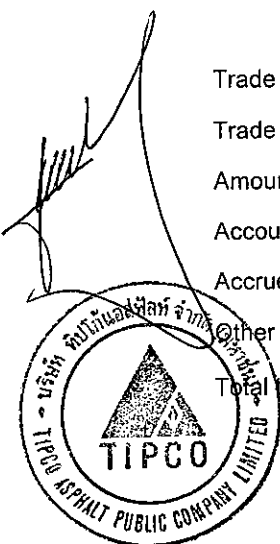
## 6. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2014 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2014</b>	5,246,623	455,784
Acquisitions during period - at cost	490,788	31,357
Disposals/write-off during period - net book value at disposal/write-off date	(13,695)	(123)
Depreciation for the period	(208,913)	(27,182)
Impairment loss of equipment	(5,890)	-
Exchange differences on translation of financial statements in foreign currencies	(40,379)	-
<b>Net book value as at 30 June 2014</b>	<b>5,468,534</b>	<b>459,836</b>

## 7. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	1,934	4,735	388,517	444,577
Trade payables - unrelated parties	1,085,045	1,233,559	979,011	1,031,012
Amounts due to related parties (Note 3)	30,579	40,463	19,887	43,080
Accounts payable from price hedging contracts	50,101	60,952	50,101	60,952
Accrued expenses	175,981	214,271	47,599	92,299
Other payables	95,609	57,835	22,676	10,404
<b>Total trade and other payables</b>	<b>1,439,249</b>	<b>1,611,815</b>	<b>1,507,791</b>	<b>1,682,324</b>



(Unaudited but reviewed)

## 8. Long-term loans

Movements in the long-term loan account during the six-month period ended 30 June 2014 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2014</b>	2,868,691	1,125,000
Additions	99,098	-
Repayments	(353,776)	(187,500)
Unrealised gain on exchange	(2,450)	-
Exchange differences on translation of financial statements in foreign currencies	(9,980)	-
<b>Balance as at 30 June 2014</b>	2,601,583	937,500
Less: Current portion	(692,072)	(350,000)
<b>Long-term loans - net of current portion</b>	<u>1,909,511</u>	<u>587,500</u>


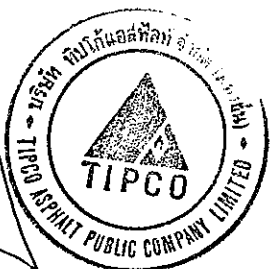

### Loan covenants

The loan agreements of the Company and its subsidiaries contain certain restrictive covenants as were disclosed in the financial statements for the year ended 31 December 2013.

### Interest rate swap agreements

The Company and a subsidiary have entered into interest rate swap agreements to exchange interest rate from floating rates on a long-term loan to fixed rates. Details are as follows:

Counterparty	Agreement date	Fixed interest rate as per agreement (%)	Expiry date	Notional amount	
				30 June 2014	31 December 2013
					(Audited)
The Company	May 2009	4.365	November 2015	Baht 360 million	Baht 480 million
The Company	May 2012	5.21	March 2018	Baht 578 million	Baht 645 million
KBC	December 2013	0.54	August 2016	USD 7 million	USD 9 million
KBC	December 2013	0.93	April 2018	USD 18 million	USD 20 million



(Unaudited but reviewed)

## 9. Credit facilities

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

- a) The guarantees of the Company, its subsidiaries and a shareholder of a subsidiary;
- b) The pledges/mortgages of the assets of subsidiaries of which the net book value as at 30 June 2014 and 31 December 2013 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	
	30 June 2014	31 December 2013
		(Audited)
Leasehold rights - net	181	201
Property, plant and equipment - net	3,564	3,524

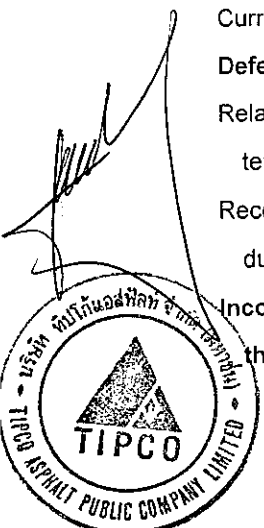
- c) The prohibition from creating lien over assets of the Company and a subsidiary;
- d) Financial support letters provided by the Company and its subsidiaries to banks;
- e) The Company allows its subsidiaries to use its facilities obtained from banks, with the Company responsible to the banks for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

## 10. Income tax

Income tax expenses for the three-month and six-month periods ended 30 June 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Current income tax:</b>				
Current income tax charge	36,088	(5,305)	47,356	9,439
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(27,217)	(22,457)	(46,796)	(14,655)
Record of tax loss carried forward during the period	2,848	1,007	-	-
<b>Income tax income (expenses) reported in the statement of comprehensive income</b>	<u>11,719</u>	<u>(26,755)</u>	<u>560</u>	<u>(5,216)</u>



*[Handwritten signature]*

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Current income tax:</b>				
Current income tax charge	(48,708)	(100,339)	(30,873)	(74,172)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	21,523	1,379	19,536	7,398
Record of tax loss carried forward during the period	4,619	1,648	-	-
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>(22,566)</u>	<u>(97,312)</u>	<u>(11,337)</u>	<u>(66,774)</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2014 and 2013 are as follows:

(Unit: Thousand Baht)

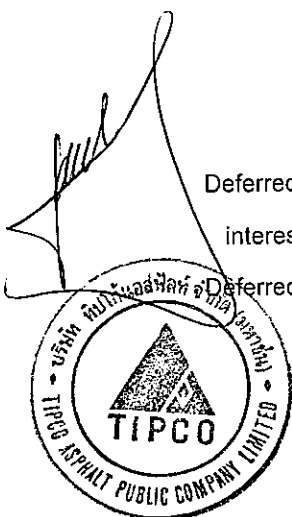
For the three-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax relating to change in fair value of interest rate swap contract	(142)	157	(142)	157
Deferred tax relating to actuarial loss	963	-	1,583	-
	<u>821</u>	<u>157</u>	<u>1,441</u>	<u>157</u>

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax relating to change in fair value of interest rate swap contract	(232)	51	(232)	51
Deferred tax relating to actuarial loss	963	-	1,583	-
	<u>731</u>	<u>51</u>	<u>1,351</u>	<u>51</u>



## 11. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued without consideration of exercising period. However, TASCO-W3, ESOP-W1, ESOP-W3 and ESOP-W4 were not included in calculation of diluted earnings per share for the three-month and six-month periods ended 30 June 2014, and TASCO-W3 was not included in calculation of diluted earnings per share for the three-month and six-month periods ended 30 June 2013 since the exercise prices and the balance of fair value to purchase ordinary shares of the Company were higher than the average market price of the Company's shares for the periods.

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

Consolidated financial statements						
For the three-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders						
of the Company	1,704	184,754	152,617	152,549	0.01	1.21
<b>Effect of potential ordinary shares</b>						
Warrant to purchase ordinary shares of the Company to the executive directors and employees of the subsidiaries						
ESOP-W1	-	-	-	126		
ESOP-W2	-	-	123	345		
ESOP-W3	-	-	-	202		
	-	-	123	673		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
	1,704	184,754	152,740	153,222	0.01	1.21

(Unaudited but reviewed)

Separate financial statements

For the three-month periods ended 30 June

	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders						
of the Company	64,561	72,379	152,617	152,549	0.42	0.47
<b>Effect of potential ordinary shares</b>						
Warrant to purchase ordinary shares of the Company to the executive directors and employees of the subsidiaries						
ESOP-W1	-	-	-	126		
ESOP-W2	-	-	123	345		
ESOP-W3	-	-	-	202		
	-	-	123	673		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	64,561	72,379	152,740	153,222	0.42	0.47

Consolidated financial statements

For the six-month periods ended 30 June

	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders						
of the Company	255,353	594,122	152,599	152,549	1.67	3.89
<b>Effect of potential ordinary shares</b>						
Warrant to purchase ordinary shares of the Company to the executive directors and employees of the subsidiaries						
ESOP-W1	-	-	-	55		
ESOP-W2	-	-	81	284		
ESOP-W3	-	-	-	77		
	-	-	81	416		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	255,353	594,122	152,680	152,965	1.67	3.88

(Unaudited but reviewed)

Separate financial statements					
For the six-month periods ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>					
Profit attributable to equity holders					
of the Company					
212,273	351,520	152,599	152,549	1.39	2.30
<b>Effect of potential ordinary</b>					
<b>shares</b>					
Warrant to purchase ordinary					
shares of the Company to					
the executive directors and					
employees of the subsidiaries					
ESOP-W1	-	-	-	55	
ESOP-W2	-	-	81	284	
ESOP-W3	-	-	-	77	
	-	-	81	416	
<b>Diluted earnings per share</b>					
Profit of ordinary shareholders					
assuming the conversion of					
warrants to ordinary shares					
<u>212,273</u>	<u>351,520</u>	<u>152,680</u>	<u>152,965</u>	1.39	2.30


## 12. Share capital

The Annual General Meeting of the shareholders held on 4 April 2014 approved the following resolutions.

### Decrease of share capital

Decrease the Company's registered capital by Baht 1,366,000 from Baht 1,710,599,290 (171,059,929 ordinary shares of Baht 10 each) to Baht 1,709,233,290 (170,923,329 ordinary shares of Baht 10 each), by decreasing the ordinary shares reserved for the exercise of ESOP-W1, ESOP-W2 and ESOP-W3 of 136,600 shares at the par value of Baht 10 each.

The Company registered the capital decrease on 17 April 2014.



Increase of share capital

- 1) Increase the Company's registered capital by Baht 12,000,000 from Baht 1,709,233,290 (170,923,329 ordinary shares of Baht 10 each) to Baht 1,721,233,290 (172,123,329 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-W4 warrants (Note 13).

The Company registered the capital increase on 18 April 2014.

Below is the summarisation of the exercise of TASCO-W3 warrants during the second quarter of 2014.

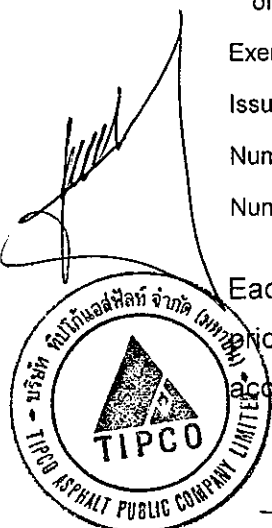
	Second quarter of 2014
Number of warrants exercised (warrants)	589
Number of ordinary shares issued (shares)	589
Amount of cash received (Baht)	40,293
Share registration date	6 May 2014
Paid-up capital after share registration	Baht 1,525,814,570 (152,581,457 ordinary shares of Baht 10 each)

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

The 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>	<u>ESOP-W3</u>	<u>ESOP-W4</u>
Annual General Meeting of the shareholders date	5 April 2011	27 April 2012	5 April 2013	4 April 2014
Exercise price (Baht per share)	62.19	49.13	53.06	49.41
Issue date	18 April 2011	18 May 2012	30 April 2013	30 May 2014
Number of warrants subscribed	1,088,100	1,128,700	1,182,600	1,178,300
Number of warrants unsubscribed	111,900	71,300	17,400	21,700

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.



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(Unaudited but reviewed)

The holders of ESOP-W1 and ESOP-W2 warrants can exercise their rights to purchase the Company's ordinary shares after the second year and the holders of ESOP-W3 and ESOP-W4 can exercise their rights to purchase the Company's ordinary shares after the third 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 warrant specified above later.

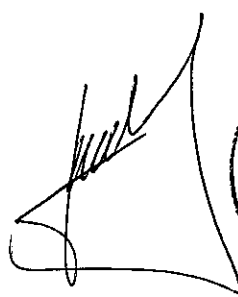
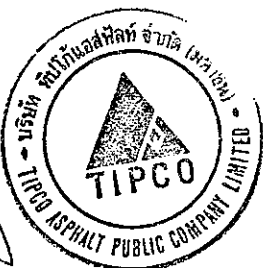
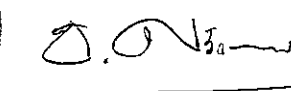
In June 2014, the Company received advance subscription from the exercise of the warrants as follow.

	<u>ESOP-W1</u>	<u>ESOP-W2</u>
Number of warrants exercised (warrants)	87,100	565,100
Number of ordinary shares issued (shares)	87,100	565,100
Amount of cash received (Baht)	5,416,749	27,763,363

The Company registered the capital increase from exercise of ESOP with the Ministry of Commerce on 9 July 2014.

The outstanding unexercised warrants as at 30 June 2014 are as follow.

	<u>ESOP-W1</u>	<u>ESOP-W2</u>	<u>ESOP-W3</u>	<u>ESOP-W4</u>
Number of warrant remaining	845,200	444,700	1,111,100	1,178,300

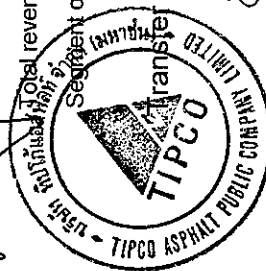
#### 14. Segment information

The Company and its subsidiaries are engaged in single operating segment which is manufacturing and trading of asphalt and petroleum oil products. Whereas, the marine logistic business complements the manufacturing and trading of asphalt and petroleum oil products. The Board of Directors of the group is the chief operating decision makers of the Company and its subsidiaries. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment. Therefore, financial information by segment for the three-month and six-month periods ended 30 June 2014 and 2013 has been presented only by geographical area, as follows:

	For three-month periods ended 30 June						(Unit: Million Baht)	
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenues from external customers	10,092	6,994	1,225	1,195	-	-	11,317	8,189
Inter-segment revenues	1,023	1,438	178	202	(1,201)	(1,640)	-	-
Total revenues	11,115	8,432	1,403	1,397	(1,201)	(1,640)	11,317	8,189
Segment operating profit (loss)	(9)	118	11	71	(1)	(4)	1	185

	For six-month periods ended 30 June						(Unit: Million Baht)		
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions			Consolidated financial statements	
	2014	2013	2014	2013	2014	2013		2014	2013
Revenues from external customers	21,234	14,084	2,134	2,170	-	-	23,368	16,254	
Inter-segment revenues	1,814	2,538	441	400	(2,255)	(2,938)	-	-	
Total revenues	23,048	16,622	2,575	2,570	(2,255)	(2,938)	23,368	16,254	
Segment operating profit	151	498	103	87	1	9	255	594	

Transfer prices between the segments are as set out in Note 3 to the interim financial statements.





## 15. Commitments and contingent liabilities

### 15.1 Capital commitments

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

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013 (Audited)	30 June 2014	31 December 2013 (Audited)
Baht	9	6	8	1
Ringgit	67	87	-	-
US Dollar	3	6	-	-

### 15.2 Operating lease commitments

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

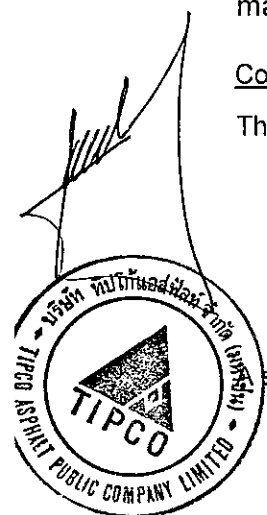
Future minimum rental and service fees payable under these agreements are as follows:

	Consolidated financial statements				Separate financial statements	
	Million Baht		Million ringgit		Million Baht	
	30 June 2014	31 December 2013 (Audited)	30 June 2014	31 December 2013 (Audited)	30 June 2014	31 December 2013 (Audited)
Payable within:						
1 year	35	32	-	1	32	34
2 to 5 years	15	28	-	-	14	26

### 15.3 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:

Counterparty	Agreement term	Expiry date	Fee
The Company	5 years	31 December 2017	Annual lump sum administrative fee of Euro 145,000 plus a technical assistance fee equivalent to 0.75 percent of the consolidated revenues of the Company generated from the stipulated products
Subsidiary	5 years	30 September 2017	Annual fee of at least Baht 8 million



(Unaudited but reviewed)

#### 15.4 Crude oil purchase commitments

In the first quarter of 2014, the Company entered into an agreement with a company in Venezuela to purchase crude oil amounting to 30 million barrel. The term of the agreement is 4 years and ends in December 2017.

#### 15.5 Bank guarantees

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

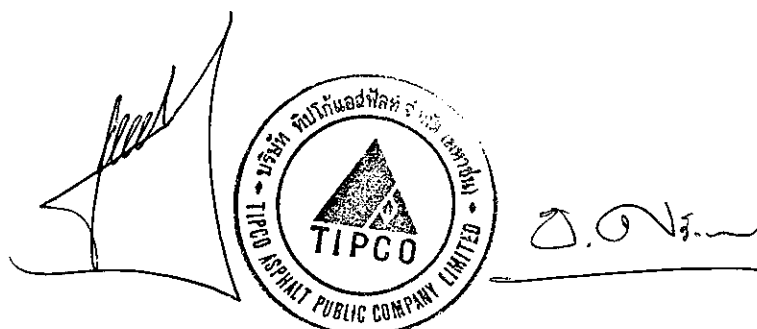
(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
Baht	3	3	2	2
Ringgit	6	5	-	-
Renminbi	5	5	5	5

#### 16. Foreign currency risk

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

Foreign currency	Consolidated financial statements				Average exchange rate	
	Financial assets		Financial liabilities			
	30 June	31 December	30 June	31 December	30 June	31 December
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		
US Dollar	44	45	285	309	32.5	32.8
Yen	1	-	1	7	0.3	0.3
Vietnam Dong	3	7	-	-	0.0015	0.0016
Indonesia Rupiah	2	3	-	-	0.0027	0.0027



(Unaudited but reviewed)

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2014	2013	2014	2013	2014	2013
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
US Dollar	99	77	276	303	32.5	32.8
Ringgit	-	-	4	2	10.1	10.0

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

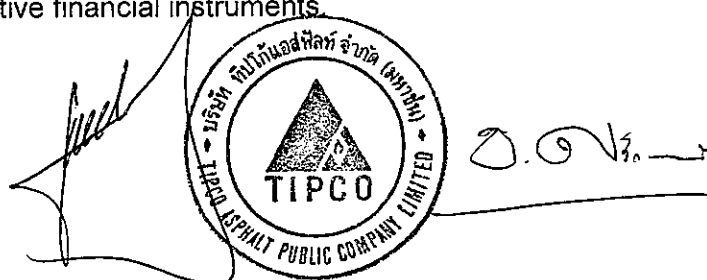
As at 30 June 2014

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements		Sold	Bought
	Sold	Bought	Sold	Bought		
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)		
US Dollar	29	22	29	21	32.5 - 33.1	32.5 - 32.8
					Baht per 1	Baht per 1
					US Dollar	US Dollar

As at 31 December 2013

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements		Sold	Bought
	Sold	Bought	Sold	Bought		
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)		
US Dollar	14	6	12	6	31.4 - 32.9	31.7 - 32.8
					Baht per 1	Baht per 1
					US Dollar	US Dollar

In addition, 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.



**17. Raw materials 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 2014 and 31 December 2013, the Company had outstanding price hedging contracts which are presented in the statements of financial position at fair value and were summarised below.

	(Unit: Million Baht)	
	Consolidated/Separate financial statement	
	30 June 2014	31 December 2013
		(Audited)
<u>Contracts presented as assets</u>		
Contracts to sell raw materials	2	-
Contracts to sell finished goods	20	-
Four-ways collar options to purchase raw materials	-	135
Total price hedging contracts presented as assets	22	135
<u>Contracts presented as liabilities</u>		
Contracts to sell raw materials	5	9
Contracts to sell finished goods	82	111
Total price hedging contracts presented as liabilities	87	120

**18. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's authorised directors on 6 August 2014.

