

Tipco Asphalt Public Company Limited and its subsidiaries
Report and consolidated interim financial statements
For the three-month and nine-month periods
ended 30 September 2011 and 2010

Review Report of Independent Auditor

To the Shareholders of Tipco Asphalt Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Tipco Asphalt Public Company Limited and its subsidiaries as at 30 September 2011, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011 and 2010, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2011 and 2010, and the separate financial statements of Tipco Asphalt Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews. I did not review the interim financial statements of certain overseas subsidiaries which were included in the consolidated financial statements and whose total assets as at 30 September 2011 amounted to Baht 1,361 million, total revenues for the three-month and nine-month periods ended 30 September 2011 amounted to Baht 748 million and Baht 1,311 million, respectively, (2010: Baht 543 million and Baht 1,044 million, respectively) and net income for the three-month and nine-month periods ended 30 September 2011 amounted to Baht 22 million and Baht 23 million, respectively (2010: Baht 80 million and Baht 102 million, respectively). Those statements were reviewed by other auditors whose reports have been furnished to me, and my report, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of the other auditors.

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

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

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

A handwritten signature in black ink, appearing to read 'Siraporn Ouaanunkun'.

Siraporn Ouaanunkun

Certified Public Accountant (Thailand) No. 3844

Ernst & Young Office Limited

Bangkok: 8 November 2011

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

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2011	31 December 2010	30 September 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		279,362	299,920	50,601	20,319
Current investments	3	-	52,106	-	1,341
Trade accounts receivable					
Related parties	5	170,791	189,762	297,128	115,045
Unrelated parties		2,598,579	1,856,358	870,165	991,559
Less: Allowance for doubtful accounts		(98,497)	(97,891)	(83,050)	(69,971)
Trade accounts receivable - net	4	2,670,873	1,948,229	1,084,243	1,036,633
Amounts due from related parties	5	7,285	8,098	28,345	1,010,273
Short-term loans to related parties and accrued interest income	5	-	-	197,895	5,161
Inventories - net	6	5,569,089	3,531,814	426,970	308,696
Other current assets					
Forward exchange contracts	19	512	33,191	347	1,652
Receivable from price hedging contracts	20	8,843	-	-	-
Price hedging contracts	20	239,309	-	-	-
Advance for purchase of goods and services		33,856	62,640	4,922	11,952
Value added tax refundable		70,298	-	7,375	-
Others		59,369	67,501	12,393	13,808
Total current assets		8,938,796	6,003,499	1,813,091	2,409,835

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



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

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Non-current assets					
Deposits with financial institutions with restrictions	11	70,417	72,573	-	-
Investments in subsidiaries	7	-	-	4,626,646	4,576,754
Investment in associate		37,214	26,729	18,404	18,404
Investment properties	8	273,450	-	68,083	-
Property, plant and equipment - net	9	4,358,503	4,235,614	626,384	691,822
Goodwill	7	146,294	146,294	-	-
Intangible assets					
Computer software - net		8,518	10,489	2,399	1,908
Other non-current assets					
Leasehold rights - net		217,357	212,590	4,387	4,558
Deferred charges - net		-	28,256	-	8,997
Others		14,606	12,567	9,401	8,861
Total non-current assets		<u>5,126,359</u>	<u>4,745,112</u>	<u>5,355,704</u>	<u>5,311,304</u>
Total assets		<u>14,065,155</u>	<u>10,748,611</u>	<u>7,168,795</u>	<u>7,721,139</u>

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 September 2011	31 December 2010	30 September 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks		3,550,159	2,338,749	-	574,542
Trade accounts payable					
Related parties	5	1,193	902	16,903	168,142
Unrelated parties		2,218,120	487,180	147,261	168,158
Amounts due to related parties	5	36,754	7,675	23,888	5,037
Short-term loans from related parties and accrued interest payable	5	-	-	8,513	94,467
Current portion of liabilities under finance lease agreements		12,386	10,646	7,133	5,384
Current portion of long-term loans	10	403,789	440,673	263,633	203,633
Corporate income tax payable		17,955	36,846	12,810	18,536
Cash received from former co-venturer	7	-	50,765	-	-
Other current liabilities					
Accrued expenses		109,448	156,275	39,362	60,835
Forward exchange contracts	19	15,002	7,112	2,826	172
Payables from price hedging contracts	20	253,279	1,349	-	-
Price hedging contracts	20	-	143,635	-	-
Advance from customers		97,913	169,418	12,417	12,280
Other payable		100,613	82,148	18,041	16,124
Others		29,239	50,192	2,767	19,470
Total current liabilities		6,845,850	3,983,565	555,554	1,346,780
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion		15,702	14,594	8,082	5,393
Long-term loans - net of current portion	10	3,186,867	3,095,328	2,255,450	2,468,175
Interest rate swap contracts	10	10,320	27,113	6,523	14,510
Provision for long-term employee benefits	1.4	66,158	-	53,785	-
Total non-current liabilities		3,279,047	3,137,035	2,323,840	2,488,078
Total liabilities		10,124,897	7,120,600	2,879,394	3,834,858

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



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Tipco Asphalt Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

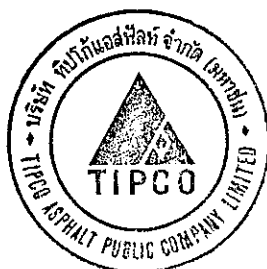
		Consolidated financial statements		Separate financial statements	
	Note	30 September 2011	31 December 2010	30 September 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
169,002,429 ordinary shares (31 December 2010:					
152,547,663 ordinary shares) of Baht 10 each		1,690,024	1,525,477	1,690,024	1,525,477
Issued and fully paid up					
152,548,068 ordinary shares (31 December 2010:					
152,547,663 ordinary shares) of Baht 10 each	14	1,525,481	1,525,477	1,525,481	1,525,477
Premium on share capital	14	886,112	886,091	886,112	886,091
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 subsidiary					
which not resulted in loss of control	7	12,904	-	-	-
Capital reserve for share-based payment transactions	16	2,988	-	2,988	-
Retained earnings					
Appropriated - statutory reserve		94,203	94,203	94,203	94,203
Unappropriated		951,757	778,249	1,785,701	1,395,020
Other components of shareholders' equity		(149,734)	(244,109)	(5,084)	(14,510)
Equity attributable to owners of the Company		3,329,949	3,046,149	4,289,401	3,886,281
Non-controlling interests of the subsidiaries		610,309	581,862	-	-
Total shareholders' equity		3,940,258	3,628,011	4,289,401	3,886,281
Total liabilities and shareholders' equity		14,085,155	10,748,611	7,168,795	7,721,139

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

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Directors



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

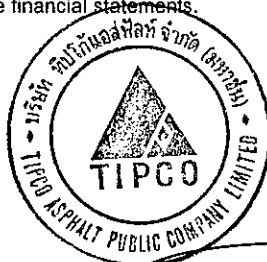
Statements of comprehensive income

For the three-month periods ended 30 September 2011 and 2010

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

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Revenues					
Sales and service income		5,806,398	6,380,011	1,355,450	1,961,387
Other income					
Dividend income from subsidiaries	7	-	-	189,999	19,918
Gain on exchange	19	41,357	244,573	1,548	8,621
Others		20,259	21,568	15,567	22,089
Total revenues		5,868,014	6,646,152	1,562,564	2,012,015
Expenses					
Cost of sales and services		5,515,906	6,077,585	1,172,274	1,805,054
Loss on price hedging contracts	20	37,509	88,063	-	-
Allowance for diminution in value of inventories (reversal)	6	1,038	9,084	-	(39)
		5,554,453	6,174,732	1,172,274	1,805,015
Selling expenses		26,915	21,524	13,288	12,012
Administrative expenses		152,271	138,077	87,063	82,856
Other expenses					
Doubtful accounts		7,709	5,549	6,805	4,018
Total expenses		5,741,348	6,339,882	1,279,430	1,903,901
Profit before share of income from investment in associate,					
finance cost and corporate income tax		126,666	306,270	283,134	108,114
Share of income from investment in associate		15,261	5,139	-	-
Profit before finance cost and corporate income tax		141,927	311,409	283,134	108,114
Finance cost		(60,950)	(67,468)	(30,880)	(33,055)
Profit before corporate income tax		80,977	243,941	252,254	75,059
Corporate income tax	12	(26,964)	(30,798)	(13,071)	(7,665)
Profit for the period		54,013	213,143	239,183	67,394
Other comprehensive income:					
Change in fair value of interest rate swap contract		(8,812)	(55,850)	(8,812)	12,591
Exchange differences on translation of					
financial statements in foreign currencies		76,017	(92,479)	-	-
Other comprehensive income for the period		67,205	(148,329)	(8,812)	12,591
Total comprehensive income for the period		121,218	64,814	230,371	79,985

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



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Tipco Asphalt Public Company Limited and its subsidiaries

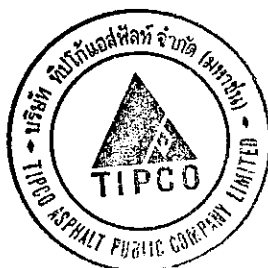
Statements of comprehensive income (continued)

For the three-month periods ended 30 September 2011 and 2010

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Profit attributable to:					
Equity holders of the Company		49,764	206,637	239,183	67,394
Non-controlling interests of the subsidiaries		4,249	6,506		
		<u>54,013</u>	<u>213,143</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		66,951	83,463	230,371	79,985
Non-controlling interests of the subsidiaries		54,267	(18,649)		
		<u>121,218</u>	<u>64,814</u>		
Earnings per share (Baht)	13				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.33</u>	<u>1.35</u>	<u>1.57</u>	<u>0.44</u>

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



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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statements of comprehensive income

For the nine-month periods ended 30 September 2011 and 2010

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

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Revenues					
Sales and service income		14,820,310	20,090,819	4,834,336	6,712,745
Other income					
Dividend income from subsidiaries	7	-	-	222,419	19,918
Dividend income from associate		-	-	5,150	1,472
Gain on exchange	19	9,026	339,971	7,062	23,992
Others		67,822	46,843	61,229	54,405
Total revenues		14,897,158	20,477,633	5,130,196	6,812,532
Expenses					
Cost of sales and services		13,675,283	18,923,385	4,248,072	6,119,780
(Gain) loss on price hedging contracts	20	225,038	(281,573)	-	-
Allowance for diminution in value of inventories (reversal)	6	1,117	90,021	(148)	(60)
		13,901,438	18,731,833	4,247,924	6,119,720
Selling expenses		81,537	87,117	39,938	37,619
Administrative expenses		463,762	446,619	244,600	251,837
Other expenses					
Doubtful accounts		559	17,694	13,078	7,180
Loss from claim under bank guarantee		-	5,313	-	-
Total expenses		14,447,296	19,288,576	4,545,540	6,416,356
Profit before share of loss from investment in associate,					
finance cost and corporate income tax		449,862	1,189,057	584,656	396,176
Share of loss from investment in associate		15,223	5,103	-	-
Profit before finance cost and corporate income tax		465,085	1,194,160	584,656	396,176
Finance cost		(173,301)	(208,817)	(98,522)	(82,787)
Profit before corporate income tax		291,784	985,343	486,134	313,389
Corporate income tax	12	(76,642)	(93,175)	(47,694)	(44,332)
Profit for the period		215,142	892,168	438,440	269,057
Other comprehensive income:					
Change in fair value of interest rate swap contract		9,426	(32,217)	9,426	(11,072)
Exchange differences on translation of					
financial statements in foreign currencies		147,868	(193,720)	-	-
Other comprehensive income for the period		157,294	(225,937)	9,426	(11,072)
Total comprehensive income for the period		372,436	666,231	447,866	257,985

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



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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)


For the nine-month periods ended 30 September 2011 and 2010

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

	Consolidated financial statements		Separate financial statements	
Note	2011	2010	2011	2010
Profit attributable to:				
Equity holders of the Company	229,966	867,057	438,440	269,057
Non-controlling interests of the subsidiaries	(14,824)	25,111		
	215,142	892,168		
Total comprehensive income attributable to:				
Equity holders of the Company	324,341	674,079	447,866	257,985
Non-controlling interests of the subsidiaries	48,095	(7,848)		
	372,436	666,231		
Earnings per share (Baht)	13			
Basic earnings per share				
Profit attributable to equity holders of the Company	1.51	5.68	2.87	1.76

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




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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

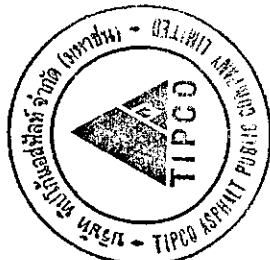
Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to owners of the Company									
	Non-controlling			Change in the Company's			Other components of equity			
	Interests of subsidiary acquired by the Company	at price lower than book value	loss of control	Capital reserve for share-base payment transactions	Retained earnings	Unappropriated - (Deficit)	Fair value of interest rate swap contract	translation of financial statements in foreign currencies	Total other components of shareholders' equity	Total equity attributable to non-controlling interests of the subsidiaries
Issued and paid-up share capital	Premium on share capital				Appropriated - statutory reserve					
Balance as at 31 December 2009 (Audited)	1,525,477	886,091	6,238	-	73,803	(209,016)	(12,144)	(45,964)	(58,108)	2,218,247
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	628,712
Total comprehensive income for the period	-	-	-	-	-	867,057	(32,217)	(160,761)	(192,978)	(28,146)
Balance as at 30 September 2010	1,525,477	886,091	6,238	-	73,803	658,041	(44,361)	(206,725)	(251,086)	674,079
Balance as at 31 December 2010 (Audited)	1,525,477	886,091	6,238	-	94,203	776,249	(14,510)	(229,599)	(244,109)	3,046,149
Cumulative effect of change in accounting policy for employee benefits (Note 14)	-	-	-	-	-	(56,458)	-	-	-	(56,458)
Increase in share capital (Note 14)	4	21	-	-	-	-	-	-	-	25
Change in the Company's interest in subsidiary which not resulted in loss of control (Note 7)	-	-	12,904	-	-	-	-	-	-	12,904
Share-base payment transactions	-	-	-	2,988	-	-	-	-	-	2,988
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	(17,551)
Total comprehensive income for the period	-	-	-	-	-	229,966	9,426	84,949	94,375	324,341
Balance as at 30 September 2011	1,525,481	886,112	6,238	12,904	94,203	951,757	(5,084)	(144,650)	(149,734)	3,329,949
										610,309
										3,940,258



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

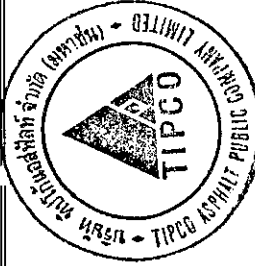
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Tipco Asphalt Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity (continued)
 For the nine-month periods ended 30 September 2011 and 2010

(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	
Balance as at 31 December 2009 (Audited)	1,525,477	886,091	-	73,803	1,010,086	(12,144)	(12,144)		3,483,313	
Total comprehensive income for the period	-	-	-	-	269,057	(11,072)	(11,072)		257,985	
Balance as at 30 September 2010	1,525,477	886,091	-	73,803	1,279,143	(23,216)	(23,216)		3,741,298	
Balance as at 31 December 2010 (Audited)	1,525,477	886,091	-	94,203	1,395,020	(14,510)	(14,510)		3,886,281	
Cumulative effect of change in accounting policy for employee benefits (Note 1.4)	-	-	-	-	(47,759)	-	-		(47,759)	
Increase in share capital (Note 14)	4	21	-	-	-	-	-		25	
Share-base payment transactions	-	-	2,988	-	-	-	-		2,988	
Total comprehensive income for the period	-	-	-	-	438,440	9,426	9,426		447,866	
Balance as at 30 September 2011	1,525,481	886,112	2,988	94,203	1,785,701	(5,084)	(5,084)		4,289,401	



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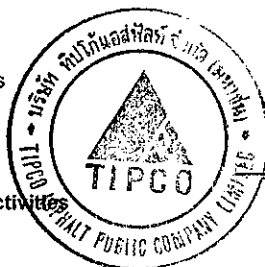
Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statements

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities:				
Income before tax	291,784	985,343	486,134	313,389
Adjustments to reconcile income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	295,978	284,442	61,719	67,241
Write-off withholding tax	130	71	-	-
Doubtful accounts	559	17,694	13,078	7,180
Allowance for diminution in value of inventories (reversal)	1,117	90,021	(148)	(60)
Dividend income from subsidiaries	-	-	(222,419)	(19,918)
Dividend income from associate	-	-	(5,150)	(1,472)
Unrealised (gain) loss on exchange	56,562	(6,683)	(2,209)	476
Gain on sale of equipment	(22,752)	(2,486)	(13,979)	(961)
Loss from write-off of equipment	10,909	-	2,047	-
Loss from claim under bank guarantee	-	5,313	-	-
Impairment loss of land	1,183	-	1,183	-
Share of income from investment in associate	(15,223)	(5,103)	-	-
Share-base payment transactions	2,988	-	2,097	-
Provision for long-term employee benefits	7,602	-	6,026	-
Unrealised (gain) loss on forward exchange contracts	40,569	(156,587)	3,959	(6,017)
Payables from price hedging contracts	244,436	3,183	-	-
Change in fair value of price hedging contracts	(382,944)	52,171	-	-
Change in fair value of interest rate swap contract recognised in income statement	(7,366)	(8,140)	-	-
Interest expenses	155,723	190,229	95,903	76,739
Income from operating activities before changes in operating assets and liabilities	681,255	1,449,468	428,241	436,597
(Increase) decrease in operating assets				
Trade accounts receivable	(707,209)	(186,330)	(57,793)	248,315
Amounts due from related parties	813	(467)	3,481	2,421
Inventories	(2,038,391)	(683,422)	(118,126)	(317,096)
Other current assets	(69,286)	(8,964)	(4,303)	(28,679)
Other non-current assets	9,120	(12,290)	(7,263)	(13,606)
Increase (decrease) in operating liabilities				
Trade accounts payable	1,756,618	1,542,761	(153,537)	(15,082)
Other current liabilities	(117,871)	(143,428)	(27,394)	9,561
Cash flows from (used in) operating activities	(484,951)	1,957,328	63,306	322,431
Cash paid for interest expenses	(159,443)	(183,478)	(104,150)	(68,470)
Cash paid for corporate income tax	(91,373)	(109,874)	(52,462)	(74,558)
Net cash flows from (used in) operating activities	(735,767)	1,663,976	(93,306)	179,403



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 nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from investing activities:				
Decrease in restricted bank deposits	32	31,753	-	-
Cash receipt from redemption of amortising debentures	1,341	1,199	1,341	1,199
Decrease in amounts due from related parties	-	-	977,901	1,826,769
Investments in subsidiaries	-	-	(49,000)	-
Dividend income from subsidiaries	-	-	32,420	19,918
Dividend income from associate	5,150	-	5,150	1,472
(Increase) decrease in short-term loans to related parties and accrued interest income	-	-	(2,735)	80,525
Acquisition of equipment	(554,098)	(237,229)	(41,295)	(6,968)
Acquisition of computer software	(1,388)	(249)	(1,336)	(249)
Proceeds from sales of equipment	31,898	4,445	18,022	2,921
Cash received from claim under bank guarantee	-	492,453	-	-
Net cash flows from (used in) investing activities	(517,065)	292,372	940,468	1,925,587
Cash flows from financing activities:				
Increase (decrease) in short-term loans from banks	1,157,936	(2,706,415)	(574,542)	(3,592,240)
Increase (decrease) in short-term loans from related parties	-	-	(85,954)	142,976
Cash paid under finance lease agreements	(6,562)	(9,082)	(3,684)	(5,193)
Cash receipt from long-term loans	710,638	1,610,000	-	1,500,000
Repayment of long-term loans	(698,541)	(655,914)	(152,725)	(149,845)
Cash receipt from capital increase	25	-	25	-
Dividend paid to non-controlling interests of subsidiary	(17,551)	(28,146)	-	-
Net cash flows from (used in) financing activities	1,145,945	(1,789,557)	(816,880)	(2,104,302)
Exchange differences on translation of financial statements in foreign currencies	86,329	4,778	-	-
Net increase (decrease) in cash and cash equivalents	(20,558)	171,569	30,282	688
Cash and cash equivalents at beginning of period	299,920	107,478	20,319	19,746
Cash and cash equivalents at end of period	279,362	279,047	50,601	20,434

Supplemental cash flows information

Non-cash transactions:

Acquisition of assets through finance lease	9,309	6,780	7,776	1,188
Purchase of equipment for which cash has not been paid	23,921	-	-	-
Settlement of loan to subsidiary with dividend received (Note 5)	-	-	189,999	-
Transfer of short-term loans from banks to a subsidiary by off-setting with amounts due (Note 5)	-	-	2,294,752	-

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 nine-month periods ended 30 September 2011 and 2010

1. General information

1.1 Corporate information

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

1.2 Basis for the preparation of interim financial statements

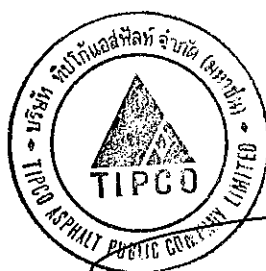
These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of Tipco Asphalt Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2010.



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1.4 Application of new accounting standards

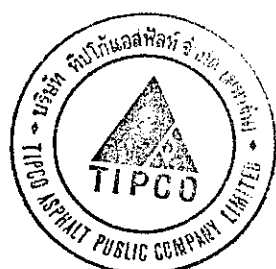
Since the first quarter of 2011, the Company and its subsidiaries have adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

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

Financial reporting standards:

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



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Financial Reporting Standard Interpretations:

TFRIC 15

Agreements for the Construction of Real Estate

Accounting Standard Interpretations:

SIC 31

Revenue-Barter Transactions Involving Advertising Services

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

TAS 19 Employee Benefits

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

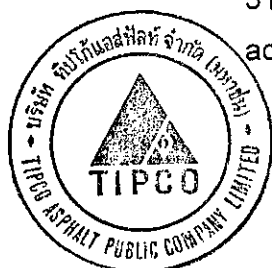
The Company and its subsidiaries changed this accounting policy in the first quarter of 2011 and recognised the liability in the transition period through an adjustment to the beginning balance of the retained earnings of the nine-month period ended 30 September 2011. The change has the following effect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

	For the three-month period ended		For the nine-month period ended	
	30 September 2011		30 September 2011	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Profit for the period decrease				
(Million Baht)	2.4	2.0	7.3	6.0
Earnings per share decrease				
(Baht per share)	0.02	0.01	0.05	0.04

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

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2010, except for the new and changes in the following significant accounting policies due to the adoption of revised and new accounting standards.



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Change of accounting policies

Employee benefits

Post-employment benefits (Defined contribution plans)

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

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

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

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

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

Change of estimations

Residual value of vessels and trucks

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



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(Unaudited but reviewed)

	For the three-month period ended		For the nine-month period ended	
	30 September 2011		30 September 2011	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Profit for the period increase				
(Million Baht)	2.8	1.5	8.2	4.4
Earnings per share increase				
(Baht per share)	0.02	0.01	0.05	0.03

Adoption of new accounting standards

Investment properties

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

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

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

Equity-settled share-based payment transactions

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

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

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

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

Accounting Standard Interpretations:

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



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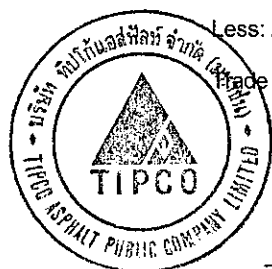
3. Current investments

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

4. Trade accounts receivable

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

	(Unit: Thousand Baht)			
Age of receivables	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
	(Audited)		(Audited)	
<u>Trade accounts receivable - related parties</u>				
Not yet due	163,135	173,940	144,732	70,165
Past due				
Up to 3 months	7,656	15,150	97,133	41,409
3 - 6 months	-	672	55,263	3,471
Total	170,791	189,762	297,128	115,045
<u>Trade accounts receivable - unrelated parties</u>				
Not yet due	2,052,590	1,224,756	558,274	752,692
Past due				
Up to 3 months	287,308	321,916	118,340	78,286
3 - 6 months	81,405	139,912	57,039	51,660
6 - 9 months	32,660	46,718	22,824	25,817
9 - 12 months	29,617	21,929	23,981	14,422
Over 12 months	114,999	101,127	89,707	68,682
Total	2,598,579	1,856,358	870,165	991,559
Total trade accounts receivable	2,769,370	2,046,120	1,167,293	1,106,604
Less: Allowance for doubtful accounts	(98,497)	(97,891)	(83,050)	(69,971)
Trade accounts receivable - net	2,670,873	1,948,229	1,084,243	1,036,633



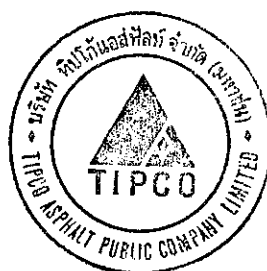
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5. Related party transactions

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 September				
	Consolidated financial statements		Separate financial statements		Transfer pricing policies
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	127.6	95.9	Cost plus certain margin
Margin from sales of raw materials	-	-	0.7	0.8	Contract price
Rental and service income	-	-	4.4	8.0	Contract price
Technical assistance fee income	-	-	3.0	4.5	Contract price
Dividend income	-	-	190.0	19.9	
Loans to (weighted average balance of loans outstanding during the period)	-	-	8.1	7.8	
Interest income	-	-	0.1	0.1	4.5 and 5.0 percent per annum
Purchase of goods	-	-	38.4	571.6	Cost plus certain margin
Rental and service expenses	-	-	4.0	28.8	Contract price
<u>Transactions with related companies</u>					
Sales and services	535.1	618.5	64.8	129.5	Market price/Contract price
Rental and service income	1.8	0.6	0.6	0.6	Contract price
Rental and service expenses	10.6	9.3	6.9	7.3	Contract price
Technical assistance fee expenses	12.8	11.3	8.5	7.2	Contract price



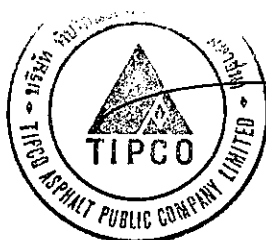
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(Unaudited but reviewed)

(Unit : Million Baht)

	For the nine-month periods ended 30 September				
	Consolidated financial statements		Separate financial statements		Transfer pricing policies
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	444.8	566.6	Cost plus certain margin
Margin on sales of raw materials	-	-	2.2	4.4	Contract price
Rental and service income	-	-	12.7	19.3	Contract price
Technical assistance fee income	-	-	10.5	13.5	Contract price
Dividend income	-	-	222.4	19.9	
Loans to (weighted average balance of loans outstanding during the period)	-	-	9.8	45.6	
Interest income	-	-	0.3	1.5	4.5 and 5.0 percent per annum
Purchase of goods	-	-	325.8	2,157.3	Cost plus certain margin
Rental and service expenses	-	-	36.4	89.9	Contract price
<u>Transactions with associate</u>					
Dividend income	5.2	1.5	5.2	1.5	
<u>Transactions with related</u>					
Sales and services	1,432.5	1,628.3	266.4	414.4	Market price/Contract price
Rental and service income	5.4	1.4	2	1.4	Contract price
Rental and service expenses	36.7	32.8	26.3	25.7	Contract price
Technical assistance fee expenses	31.8	32.7	19.2	20.3	Contract price

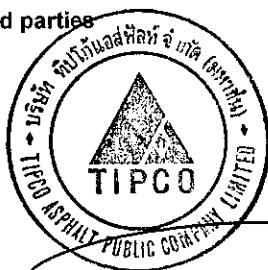


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The balances of the accounts as at 30 September 2011 and 31 December 2010 between the Company and its subsidiaries and those related parties are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September 2011	31 December 2010 (Audited)	30 September 2011	31 December 2010 (Audited)
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiaries</u>				
Thai Bitumen Co., Ltd.	-	-	135,304	9,138
Alpha Maritime Co., Ltd.	-	-	6,235	2,099
Bitumen Marine Co., Ltd.	-	-	1,242	1,359
Delta Shipping Co., Ltd.	-	-	1,918	-
Raycol Asphalt Co., Ltd.	-	-	28,566	-
Tipco Asphalt (Cambodia) Co., Ltd.	-	-	57,364	60,500
<u>Related companies</u>				
Thai Slurry Seal Co., Ltd.	40,824	19,749	19,836	3,060
Thai Crushing Plant Co., Ltd.	93	7,635	93	7,635
Thanomwongse Service Co., Ltd.	39,581	22,547	38,536	22,547
Tipco Foods (Thailand) Public Company Limited	4,102	1,506	4,102	1,505
Highway Resources Pte. Ltd.	-	15,399	-	-
Hindustan Colas Ltd.	-	2,422	-	2,422
Sami Bitumen Technologies (WA) Pty. Ltd.	3,932	4,779	3,932	4,779
Sami Bitumen Technologies (QLD) Pty. Ltd.	81,630	115,304	-	-
Others	629	421	-	1
Total trade accounts receivable - related parties	170,791	189,762	297,128	115,045
<u>Amounts due from related parties</u>				
<u>Subsidiaries</u>				
Surat Bitumen Co., Ltd.	-	-	-	243
Thai Bitumen Co., Ltd.	-	-	14,845	993,337
Raycol Asphalt Co., Ltd.	-	-	3,562	379
Tasco International (Hong Kong) Ltd.	-	-	2,132	2,883
Kemaman Oil Corporation Sdn Bhd	-	-	-	1,772
Kemaman Bitumen Company Sdn Bhd	-	-	67	2,404
Others	-	-	1,499	2,137
<u>Related companies</u>				
Thanomwongse Service Co., Ltd.	7,108	7,255	6,156	6,275
Others	177	843	84	843
Total amounts due from related parties	7,285	8,098	28,345	1,010,273

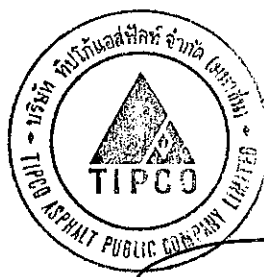


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(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
		(Audited)		(Audited)
<u>Short-term loans to related parties and accrued interest income</u>				
<u>Short-term loans to related parties</u>				
<u>Subsidiaries</u>				
Thai Bitumen Co., Ltd.	-	-	189,998	-
Delta Shipping Co., Ltd.	-	-	2,500	-
Kemaman Oil Corporation Sdn Bhd	-	-	5,337	5,161
	-	-	197,835	5,161
<u>Accrued interest income from related parties</u>				
<u>Subsidiaries</u>				
	-	-	60	-
Total short-term loans to related parties and accrued interest income	-	-	197,895	5,161
<u>Trade accounts payable - related parties</u>				
<u>Subsidiaries</u>				
Surat Bitumen Co., Ltd.	-	-	-	1,539
Thai Bitumen Co., Ltd.	-	-	8,519	162,526
Alpha Maritime Co., Ltd.	-	-	1,865	-
Raycol Asphalt Co., Ltd.	-	-	4,140	494
Others	-	-	1,934	3,092
<u>Related companies</u>	1,193	902	445	491
Total trade accounts payable - related parties	1,193	902	16,903	168,142
<u>Amounts due to related parties</u>				
<u>Subsidiaries</u>				
	-	-	17	930
<u>Related companies</u>				
Thanomwongse Service Co., Ltd.	3,824	2,487	3,451	2,169
Tipco F&B Co., Ltd.	110	1,004	109	873
AB1 Shipping Pte. Ltd.	-	1,559	-	-
AD Shipping Pte. Ltd.	-	1,560	-	-
Colas S.A.	32,820	1,065	20,311	1,065
Total amounts due to related parties	36,754	7,675	23,888	5,037



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(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
<u>Short-term loans from related parties and accrued interest payable</u>				
<u>Short-term loans from related parties</u>				
<u>Subsidiaries</u>				
Tipco Maritime Co., Ltd.	-	-	8,500	16,300
Delta Shipping Co., Ltd.	-	-	-	1,000
Tasco Shipping Co., Ltd.	-	-	-	77,000
	-	-	8,500	94,300
<u>Accrued interest payable to related parties</u>				
<u>Subsidiaries</u>				
	-	-	13	167
Total short-term loans from related parties and accrued interest payable	-	-	8,513	94,467

During the third quarter of 2011, Surat Bitumen declared the payment of dividend of Baht 190.0 million. When making dividend payment, Surat Bitumen offset the dividend against the amount due between Surat Bitumen and Thai Bitumen, and Thai Bitumen borrow the Company for the same amount. In addition, the Company transferred a Baht 2,294.8 million short-term loan from a bank of the Company to Thai Bitumen, by offsetting with the amount due from Thai Bitumen.

Management's remunerations

During the three-month and nine-month periods ended 30 September 2011, the Company and its subsidiaries had employee benefits of their directors and management recognised as expenses totaling Baht 26.0 million and Baht 73.1 million, respectively (Separate financial statements: Baht 21.0 million and Baht 60.2 million, respectively).

Guarantee obligations with related parties

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



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6. Inventories

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2010 (Audited)	3,280	1,673
Allowance recorded (reversed) during the period	1,117	(148)
Balance as at 30 September 2011	<u>4,397</u>	<u>1,525</u>

7. Investments in subsidiaries

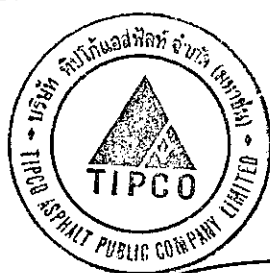
On 13 December 2010, the Board of Directors approved the entire business transfer of Surat Bitumen Company Limited to Thai Bitumen Company Limited. The entire business transfer was effective on 1 April 2011.

During the second quarter of 2011, the Company invested in new ordinary shares of Tasco Shipping Company Limited amounted to Baht 32.0 million and of Alpha Maritime Company Limited amounted to Baht 17.0 million.

During the nine-month period ended 30 September 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 (Note 16) amounted to Baht 0.9 million as a cost of investments in subsidiaries.

During the nine-month period ended 30 September 2011, the Company received dividend from Surat Bitumen Company Limited amounted to Baht 210.0 million and from Raycol Asphalt Company Limited amounted to Baht 12.4 million (2010: Baht 19.9 million).

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



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

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

8. Investment properties

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



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9. Property, plant and equipment

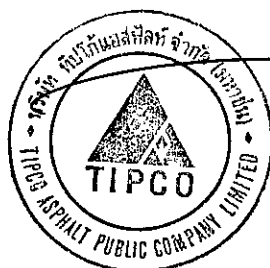
Movements of the property, plant and equipment account during the nine-month period ended 30 September 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 31 December 2010 (Audited)	4,235,614	691,822
Acquisitions during period - at cost	547,769	49,071
Transfer from deferred expenses for vessel repair	28,256	8,997
Disposals during period - net book value at disposal date	(20,055)	(6,112)
Transfer to investment properties (Note 8)	(273,450)	(68,491)
Depreciation for the period	(256,290)	(47,720)
Impairment loss of land	(1,183)	(1,183)
Exchange differences on translation of financial statements in foreign currencies	97,842	-
Net book value as at 30 September 2011	4,358,503	626,384

10. Long-term loans

Movements in the long-term loans account during the nine-month period ended 30 September 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2010 (Audited)	3,536,001	2,671,808
Additions	710,638	-
Repayments	(698,541)	(152,725)
Unrealised loss on exchange	25,662	-
Exchange differences on translation of financial statements in foreign currencies	16,896	-
Balance as at 30 September 2011	3,590,656	2,519,083
Less: Current portion	(403,789)	(263,633)
Long-term loans - net of current portion	3,186,867	2,255,450



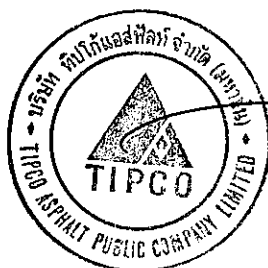
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The Company's loan agreements contain certain restrictive covenants pertaining to, among others things, the maintenance of financial ratios, the prohibition from creating lien over assets, the loan to related parties, the maintenance of trade accounts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

Interest rate swap agreements

In May 2009, the Company entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan from a local bank to a fixed rate interest at 4.365 percent per annum. As at 30 September 2011, the notional amount of Baht 1,010.0 million (31 December 2010: Baht 1,160.0 million) was outstanding. The notional amount reduces on a quarterly basis in accordance with a long-term loan repayment schedule of the Company and maturing in November 2015.

As at 30 September 2011, Kemaman Bitumen Company Sdn Bhd had outstanding interest rate swap agreement amounting to USD 6.7 million (31 December 2010: USD 16.6 million). The agreement swaps a floating interest rate with reference to LIBOR interest rate to a fixed interest rate at 5.5 percent per annum. Payment is to be made on a monthly basis, and the agreement expires in June 2012.



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11. Credit facilities

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

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

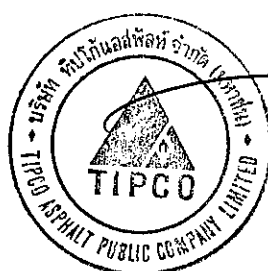
(Unit: Million Baht)

	Consolidated financial statements	
	30 September 2011	31 December 2010
		(Audited)
Deposits with financial institutions with restrictions	70	73
Leasehold rights - net	201	197
Property, plant and equipment - net	2,918	2,706
Computer software - net	6	8

- 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.

12. Corporate income tax

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



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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 September			
	Consolidated		Separate	
	Financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the period (Thousand Baht)	49,764	206,637	239,183	67,394
Weighted average number of ordinary shares (Thousand shares)	152,548	152,548	152,548	152,548
Earnings per share (Baht per share)	0.33	1.35	1.57	0.44

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	Financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the period (Thousand Baht)	229,966	867,057	438,440	269,057
Weighted average number of ordinary shares (Thousand shares)	152,548	152,548	152,548	152,548
Earnings per share (Baht per share)	1.51	5.68	2.87	1.76

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

14. Registered capital

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

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

The Company registered the capital increase on 22 April 2011.



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Below is the summarisation of the exercise of TASCO-W3 warrants during the period.

	<u>Second quarter of 2011</u>	<u>Third quarter of 2011</u>
No. of warrants exercised (warrants)	5	400
No. of ordinary shares issued (shares)	5	400
Amount of cash received (Baht)	311	24,876
Share registration date	8 July 2011	9 August 2011
Paid-up capital after share registration	Baht 1,525,476,680 (152,547,668 ordinary shares of Baht 10 each)	Baht 1,525,480,680 (152,548,068 ordinary shares of Baht 10 each)

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

The Annual General Meeting of the shareholders held on 5 April 2011 approved the issuance of the warrants to purchase new ordinary shares of the Company (TASCO-W3) without charge to the Company's shareholders, at a rate of 10 existing ordinary shares for 1 TASCO-W3 warrant. Each TASCO-W3 can be exercised to purchase 1 new ordinary share at the following exercise prices:

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

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

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

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



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

The Annual General Meeting of the shareholders held on 5 April 2011 approved the issuance of the warrants to purchase new ordinary shares of the Company without charge to the executive directors and/or employees of the Company and subsidiaries (ESOP-W1). Each ESOP-W1 warrant can be exercised to purchase 1 new ordinary share at an exercise price of Baht 62.19 per share.

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


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

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

17. Segment information

The Company and its subsidiaries' business operations involve three principal segments: (1) manufacture and distribution of asphalt and petroleum oil products (2) marine transportation (3) investment and others. The business operations are carried on both in Thailand and overseas. However, the Company and its subsidiaries did not have significant business transactions during the three-month and nine-month periods ended 30 September 2011 and 2010, and did not have significant outstanding balances relating to the marine transportation and investment and other business segments. Therefore financial information by segment has been presented only by geographic area, as follows:




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(Unaudited but reviewed)

(Unit: Million Baht)

For three-month periods ended 30 September

	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	4,769	5,548	1,037	832	-	-	5,806	6,380
Inter-segment revenues	691	585	156	207	(847)	792	-	-
Total revenue	5,460	6,133	1,193	1,039	(847)	792	5,806	6,380
Segment operating profit	40	163	2	50	8	(6)	50	207

(Unit: Million Baht)

For nine-month periods ended 30 September

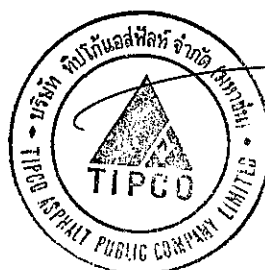
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	12,772	17,912	2,048	2,179	-	-	14,820	20,091
Inter-segment revenues	1,705	1,691	283	698	(1,988)	(2,389)	-	-
Total revenue	14,477	19,603	2,331	2,877	(1,988)	(2,389)	14,820	20,091
Segment operating profit	363	772	(161)	104	28	(9)	230	867

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

18. Commitments and contingent liabilities

18.1 Capital commitments

As at 30 September 2011, the Company's subsidiaries had outstanding capital commitments totaling approximately MYR 3.9 million, Yen 1,090 million and Baht 2.2 million (31 December 2010: MYR 5.9 million and Yen 1,090 million) relating to the purchase of machinery and equipment, and vessels.



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18.2 Operating lease commitments

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

Future minimum rental and service fees payable under these as at 30 September 2011 were as follow:

	Consolidated financial statements			Separate financial statements
	<u>Million Baht</u>	<u>Million MYR</u>	<u>Million RMB</u>	<u>Million Baht</u>
Payable within:				
1 year	37.5	1.4	0.4	26.1
2-5 years	7.9	0.8	1.2	7.2

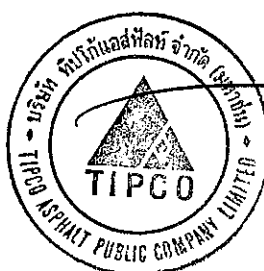
18.3 Long-term service commitments

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

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

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

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



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18.4 Bank guarantees

As at 30 September 2011, there were outstanding bank guarantees of approximately Baht 3.8 million and MYR 1.8 million (Separate financial statements: Baht 1.8 million and MYR 1.4 million) issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

19. Foreign currency risk

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

Foreign currency	Consolidated		Separate		Average exchange rate as at 30 September 2011 (Baht per 1 foreign currency unit)
	financial statements		financial statements		
	Financial assets (Million)	Financial liabilities (Million)	Financial assets (Million)	Financial liabilities (Million)	
US Dollar	23.8	110.1	3.4	0.7	31.2
Renminbi	0.6	-	0.6	-	4.9
Yen	-	706.1	-	-	0.4
HKD	0.5	-	0.5	-	4.0

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

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Contracts to sell (Million)	Contracts to buy (Million)	Contracts to sell (Million)	Contracts to buy (Million)	Sell (Baht per 1 foreign currency unit)	Buy (Baht per 1 foreign currency unit)
US Dollar	17.8	1.2	3.7	0.6	30.0 to 31.5	30.1 to 31.4

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



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20. Price hedging contracts

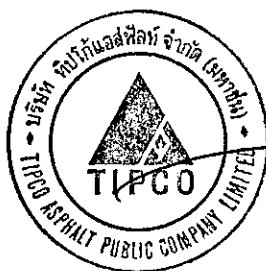
A subsidiary is exposed to risk from fluctuations in the price of raw materials and finished goods. To manage these risks, the subsidiary has entered into price hedging contracts with banks to hedge the risk from fluctuation in such prices.

As at 30 September 2011 and 31 December 2010, the subsidiary had outstanding price hedging contracts which are presented in the statements of financial position at fair value and are summarised below.

	(Unit: Million Baht)	
	30 September 2011	31 December 2010
<u>Contracts presented as assets</u>		
Contracts to sell raw materials	34.0	-
Contracts to sell finished goods	205.3	-
Total price hedging contracts presented as assets	239.3	-
<u>Contracts presented as liabilities</u>		
Contracts to sell raw materials	-	132.1
Contracts to sell finished goods	-	11.5
Total price hedging contracts presented as liabilities	-	143.6

21. Approval of financial statements

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



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