

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 2012 and 2011

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Tipco Asphalt Public Company Limited

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

Scope of review

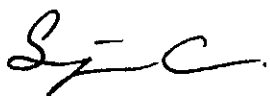
I conducted my reviews in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and 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 reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

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

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

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Siraporn Ouuanunkun

Certified Public Accountant (Thailand) No. 3844

Ernst & Young Office Limited

Bangkok: 8 November 2012

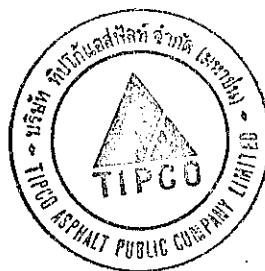
Tipco Asphalt Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

Note	Consolidated financial statements			Separate financial statements		
	30 September 2012	31 December 2011	1 January 2011	30 September 2012	31 December 2011	1 January 2011
	(Unaudited but reviewed)	(Audited) (Restated)	(Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Restated)
Assets						
Current assets						
Cash and cash equivalents	477,465	1,001,819	299,920	91,577	430,514	20,319
Current investments	-	-	52,106	-	-	1,341
Trade and other receivables	3 4,279,690	3,687,503	1,974,906	3,970,777	1,626,388	2,053,245
Short-term loans to related parties	4 -	-	-	5,279	25,427	5,161
Inventories	5 4,638,144	5,743,779	3,531,814	3,897,274	4,792,320	308,696
Forward exchange contracts	19 8,224	3,845	33,191	7,358	1,477	1,652
Price hedging contracts	20 46,997	67,791	-	46,997	67,791	-
Other current assets	163,446	70,074	111,563	63,028	40,579	19,421
Total current assets	9,613,966	10,574,811	6,003,500	8,082,290	6,984,496	2,409,835
Non-current assets						
Deposits with financial institutions with restrictions	-	66,038	72,573	-	-	-
Investments in subsidiaries	6 -	-	-	3,826,890	4,627,140	4,576,754
Investment in associate	64,710	41,640	26,729	18,404	18,404	18,404
Investment properties	204,200	204,200	-	101,335	101,745	-
Property, plant and equipment	7 4,560,181	4,247,667	4,235,614	498,733	505,857	691,822
Goodwill	146,294	146,294	146,294	-	-	-
Other intangible assets - Computer software	20,980	7,735	10,489	18,099	2,466	1,908
Leasehold rights	210,088	220,175	212,569	4,159	4,330	4,558
Deferred tax assets - net	11 157,881	154,046	360,003	79,084	44,828	38,174
Other non-current assets	12,503	11,948	40,823	6,115	5,251	17,858
Total non-current assets	5,376,837	5,099,743	5,105,114	4,552,819	5,310,021	5,349,478
Total assets	14,990,803	15,674,554	11,108,614	12,635,109	12,294,517	7,759,313

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 2012	31 December 2011	1 January 2011	30 September 2012	31 December 2011	1 January 2011
	(Unaudited but reviewed)	(Audited) (Restated)	(Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Restated)
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	5,685,642	3,784,809	2,338,748	5,324,724	2,360,331	574,542
Trade and other payables	8 1,309,231	3,485,909	747,225	1,290,859	2,968,516	428,609
Short-term loans from related parties	4 -	-	-	-	-	94,300
Current portion of liabilities under						
finance lease agreements	9,136	12,230	10,646	4,752	7,133	5,384
Current portion of long-term loans	9 597,822	480,389	440,673	348,633	303,633	203,633
Income tax payable	20,010	24,330	36,846	-	18,729	18,536
Cash received from former co-venturer	-	-	50,765	-	-	-
Forward exchange contracts	19 2,928	13,764	7,112	2,583	6,363	172
Price hedging contracts	20 149,173	27,996	143,635	149,173	27,996	-
Other current liabilities	48,879	86,573	207,915	17,322	49,597	21,604
Total current liabilities	7,822,821	7,916,000	3,983,565	7,138,046	5,742,298	1,346,780
Non-current liabilities						
Liabilities under finance lease agreements -						
net of current portion	15,637	12,768	14,594	10,987	6,228	5,393
Long-term loans - net of current portion	9 2,436,202	3,073,593	3,095,328	1,186,817	2,164,542	2,468,175
Interest rate swap contracts	9 15,806	10,083	27,113	15,806	8,219	14,510
Provision for long-term employee benefits	72,820	65,129	58,555	58,872	52,778	47,759
Total non-current liabilities	2,540,465	3,161,573	3,195,590	1,272,482	2,231,767	2,535,837
Total liabilities	10,363,286	11,077,573	7,179,155	8,410,528	7,974,065	3,882,617

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



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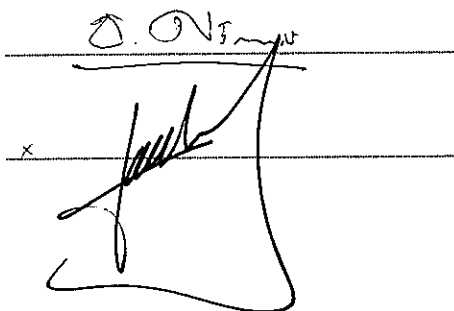
Tipco Asphalt Public Company Limited and its subsidiaries

Statements of financial position (continued)

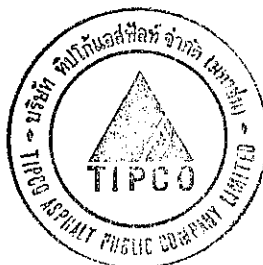
(Unit: Thousand Baht)

		Consolidated financial statements			Separate financial statements		
	Note	30 September 2012	31 December 2011	1 January 2011	30 September 2012	31 December 2011	1 January 2011
		(Unaudited but reviewed)	(Audited) (Restated)	(Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Restated)
Shareholders' equity							
Share capital	13						
Registered							
170,043,729 ordinary shares (31 December 2011:							
169,002,429 ordinary shares and 1 January 2011:							
152,547,663 ordinary shares) of Baht 10 each		1,700,437	1,690,024	1,525,477	1,700,437	1,690,024	1,525,477
issued and fully paid							
152,548,068 ordinary shares (1 January 2011:							
152,547,663 ordinary shares) of Baht 10 each		1,525,481	1,525,481	1,525,477	1,525,481	1,525,481	1,525,477
Premium on share capital		886,112	886,112	886,091	886,112	886,112	886,091
Non-controlling interests of subsidiary acquired							
by the Company at price lower than book value		6,238	6,238	6,238	-	-	-
Change in the Company's interest in subsidiary							
which not resulted in loss of control		12,904	12,904	-	-	-	-
Capital reserve for share-based payment transactions	14	10,715	4,645	-	10,715	4,645	-
Retained earnings							
Appropriated - statutory reserve		115,503	115,503	94,203	115,503	115,503	94,203
Unappropriated		1,617,002	1,587,192	1,074,183	1,689,877	1,794,420	1,381,082
Other components of shareholders' equity		(160,741)	(135,291)	(239,756)	(3,107)	(5,709)	(10,157)
Equity attributable to owners of the Company		4,013,214	4,002,784	3,346,436	4,224,581	4,320,452	3,876,696
Non-controlling interests of the subsidiaries		614,303	594,197	583,023	-	-	-
Total shareholders' equity		4,627,517	4,596,981	3,929,459	4,224,581	4,320,452	3,876,696
Total liabilities and shareholders' equity		14,990,803	15,674,554	11,108,614	12,635,109	12,294,517	7,759,313

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



Directors



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

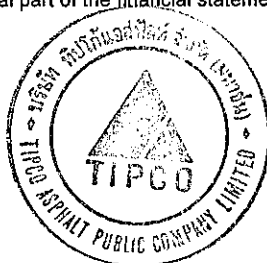
Statements of comprehensive income

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

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

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
			(Restated)		(Restated)
Revenues					
Sales and service income		9,824,729	5,806,398	9,186,218	1,355,450
Other income					
Dividend income from subsidiaries	6	-	-	92,000	189,999
Income from liquidation of subsidiary	6	-	-	26,660	-
Gain on exchange	19	239,899	41,357	216,109	1,548
Others		19,467	20,259	14,956	15,567
Total revenues		10,084,095	5,868,014	9,535,943	1,562,564
Expenses					
Cost of sales and services		9,243,007	5,515,906	8,813,752	1,172,274
Loss on price hedging contracts	20	575,979	37,509	575,979	-
Reduce cost of inventories to net realisable value (reversal)	5	(101,363)	1,038	(76,545)	-
		9,717,623	5,554,453	9,313,186	1,172,274
Selling expenses		22,967	26,915	13,529	13,288
Administrative expenses		146,422	152,271	89,068	87,063
Other expenses					
Allowance for doubtful accounts (reversal)		5,763	7,709	(10,645)	6,805
Total expenses		9,892,775	5,741,348	9,405,138	1,279,430
Profit before share of income from investment in associate, finance cost and income tax					
		191,320	126,666	130,805	283,134
Share of income from investment in associate		1,085	15,261	-	-
Profit before finance cost and income tax		192,405	141,927	130,805	283,134
Finance cost		(66,770)	(60,950)	(52,433)	(30,880)
Profit before income tax		125,635	80,977	78,372	252,254
Income tax	11	(6,882)	33,941	3,006	(10,446)
Profit (loss) for the period		118,753	114,918	81,378	241,808
Other comprehensive income:					
Change in fair value of interest rate swap contract		2,605	(8,812)	2,605	(8,812)
Exchange differences on translation of financial statements in foreign currencies		8,707	76,017	-	-
Income tax effect	11	(599)	2,643	(599)	2,643
Other comprehensive income for the period		10,713	69,848	2,006	(6,169)
Total comprehensive income for the period		129,466	184,766	83,384	235,639

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



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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

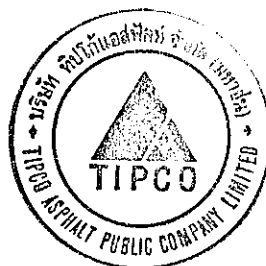
Statements of comprehensive income (continued)

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

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

	Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2012</u> (Restated)	<u>2011</u> (Restated)	<u>2012</u> (Restated)
Profit attributable to:				
Equity holders of the Company		94,441	110,449	81,378
Non-controlling interests of the subsidiaries		24,312	4,469	241,808
		<u>118,753</u>	<u>114,918</u>	
Total comprehensive income attributable to:				
Equity holders of the Company		97,152	130,279	83,384
Non-controlling interests of the subsidiaries		32,314	54,487	235,639
		<u>129,466</u>	<u>184,766</u>	
Earnings per share (Baht)	12			
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company		0.62	0.72	0.53
		<u>0.62</u>	<u>0.72</u>	<u>1.59</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

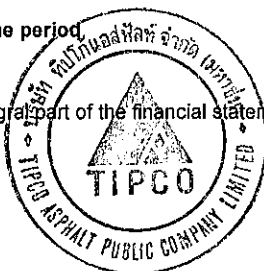
Statements of comprehensive income

For the nine-month periods ended 30 September 2012 and 2011

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

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
			(Restated)		(Restated)
Revenues					
Sales and service income		27,656,631	14,820,310	26,499,739	4,834,336
Other income					
Dividend income from subsidiaries	6	-	-	204,947	222,419
Dividend income from associate		-	-	-	5,150
Income from liquidation of subsidiary	6	-	-	26,660	-
Compensation received from claim for damages	15	50,304	-	-	-
Gain on exchange	19	483,186	9,026	443,982	7,062
Others		79,569	67,822	51,754	61,229
Total revenues		28,269,690	14,897,158	27,227,082	5,130,196
Expenses					
Cost of sales and services		26,467,785	13,675,283	25,884,802	4,248,072
Loss on price hedging contracts	20	804,462	225,038	803,160	-
Reduce cost of inventories to net realisable value (reversal)	5	(46)	1,117	(46)	(148)
		27,272,201	13,901,438	26,687,916	4,247,924
Selling expenses		78,040	81,537	41,509	39,938
Administrative expenses		427,660	463,762	263,795	244,600
Other expenses					
Allowance for doubtful accounts		25,991	559	811	13,078
Total expenses		27,803,892	14,447,296	26,994,031	4,545,540
Profit before share of income from investment in associate,					
finance cost and income tax		465,798	449,862	233,051	584,656
Share of income from investment in associate		26,013	15,223	-	-
Profit before finance cost and income tax		491,811	465,085	233,051	584,656
Finance cost		(217,714)	(173,301)	(181,943)	(98,522)
Profit before income tax		274,097	291,784	51,108	486,134
Income tax	11	(25,800)	(84,056)	35,033	(41,456)
Profit for the period		248,297	207,728	86,141	444,678
Other comprehensive income:					
Change in fair value of interest rate swap contract		3,379	9,426	3,379	9,426
Exchange differences on translation of					
financial statements in foreign currencies		(35,743)	147,868	-	-
Income tax effect	11	(777)	(2,828)	(777)	(2,828)
Other comprehensive income for the period		(33,141)	154,466	2,602	6,598
Total comprehensive income for the period		215,156	362,194	88,743	451,276

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

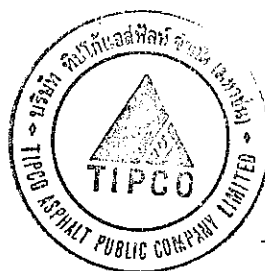
Statements of comprehensive income (continued)

For the nine-month periods ended 30 September 2012 and 2011

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

Note	Consolidated financial statements		Separate financial statements	
	2012	2011 (Restated)	2012	2011 (Restated)
Profit attributable to:				
Equity holders of the Company	220,494	224,338	86,141	444,678
Non-controlling interests of the subsidiaries	27,803	(16,610)		
	<u>248,297</u>	<u>207,728</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	195,044	315,885	88,743	451,276
Non-controlling interests of the subsidiaries	20,112	46,309		
	<u>215,156</u>	<u>362,194</u>		
Earnings per share (Baht)				
12				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.45</u>	<u>1.47</u>	<u>0.56</u>	<u>2.92</u>

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



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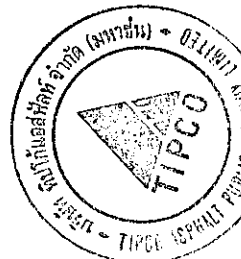
(Unit: Thousand Baht)

Consolidated financial statements

Equity attributable to owners of the Company

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

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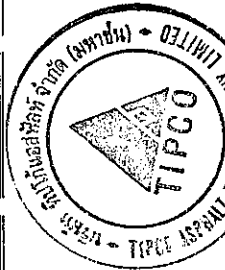


Tipco Asphalt Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity (continued)
 For the nine-month periods ended 30 September 2012 and 2011

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements									
	Issued and paid-up share capital	Premium on share capital	Capital reserve for share-base payment transactions	Retained earnings			Other component of equity			Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Fair value of interest rate swap contracts	Total other component of shareholders' equity		
Balance as at 1 January 2011 - as previously reported	1,525,477	886,091	-	94,203	1,347,261	(14,510)	(14,510)	(14,510)		3,838,522
Cumulative effect of changes in accounting policy due to early adopt TAS 12: Income tax (Note 1.3)	-	-	-	-	33,821	4,353	4,353	4,353		38,174
Balance as at 1 January 2011 - as restated	1,525,477	886,091	-	94,203	1,381,082	(10,157)	(10,157)	(10,157)		3,876,696
Increase in share capital	4	21	-	-	-	-	-	-		25
Share-base payment transactions (Note 14)	-	-	2,988	-	-	-	-	-		2,988
Total comprehensive income for the period (restated)	-	-	-	-	444,678	6,598	6,598	6,598		451,276
Balance as at 30 September 2011 - as restated	1,525,481	886,112	2,988	94,203	1,825,760	(3,559)	(3,559)	(3,559)		4,330,985
Balance as at 31 December 2011 - as previously reported	1,525,481	886,112	4,645	115,503	1,751,297	(7,414)	(7,414)	(7,414)		4,275,624
Cumulative effect of changes in accounting policy due to early adopt TAS 12: Income tax (Note 1.3)	-	-	-	-	43,123	1,705	1,705	1,705		44,828
Balance as at 31 December 2011 - as restated	1,525,481	886,112	4,645	115,503	1,794,420	(5,709)	(5,709)	(5,709)		4,320,452
Share-base payment transactions (Note 14)	-	-	6,070	-	-	-	-	-		6,070
Dividend paid (Note 16)	-	-	-	-	(190,684)	-	-	-		(190,684)
Total comprehensive income for the period	-	-	-	-	86,141	2,602	2,602	2,602		88,743
Balance as at 30 September 2012	1,525,481	886,112	10,715	115,503	1,689,877	(3,107)	(3,107)	(3,107)		4,224,581



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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statements

For the nine-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
		(Restated)		(Restated)
Cash flows from operating activities:				
Income before tax	274,097	291,784	51,108	486,134
Adjustments to reconcile income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	308,114	295,978	59,552	61,719
Write-off withholding tax	785	130	-	-
Allowance for doubtful accounts	25,991	559	811	13,078
Reduce cost of inventories to net realisable value (reversal)	(46)	1,117	(46)	(148)
Dividend income from subsidiaries	-	-	(204,947)	(222,419)
Dividend income from associate	-	-	-	(5,150)
Income from liquidation of subsidiary	-	-	(26,660)	-
Unrealised (gain) loss on exchange	(149,200)	56,562	(126,414)	(2,209)
Gain on sale of equipment	(2,884)	(22,752)	(2,490)	(13,979)
Loss from write-off of equipment	-	10,909	-	2,047
Impairment loss of land	-	1,183	-	1,183
Share of income from investment in associate	(26,013)	(15,223)	-	-
Share-base payment transactions	6,070	2,988	4,321	2,097
Provision for long-term employee benefits	7,702	7,602	6,094	6,026
Change in fair value of forward exchange contracts	(15,215)	40,569	(9,661)	3,959
Change in fair value of price hedging contracts	141,971	(138,508)	141,971	-
Change in fair value of interest rate swap contract recognised in income statement	7,589	(7,366)	8,629	-
Interest expenses	198,359	155,723	166,863	95,903
Income from operating activities before changes in operating assets and liabilities	777,320	681,255	69,131	428,241
(Increase) decrease in operating assets				
Trade and other receivables	(624,554)	(711,764)	(2,360,387)	(51,802)
Inventories	1,105,681	(2,038,391)	895,092	(118,126)
Other current assets	(108,727)	(63,919)	(32,071)	(6,814)
Other non-current assets	(754)	9,120	(4,600)	(7,263)
Increase (decrease) in operating liabilities				
Trade and other payables	(2,181,747)	1,723,346	(1,549,954)	(174,378)
Other current liabilities	(34,561)	(84,598)	(29,938)	(6,552)
Cash flows from (used in) operating activities	(1,067,342)	(484,951)	(3,012,727)	63,306
Cash paid for interest expenses	(200,409)	(159,443)	(164,133)	(104,150)
Cash paid for corporate income tax	(44,333)	(91,373)	(18,729)	(52,462)
Net cash flows used in operating activities	(1,312,084)	(735,767)	(3,195,589)	(93,306)

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 2012 and 2011

(Unit: Thousand Baht)

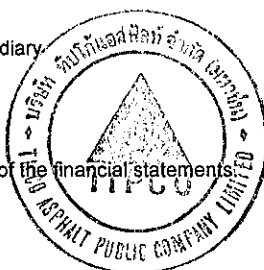
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
		(Restated)		(Restated)
Cash flows from investing activities:				
Decrease in restricted bank deposits	66,065	32	-	-
Cash receipt from redemption of amortising debentures	-	1,341	-	1,341
Decrease in amounts due from related parties	-	-	-	977,901
Investments in subsidiaries	-	-	(98,000)	(49,000)
Cash receipt from liquidation of subsidiary	-	-	968	-
Cash receipt from share capital reduction of subsidiary	-	-	800,000	-
Dividend income from subsidiaries	-	-	204,947	32,420
Dividend income from associate	-	5,150	-	5,150
(Increase) decrease in short-term loans to related parties	-	-	20,148	(2,735)
Acquisition of equipment	(644,085)	(554,098)	(31,069)	(41,295)
Acquisition of computer software	(17,016)	(1,388)	(16,531)	(1,336)
Proceeds from sales of equipment	5,925	31,898	2,684	18,022
Net cash flows from (used in) investing activities	(589,111)	(517,065)	883,147	940,468
Cash flows from financing activities:				
Increase (decrease) in short-term loans from banks	2,042,737	1,157,936	3,101,310	(574,542)
Decrease in short-term loans from related parties	-	-	-	(85,954)
Cash paid under finance lease agreements	(8,026)	(6,562)	(4,465)	(3,684)
Cash receipt from long-term loans	762,034	710,638	-	-
Repayment of long-term loans	(1,247,081)	(698,541)	(932,725)	(152,725)
Cash receipt from capital increase	-	25	-	25
Dividend paid to shareholders	(190,615)	-	(190,615)	-
Dividend paid to non-controlling interests of subsidiary	(6)	(17,551)	-	-
Net cash flows from (used in) financing activities	1,359,043	1,145,945	1,973,505	(816,880)
Exchange differences on translation of financial statements in foreign currencies	17,798	86,329	-	-
Net increase (decrease) in cash and cash equivalents	(524,354)	(20,558)	(338,937)	30,282
Cash and cash equivalents at beginning of period	1,001,819	299,920	430,514	20,319
Cash and cash equivalents at end of period	477,465	279,362	91,577	50,601

Supplemental cash flows information

Non-cash transactions:

Acquisition of assets through finance lease	6,812	9,309	5,927	7,776
Purchase of equipment for which cash has not been paid	15,675	23,921	-	-
Settlement of loan to subsidiary with dividend received	-	-	-	189,999
Transfer of short-term loans from banks to a subsidiary by off-setting with amounts due	-	-	-	2,294,752
Settlement of income from liquidation of subsidiary with account payable (Note 4)	-	-	125,690	-

The accompanying notes are an integral part of the financial statements



Signature of the authorized signatory, with a handwritten date '125,690' and a checkmark.

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 2012 and 2011

1. General information

1.1 Basis for the preparation of interim financial statements

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

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

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

1.2 Basis of consolidation

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

1.3 Application of new accounting standards

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

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



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(Unaudited but reviewed)

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

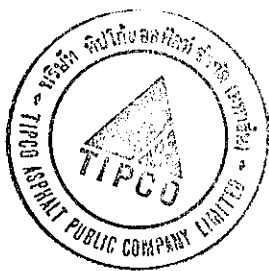
(Unit : Million Baht)

	For three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Increase in net profit attributable to equity holders of the Company	7	60	3	3
Increase in basic earnings per share (Baht per share)	0.05	0.40	0.02	0.02

(Unit : Million Baht)

	For nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Increase (decrease) in net profit attributable to equity holders of the Company	(1)	(6)	35	6
Increase (decrease) in basic earnings per share (Baht per share)	(0.01)	(0.04)	0.23	0.04

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



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1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2011, except for changes in the accounting policies due to the early adopt TAS 12: Income Tax as follow:-

Income tax

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

Current tax

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

Deferred tax

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

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

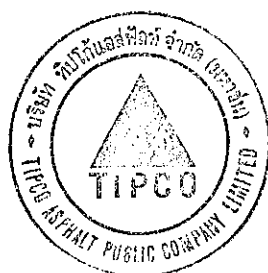
At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

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

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

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



3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011 (Audited)	30 September 2012	31 December 2011 (Audited)
<u>Trade receivables - related parties (Note 4)</u>				
Aged on the basis of due dates				
Not yet due	556,330	823,477	1,235,448	460,799
Past due				
Up to 3 months	119,287	43,035	390,418	57,583
3 - 6 months	222	-	3,086	-
Total trade receivables - related parties	675,839	866,512	1,628,952	518,382
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	2,935,278	2,170,662	2,105,083	811,422
Past due				
Up to 3 months	441,151	357,905	156,489	104,768
3 - 6 months	33,478	101,383	4,799	53,862
6 - 9 months	97,835	25,954	11,316	17,688
9 - 12 months	47,862	15,590	3,170	8,281
Over 12 months	141,556	127,810	115,423	104,289
Total	3,697,160	2,799,304	2,396,280	1,100,310
Less: Allowance for doubtful accounts	(126,996)	(101,107)	(89,063)	(88,252)
Total trade receivables - unrelated parties, net	3,570,164	2,698,197	2,307,217	1,012,058
Total trade receivables - net	4,246,003	3,564,709	3,936,169	1,530,440
<u>Other receivables</u>				
Amounts due from related parties (Note 4)	7,309	8,698	21,676	24,600
Accounts receivable from price				
hedging contracts	9,954	78,837	9,954	69,454
Other receivables	16,424	35,259	2,978	1,894
Total other receivables	33,687	122,794	34,608	95,948
Trade and other receivables - net	4,279,690	3,687,503	3,970,777	1,626,388



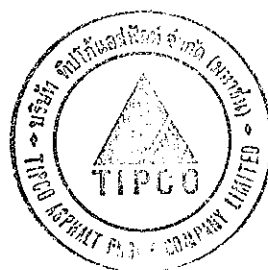
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4. Related party transactions

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 September				
	Consolidated financial		Separate financial		
	statements		statements		Transfer pricing policies
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	1,432	128	Cost plus certain margin
Margin from sales of raw materials	-	-	-	1	Contract price
Rental and service income	-	-	8	4	Contract price
Technical assistance fee income	-	-	3	3	Contract price
Dividend income	-	-	92	190	
Purchase of goods	-	-	8	38	Cost plus certain margin
Rental and service expenses	-	-	506	4	Contract price
<u>Transactions with related companies</u>					
Sales and services	1,178	535	1,117	65	Market price/Contract price
Rental and service income	2	2	1	1	Contract price
Rental and service expenses	8	11	7	7	Contract price
Technical assistance fee expenses	13	13	8	9	Contract price



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(Unaudited but reviewed)

(Unit : Million Baht)

	For the nine-month periods ended 30 September				
	Consolidated financial		Separate financial		
	statements		statements		Transfer pricing policies
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	3,741	445	Cost plus certain margin
Margin on sales of raw materials	-	-	-	2	Contract price
Rental and service income	-	-	21	13	Contract price
Technical assistance fee income	-	-	9	11	Contract price
Dividend income	-	-	205	222	
Purchase of goods	-	-	530	326	Cost plus certain margin
Rental and service expenses	-	-	1,297	36	Contract price
<u>Transactions with associated company</u>					
Dividend income	-	5	-	5	
<u>Transactions with related companies</u>					
Sales and services	3,649	1,433	3,468	266	Market price/Contract price
Rental and service income	4	5	2	2	Contract price
Rental and service expenses	24	37	20	26	Contract price
Technical assistance fee expenses	31	32	18	19	Contract price

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

	Consolidated financial		Separate financial	
	statements		statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
		(Audited)		(Audited)
<u>Trade and other receivables- related parties (Note 3)</u>				
Subsidiaries	-	-	988,935	281,547
Related companies (common shareholders and directors)	683,148	875,210	661,693	261,435
Total trade and other receivables - related parties	683,148	875,210	1,650,628	542,982



Signature and stamp of the authorized signatory.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
		(Audited)		(Audited)
Trade and other payables - related parties (Note 8)				
Subsidiaries	-	-	317,534	321,663
Related companies (common shareholders and directors)	37,011	42,584	23,355	31,730
Total trade and other payables - related parties	37,011	42,584	340,889	353,393

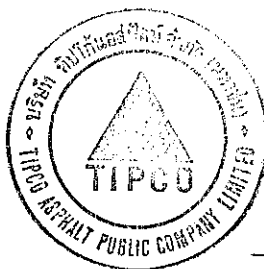
During the current quarter, Surat Bitumen Co., Ltd. (Surat Bitumen) returned share capital to the Company amounting to Baht 127 million by returning cash of Baht 1 million. For the remaining amount, Surat Bitumen entered into a memorandum to transfer the amount due between Surat Bitumen and Thai Bitumen Co., Ltd. (Thai Bitumen) to the Company; and such amount was offset with the amount due to Thai Bitumen.

Loans to related parties

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

(Unit: Thousand Baht)

		Separate financial statements		
Loans to related parties	Related by	Balance as at 31 December 2011	Decrease during the period	Balance as at 30 September 2012
		(Audited)	on exchange rate	
Alpha Maritime Co., Ltd.	Subsidiary	20,000	(20,000)	-
Kemaman Oil Corporation Sdn Bhd	Subsidiary	5,427	-	(148)
Total		25,427	(20,000)	5,279



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Directors and management's benefits

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

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	15	23	12	19
Post-employment benefits	1	1	1	1
Share-based payment transactions	1	1	1	1
Total	17	25	14	21

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	69	66	57	55
Post-employment benefits	3	3	3	3
Share-based payment transactions	3	2	3	1
Total	75	71	63	59

Guarantee obligations with related parties

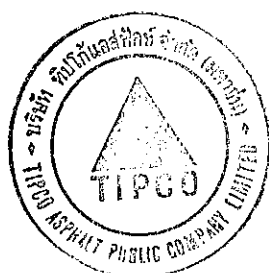
The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 10 to the financial statements.

5. Inventories

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

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2011 (Audited)	2,334	1,524
Reduce cost of inventories to net realisable value during the period (reversal)	(46)	(46)
Balance as at 30 September 2012	2,288	1,478



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6. Investments in subsidiaries

During the nine-month periods ended 30 September 2012 and 2011, the Company recorded cost of share-base payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees amounted to Baht 1.7 million and Baht 0.9 million, respectively, as a cost of investments in subsidiaries (Note 14).

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

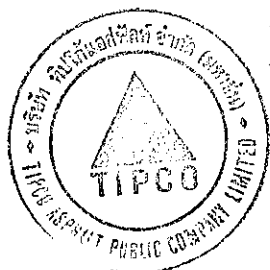
Company's name	(Unit: Thousand Baht)	
	Dividend received during the period	
	by the Company	
	<u>2012</u>	<u>2011</u>
Surat Bitumen Co., Ltd.	-	209,999
Raycol Asphalt Co., Ltd.	-	12,420
Thai Bitumen Co., Ltd.	187,450	-
Tipco Maritime Co., Ltd.	17,497	-
Total dividend received during the period	204,947	222,419

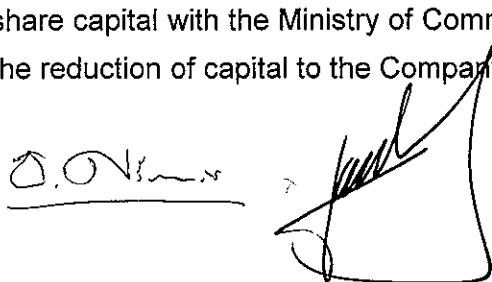
Investment in Surat Bitumen Company Limited (Surat Bitumen)

On 13 December 2010, the Board of Directors approved the entire business transfer of Surat Bitumen Company Limited to Thai Bitumen Company Limited, effective on 1 April 2011. Surat Bitumen filed for deregistration with the Ministry of Commerce on 15 December 2011. During the current quarter, the liquidator of Surat Bitumen returned share capital to the shareholders and completed the liquidation process on 3 September 2012. The Company received the return of share capital amounting to Baht 127 million (Note 4) and recorded the cash receipt net of investment in Surat Bitumen, as "Income from liquidation of subsidiary" in profit or loss of the current period.

Investment in Thai Bitumen Company Limited (Thai Bitumen)

On 27 August 2012 extraordinary shareholders' meeting No. 3/2012 of Thai Bitumen passed a resolution to approve the reduction of the registered and paid up share capital of the company by Baht 800 million, through the retirement of 8 million shares of Baht 100 each. After the share reduction process, Thai Bitumen's registered and paid-up capital will consist of 15 million shares of Baht 100 each, totaling Baht 1,500 million. Thai Bitumen completed the share reduction process and registered changed share capital with the Ministry of Commerce on 27 September 2012 and also returned the reduction of capital to the Company on 28 September 2012.





Tasco Shipping Company Limited

During the current quarter, the Company invested in new ordinary shares of Tasco Shipping Company Limited amounted to Baht 98 million.

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

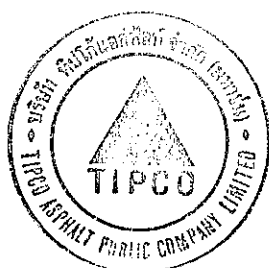
Currently, the Appeal Court in Malaysia is during the consideration of the petition filed by Aras Jalinan Sdn Bhd (Aras) regarding the convention of the extraordinary general meeting of KOC. The management of the Company and Thai Bitumen believe that the outcome of the Appeal Court, of which the result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

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.

7. Property, plant and equipment

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 31 December 2011 (Audited)	4,247,667	505,857
Acquisitions during period - at cost	664,345	36,996
Disposals/write-off during period - net book value at disposal/write-off date	(3,041)	(194)
Depreciation for the period	(274,329)	(43,926)
Exchange differences on translation of financial statements in foreign currencies	(74,461)	-
Net book value as at 30 September 2012	4,560,181	498,733



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8. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2012	2011	2012	2011
		(Audited)		(Audited)
Trade payables - related parties (Note 4)	1,033	1,251	318,087	317,874
Trade payables - unrelated parties	877,990	3,098,871	674,637	2,493,787
Amounts due to related parties (Note 4)	35,978	41,333	22,802	35,519
Accounts payable from price hedging contracts	207,342	114,537	207,342	39,380
Accrued expenses	152,082	154,640	57,441	70,284
Other payables	34,806	75,277	10,550	11,672
Total trade and other payables	1,309,231	3,485,909	1,290,859	2,968,516

9. Long-term loans

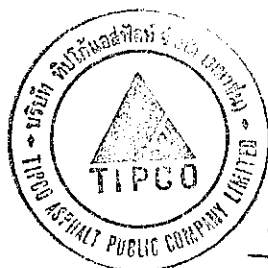
Movements in the long-term loan account during the nine-month period ended 30 September 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2011 (Audited)	3,553,982	2,468,175
Additions	762,034	-
Repayments	(1,247,081)	(932,725)
Unrealised gain on exchange	(15,166)	-
Exchange differences on translation of financial statements in foreign currencies	(19,745)	-
Balance as at 30 September 2012	3,034,024	1,535,450
Less: Current portion	(597,822)	(348,633)
Long-term loans - net of current portion	2,436,202	1,186,817

Long-term loans of the Company

During the second quarter of 2012, the Company amended long-term loan agreement from a local bank to change the interest rate of long-term loan amounting to Baht 1,500 million from interest rate with referenced to MLR as specified in the long-term loan agreement to interest rate with referenced to THBFIX. During the current quarter, the Company repaid such long-term loan amounted to Baht 720 million before the repayment schedule specified in its loan agreement.



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The agreements contain certain restrictive covenants pertaining to, among others things, the maintenance of financial ratios, the prohibition from creating lien over assets, the loan to related parties, the maintenance of trade receivables and inventory balance, the maintenance of shareholders and the limitation on creation of additional long-term debt.

Long-term loans of subsidiaries

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

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

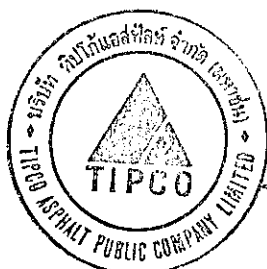
In May 2009, the Company entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan from a local bank to a fixed interest rate at 4.365 percent per annum. As at 30 September 2012, the notional amount of Baht 780 million (31 December 2011: Baht 960 million) was outstanding. The notional amount reduces on a quarterly basis in accordance with the related long-term loan repayment schedule of the Company and maturing in November 2015.

In May 2012, the Company entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan from a local bank to a fixed interest rate at 5.21 percent per annum. As at 30 September 2012, the notional amount of Baht 720 million was outstanding, and this will reduce every quarter in accordance with the related long-term loan repayment schedule, starting from June 2012 and ending when the loan mature in March 2018.

10. 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



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- b) The pledges/mortgages of the assets of subsidiaries of which the net book value as at 30 September 2012 and 31 December 2011 is summarised below

(Unit: Million Baht)

	Consolidated financial statements	
	30 September 2012	31 December 2011
		(Audited)
Deposits with financial institutions with restrictions	-	66
Leasehold rights - net	194	187
Property, plant and equipment - net	2,894	2,908
Computer software - net	2	5

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

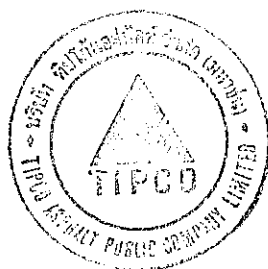
11. Income tax

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

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
		(Restated)		(Restated)
Current income tax:				
Current income tax charge	15,717	26,964	-	13,071
Deferred tax:				
Relating to origination and reversal				
of temporary differences	(56,895)	84,585	(51,858)	(2,625)
Utilisation (record) of tax loss carried				
forward during the period	48,060	(145,490)	48,852	-
Income tax expense (income)				
reported in the statement of				
comprehensive income	6,882	(33,941)	(3,006)	10,446



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(Unaudited but reviewed)

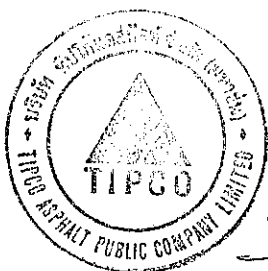
(Unit: Thousand Baht)

For the nine-month periods ended 30 September				
Consolidated		Separate		
financial statements		financial statements		
<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
	(Restated)		(Restated)	
Current income tax:				
Current income tax charge	30,411	76,642	-	47,694
Deferred tax:				
Relating to origination and reversal				
of temporary differences	(42,516)	96,396	(33,413)	(6,238)
Utilisation (record) of tax loss carried				
forward during the period	37,905	(88,982)	(1,620)	-
Income tax expense (income)				
reported in the statement of				
comprehensive income	25,800	84,056	(35,033)	41,456

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

(Unit : Thousand Baht)				
For the three-month periods ended 30 September				
Consolidated		Separate		
financial statements		financial statements		
<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
	(Restated)		(Restated)	
Deferred tax relating to change in fair				
value of interest rate swap contract	599	(2,643)	599	(2,643)

(Unit : Thousand Baht)				
For the nine-month periods ended 30 September				
Consolidated		Separate		
financial statements		financial statements		
<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
	(Restated)		(Restated)	
Deferred tax relating to change in fair				
value of interest rate swap contract	777	2,828	777	2,828



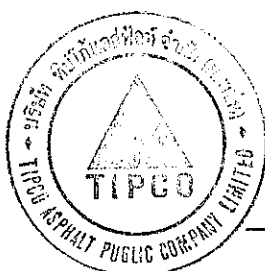
Deferred tax relating to change in fair
value of interest rate swap contract

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

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2012	31 December 2011 (Restated)	30 September 2012	31 December 2011 (Restated)
Deferred tax assets				
Provision for long-term employee benefits	14,564	13,026	11,774	10,556
Allowance for doubtful accounts	27,031	22,441	18,961	18,809
Reduce cost of inventories to net realisable value	891	537	340	350
Allowance for asset impairment	71,375	71,375	22,326	22,326
Fair value of price hedging contracts	34,310	6,439	34,310	6,439
Unused tax losses	12,156	50,061	1,620	-
Others	12,561	7,996	4,229	3,353
Total	172,888	171,875	93,560	61,833
Deferred tax liabilities				
Fair value of price hedging contracts	(10,809)	(15,592)	(10,809)	(15,592)
Difference depreciation for tax purpose	(2,306)	(1,368)	(1,974)	(1,073)
Fair value of forward exchange contracts	(1,892)	(869)	(1,693)	(340)
Total	(15,007)	(17,829)	(14,476)	(17,005)
Deferred tax assets - net	157,881	154,046	79,084	44,828

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



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12. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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>2012</u>	<u>2011</u> (Restated)	<u>2012</u>	<u>2011</u> (Restated)
Profit for the period (Thousand Baht)	94,441	110,449	81,378	241,808
Weighted average number of ordinary shares (Thousand shares)	152,548	152,548	152,548	152,548
Earnings per share (Baht per share)	0.62	0.72	0.53	1.59

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	Financial statements		financial statements	
	<u>2012</u>	<u>2011</u> (Restated)	<u>2012</u>	<u>2011</u> (Restated)
Profit for the period (Thousand Baht)	220,494	224,338	86,141	444,678
Weighted average number of ordinary shares (Thousand shares)	152,548	152,548	152,548	152,548
Earnings per share (Baht per share)	1.45	1.47	0.56	2.92

There is no calculation of diluted earnings per share for the three-month and nine-month periods ended 30 September 2012 and 2011 since the exercise prices to purchase ordinary shares of the Company are higher than the average market price of the Company's shares for the periods.

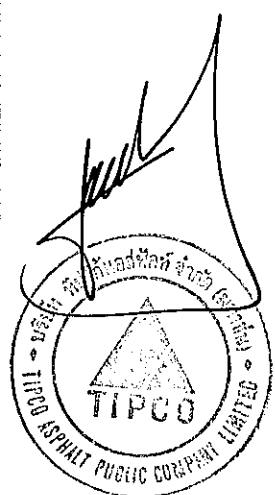
13. Registered capital

The Annual General Meeting of the shareholders held on 27 April 2012 approved the following resolutions.

Decrease of share capital

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

The Company registered the capital decrease on 15 May 2012.



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Increase of share capital

- 1) Increase the Company's registered capital by Baht 12,000,000 from Baht 1,688,437,290 (168,843,729 ordinary shares of Baht 10 each) to Baht 1,700,437,290 (170,043,729 ordinary shares of Baht 10 each), through the issue of 1,200,000 new ordinary shares of Baht 10 each.
- 2) Allocate and reserve the 1,200,000 new ordinary shares to support the exercise of the ESOP-W2 warrants (Note 14).

The Company registered the capital increase on 16 May 2012.

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

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

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

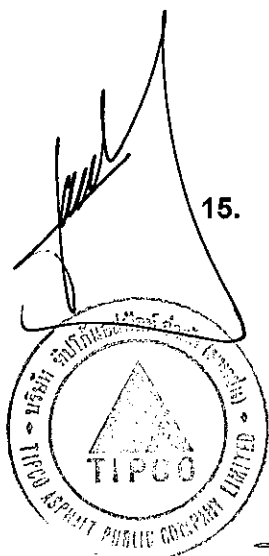
Each ESOP warrant can be exercised to purchase 1 new ordinary share at the exercise prices specified above. However, these exercise prices are subject to change in accordance with the conditions of any subsequent rights adjustment.

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

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

15. Compensation received from claims for damages

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



16. Dividend

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

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 2012 and 2011, and did not have significant outstanding balances relating to the marine transportation and investment and other business segments. Therefore financial information by segment has been presented only by geographic area, as follows:

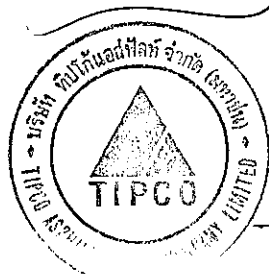
(Unit: Million Baht)

	For three-month periods ended 30 September							
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	(Restated)		(Restated)		(Restated)		(Restated)	
Revenue from external customers	8,596	4,769	1,229	1,037	-	-	9,825	5,806
Inter-segment revenues	1,029	691	316	156	(1,345)	(847)	-	-
Total revenue	9,625	5,460	1,545	1,193	(1,345)	(847)	9,825	5,806
Segment operating profit (loss)	70	105	62	-	(38)	5	94	110

(Unit: Million Baht)

	For nine-month periods ended 30 September							
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	(Restated)		(Restated)		(Restated)		(Restated)	
Revenue from external customers	24,913	12,772	2,744	2,048	-	-	27,657	14,820
Inter-segment revenues	2,886	1,705	840	283	(3,726)	(1,988)	-	-
Total revenue	27,799	14,477	3,584	2,331	(3,726)	(1,988)	27,657	14,820
Segment operating profit (loss)	153	359	93	(160)	(26)	25	220	224

Transfer prices between business segments are as set out in Note 4 to the financial statements.



18. Commitments and contingent liabilities**18.1 Capital commitments**

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

<u>Foreign currency</u>	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
	(Million)	(Million)
Baht	5	5
Ringgit	7	-

18.2 Operating lease commitments

The Company and its 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 2012 were as follows:

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>
	<u>Million Baht</u>	<u>Million Ringgit</u>	<u>Million Baht</u>
Payable within:			
1 year	15	1	18
2-5 years	5	-	5

18.3 Long-term service commitments

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

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



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18.4 Crude oil purchase commitments

As at 30 September 2012, the Company had outstanding commitment in respect of the purchase of crude oil approximately 1.9 million barrels.

18.5 Bank guarantees

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

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

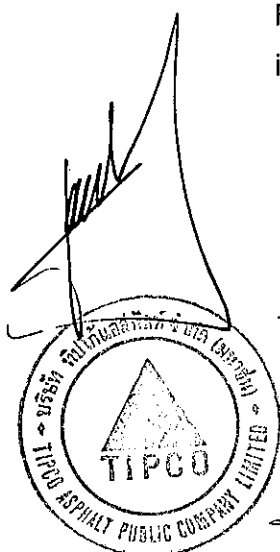
19. Foreign currency risk

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

Foreign currency	Consolidated		Separate		Average exchange rate as at 30 September 2012 (Baht per 1 foreign currency unit)
	financial statements		financial statements		
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	
US Dollar	42	198	62	182	30.8
HKD	-	-	1	-	4.0
Yen	1	8	-	1	0.4
Ringgit	-	1	-	1	10.1

Foreign exchange contracts, which maturity date within one year, of the Company and its subsidiaries outstanding at 30 September 2012 are summarised below.

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Contracts to sell	Contracts to buy	Contracts to sell	Contracts to buy	Sell	Buy
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	24	10	20	9	30.8-32.2	31.0-32.0



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

20. Raw material and finished goods price risk

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

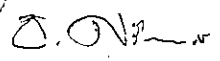
As at 30 September 2012 and 31 December 2011, the Company had outstanding price hedging contracts which are presented in the statements of financial position at fair value and are summarised below.

	(Unit: Million Baht)	
	Consolidated/Separate financial statements	
	30 September 2012	31 December 2011
		(Audited)
<u>Contracts presented as assets</u>		
Forward contracts to sell raw materials	-	13
Forward contracts to sell finished goods	11	55
Two-ways collar options to sell raw materials	1	-
Two-ways collar options to sell finished goods	15	-
Four-ways collar options to purchase raw materials	20	-
Total price hedging contracts presented as assets	47	68
<u>Contracts presented as liabilities</u>		
Forward contracts to purchase raw materials	7	17
Forward contracts to sell raw materials	-	1
Forward contracts to purchase finished goods	22	-
Forward contracts to sell finished goods	117	10
Two-ways collar options to sell raw materials	3	-
Total price hedging contracts presented as liabilities	149	28

21.

Approval of interim financial statements

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

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