

Tipco Asphalt Public Company Limited and its subsidiaries
Report and interim consolidated financial statements
For the three-month and nine-month periods ended
30 September 2016

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 2016, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Tipco Asphalt Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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



Building a better
working world

Emphasis of matter

I draw attention to Note 6 to the interim financial statements relating to the process of assessing the fair value of the identifiable assets, liabilities and contingent liabilities of new subsidiaries, which has not yet completed. My conclusion is not qualified in respect of this matter.

A handwritten signature in black ink, appearing to read 'S. Phanyawattano'.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 3 November 2016

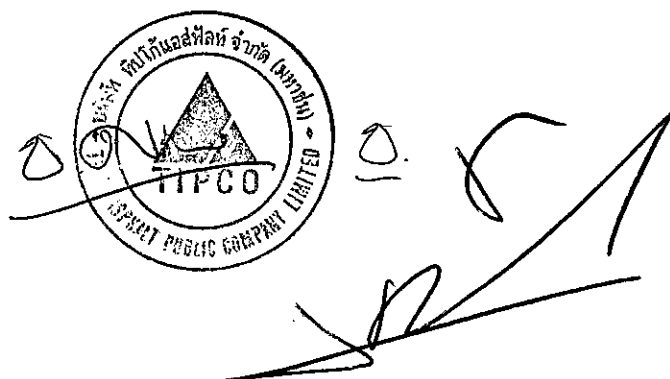
Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,296,856	1,353,521	88,620	667,293
Trade and other receivables	3, 4	2,165,605	3,271,776	1,592,911	2,926,606
Short-term loan to related party	4	-	-	34,524	6,179
Inventories	5	3,855,473	2,402,519	3,082,844	1,999,512
Forward exchange contracts	18, 20	908	458	908	458
Price hedging contracts	19, 20	339,758	1,674,980	339,758	1,674,980
Other current assets		200,321	103,973	38,213	16,390
Total current assets		7,858,921	8,807,227	5,177,778	7,291,418
Non-current assets					
Investments in subsidiaries	6	-	-	6,631,567	3,657,582
Investment in joint venture		47,500	20,957	-	-
Investments in associates		185,652	126,739	18,404	18,404
Long-term loans to related parties	4	-	-	668,183	210,295
Investment properties		199,433	199,433	99,838	99,838
Property, plant and equipment	7	8,173,289	7,075,695	642,585	552,045
Estimated amount of interest in the net asset value of subsidiaries lower than purchase cost	6	221,830	-	-	-
Goodwill		146,294	146,294	-	-
Other intangible assets		43,279	31,541	29,953	30,498
Leasehold rights		422,081	399,248	3,248	3,419
Deferred tax assets - net	12	120,227	1,630	113,374	25,383
Other non-current assets		29,305	60,538	4,287	3,982
Total non-current assets		9,588,890	8,062,075	8,211,439	4,601,446
Total assets		17,447,811	16,869,302	13,389,217	11,892,864

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



Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		2,416,858	36,089	2,150,393	-
Trade and other payables	4, 8	1,950,582	2,253,625	2,349,282	1,976,456
Current portion of liabilities under finance lease agreements		1,063	2,719	670	2,172
Current portion of long-term loans from financial institutions	9	322,513	436,653	-	-
Short-term loans from related parties	4	-	-	80,000	-
Income tax payable		23,676	468,999	-	397,282
Forward exchange contracts	18, 20	1,655	636	1,127	631
Price hedging contracts	19, 20	75,978	819,832	75,978	819,044
Other current liabilities		119,743	100,334	42,524	41,269
Total current liabilities		4,912,068	4,118,887	4,699,974	3,236,854
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion		739	1,033	-	286
Long-term loans from financial institutions - net of current portion	9	1,174,342	2,044,858	-	-
Long-term loan from related party	4	7,652	8,152	-	-
Interest rate swap contracts	10, 20	16,487	18,945	16,436	19,023
Provision for long-term employee benefits		144,989	112,941	99,665	92,746
Total non-current liabilities		1,344,209	2,185,929	116,101	112,055
Total liabilities		6,256,277	6,304,816	4,816,075	3,348,909

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



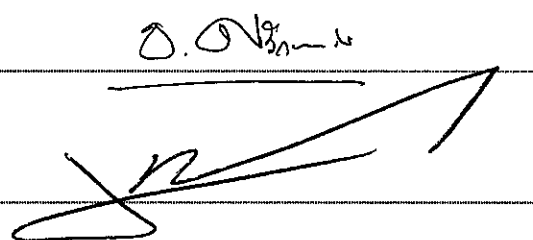
Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position (continued)

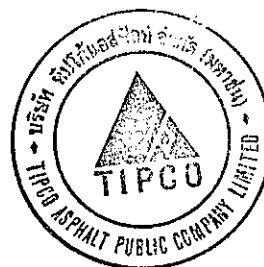
(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	14				
Registered					
1,579,343,570 ordinary shares (31 December 2015:					
1,578,735,570 ordinary shares) of Baht 1 each		1,579,344	1,578,736	1,579,344	1,578,736
Issued and fully paid					
1,552,561,070 ordinary shares (31 December 2015:					
1,543,850,070 ordinary shares) of Baht 1 each		1,552,561	1,543,850	1,552,561	1,543,850
Premium on share capital	14	1,007,072	969,634	1,007,072	969,634
Share subscription	14	2,319	554	2,319	554
Non-controlling interests of subsidiary acquired					
by the Company at price lower than book value		6,238	6,238	-	-
Change in the Company's interest in subsidiaries					
which did not result in a loss of control	6	(570,308)	(308,455)	-	-
Capital reserve for share-based payment transactions		109,178	75,457	109,178	75,457
Retained earnings					
Appropriated - statutory reserve		172,123	172,123	172,123	172,123
Unappropriated		8,977,631	7,843,967	5,729,889	5,782,337
Other components of shareholders' equity		(167,815)	25,501	-	-
Equity attributable to owners of the Company		11,088,999	10,328,869	8,573,142	8,543,955
Non-controlling interests of the subsidiaries	6	102,535	235,617	-	-
Total shareholders' equity		11,191,534	10,564,486	8,573,142	8,543,955
Total liabilities and shareholders' equity		17,447,811	16,869,302	13,389,217	11,892,864

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



Directors



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

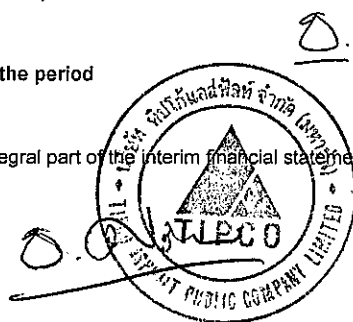
Statement of comprehensive income

For the three-month period ended 30 September 2016

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

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Revenues					
Sales and service income		4,792,794	9,289,803	3,902,046	8,546,342
Other income					
Dividend income from subsidiaries	6	-	-	213,000	18,400
Dividend income from associate		-	-	4,838	
Gain on exchange	18	29,489	92,694	21,448	73,743
Others		77,951	24,368	35,043	36,257
Total revenues		4,900,234	9,406,865	4,176,375	8,674,742
Expenses					
Cost of sales and services		4,359,727	8,054,131	3,869,801	7,799,991
Gain on price hedging contracts	19	(152,982)	(824,563)	(152,975)	(817,642)
Reversal of reduction of cost of inventories to net realisable value	5	108,257	5,535	97,387	11,835
		4,315,002	7,235,103	3,814,213	6,994,184
Selling expenses		66,800	54,067	24,706	26,519
Administrative expenses		189,324	262,703	114,772	129,243
Other expenses					
Allowance for doubtful accounts (reversal)		(47,163)	49,646	(669)	(829)
Total expenses		4,523,963	7,601,519	3,953,022	7,149,117
Profit before share of profit from investment in joint venture, associates, finance cost and income tax					
		376,271	1,805,346	223,353	1,525,625
Share of profit from investment in joint venture		17,034	8,716	-	-
Share of profit from investment in associates		6,539	5,990	-	-
Profit before finance cost and income tax		399,844	1,820,052	223,353	1,525,625
Finance cost		(19,194)	(48,904)	(2,405)	(27,696)
Profit before income tax		380,650	1,771,148	220,948	1,497,929
Income tax	12	(48,512)	(338,100)	(2,443)	(298,960)
Profit for the period		332,138	1,433,048	218,505	1,198,969
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Change in fair value of interest rate swap contract - net of income tax		-	226	-	226
Exchange differences on translation of financial statements in foreign currencies		(85,099)	125,250	-	-
Other comprehensive income for the period		(85,099)	125,476	-	226
Total comprehensive income for the period		247,039	1,558,524	218,505	1,199,195

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

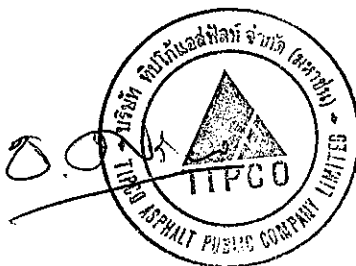
Statement of comprehensive income (continued)

For the three-month period ended 30 September 2016

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

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Profit attributable to:					
Equity holders of the Company		328,832	1,453,166	218,505	1,198,969
Non-controlling interests of the subsidiaries		3,306	(20,118)		
		332,138	1,433,048		
Total comprehensive income attributable to:					
Equity holders of the Company		243,521	1,581,439	218,505	1,199,195
Non-controlling interests of the subsidiaries		3,518	(22,915)		
		247,039	1,558,524		
Earnings per share (Baht)					
	13				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.21	0.94	0.14	0.78
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.21	0.93	0.14	0.77

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

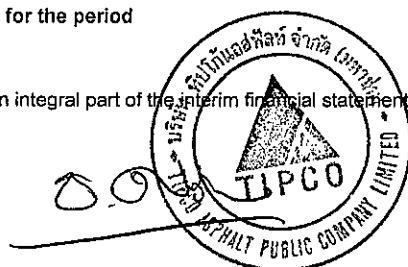
Statement of comprehensive income

For the nine-month period ended 30 September 2016

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenues					
Sales and service income		16,896,895	28,041,138	13,572,998	26,113,104
Other income					
Dividend income from subsidiaries	6	-	-	213,000	141,800
Dividend income from associate		-	-	4,838	27,127
Gain on exchange	18	82,076	201,410	75,761	171,743
Others		177,619	66,749	132,874	98,526
Total revenues		17,156,590	28,309,297	13,999,471	26,552,300
Expenses					
Cost of sales and services		13,908,068	23,332,868	12,384,847	22,855,108
(Gain) loss on price hedging contracts	19	41,787	(465,484)	53,082	(441,039)
Reversal of reduction of cost of inventories to net realisable value	5	(148,091)	(361,248)	(158,970)	(413,501)
		13,801,764	22,506,136	12,278,959	22,000,568
Selling expenses		180,120	146,479	77,518	73,093
Administrative expenses		700,614	648,996	377,120	325,866
Other expenses					
Allowance for doubtful accounts (reversal)		(142,950)	192,673	(4,417)	(1,425)
Total expenses		14,539,548	23,494,284	12,729,180	22,398,102
Profit before share of profit from investment in joint venture, associates, finance cost and income tax		2,617,042	4,815,013	1,270,291	4,154,198
Share of profit from investment in joint venture		27,624	10,580	-	-
Share of profit from investment in associates		62,559	46,299	-	-
Profit before finance cost and income tax		2,707,225	4,871,892	1,270,291	4,154,198
Finance cost		(92,994)	(143,301)	(29,783)	(79,465)
Profit before income tax		2,614,231	4,728,591	1,240,508	4,074,733
Income tax	12	(389,510)	(892,599)	(209,645)	(785,881)
Profit for the period		2,224,721	3,835,992	1,030,863	3,288,852
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Change in fair value of interest rate swap contract - net of income tax		-	1,134	-	1,134
Exchange differences on translation of financial statements in foreign currencies		(201,042)	140,975	-	-
Other comprehensive income for the period		(201,042)	142,109	-	1,134
Total comprehensive income for the period		2,023,679	3,978,101	1,030,863	3,289,986

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2016

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

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Profit attributable to:					
Equity holders of the Company		2,216,975	3,896,245	1,030,863	3,288,852
Non-controlling interests of the subsidiaries		7,746	(60,253)		
		2,224,721	3,835,992		
Total comprehensive income attributable to:					
Equity holders of the Company		2,023,659	4,041,229	1,030,863	3,289,986
Non-controlling interests of the subsidiaries		20	(63,128)		
		2,023,679	3,978,101		
Earnings per share (Baht)					
	13				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.43	2.53	0.67	2.14
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.41	2.50	0.66	2.11

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

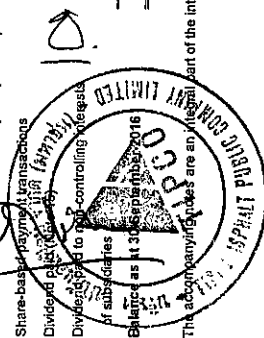
0.02



Tipco Asphalt Public Company Limited

Handwritten signature and initials.

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2016

(Unit: Thousand Baht)

Separate financial statements									
	Issued and paid-up share capital	Premium on share capital	Shares subscription	Capital reserve for share-based payment transactions	Retained earnings		Other component of equity		
					Appropriated - statutory reserve	Unappropriated	Fair value of interest rate swap contract	Total other component of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2015	1,532,780	916,250	7,748	38,433	172,123	2,785,748	(1,196)	(1,196)	5,451,886
Profit for the period	-	-	-	-	-	3,288,852	-	-	3,288,852
Other comprehensive income for the period	-	-	-	-	-	-	1,134	1,134	1,134
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-
Increase in share capital	10,151	48,651	(7,748)	-	-	3,288,852	1,134	1,134	3,289,986
Cash receipts from shares subscription	-	-	5,653	-	-	-	-	-	51,054
Share-based payment transactions	-	-	-	24,268	-	-	-	-	5,653
Dividend paid (Note 15)	-	-	-	-	-	(616,292)	-	-	24,268
Balance as at 30 September 2015	1,542,931	964,901	5,653	62,701	172,123	5,458,308	(62)	(62)	(616,292)
Balance as at 1 January 2016	1,543,850	989,634	554	75,457	172,123	5,782,337	-	-	8,543,955
Profit for the period	-	-	-	-	-	1,030,863	-	-	1,030,863
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-
Increase in share capital (Note 14)	8,711	37,438	(554)	-	-	1,030,863	-	-	1,030,863
Cash receipts from shares subscription (Note 14)	-	-	2,319	-	-	-	-	-	2,319
Share-based payment transactions	-	-	-	33,721	-	-	-	-	33,721
Dividend paid (Note 15)	-	-	-	-	-	(1,083,311)	-	-	(1,083,311)
Balance as at 30 September 2016	1,552,561	1,007,072	2,319	109,178	172,123	5,729,889	-	-	8,573,142

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

Share-based payment transactions

Dividend paid (Note 15)

Balance as at 30 September 2016

10

Share-based payment transactions

Dividend paid (Note 15)

Balance as at 30 September 2016

10

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

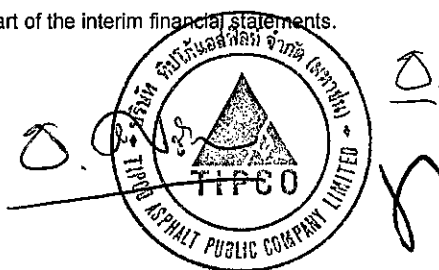
Cash flow statement

For the nine-month period ended 30 September 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities:				
Profit before income tax	2,614,231	4,728,591	1,240,508	4,074,733
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	564,282	420,402	79,338	59,594
Allowance for doubtful accounts (reversal)	(142,950)	192,673	(4,417)	(1,425)
Reversal of reduction of cost of inventories to net realisable value	(148,091)	(361,248)	(158,970)	(413,501)
Dividend income from subsidiaries	-	-	(213,000)	(141,800)
Dividend income from associate	-	-	(4,838)	(27,127)
Unrealised (gain) loss on exchange	(18,108)	51,727	34,318	(48,419)
Gain on sales of equipment	(919)	(2,814)	(725)	(3,202)
Share of profit from investment in joint venture	(27,624)	(10,580)	-	-
Share of profit from investment in associates	(62,559)	(46,299)	-	-
Share-based payment transactions	33,721	24,268	26,983	19,517
Provision for long-term employee benefits	11,358	6,744	7,402	5,503
Change in fair value of forward exchange contracts	(1,529)	(1,531)	46	(1,057)
Change in fair value of price hedging contracts	591,369	(559,203)	592,157	(559,203)
Change in fair value of interest rate swap contracts recognised in profit or loss	(2,458)	15,412	(2,587)	13,883
Interest expenses	84,698	120,746	26,462	60,782
Profit from operating activities before changes in operating assets and liabilities	3,495,421	4,578,888	1,622,677	3,038,278
(Increase) decrease in operating assets				
Trade and other receivables	1,981,701	310,554	1,326,548	407,567
Inventories	(1,022,256)	179,253	(924,362)	219,503
Other current assets	(62,538)	(109,161)	(23,074)	(12,355)
Other non-current assets	92,468	1,664	(373)	20,166
Increase (decrease) in operating liabilities				
Trade and other payables	(602,458)	1,038,578	370,666	972,725
Other current liabilities	(95,518)	98,703	774	48,110
Cash flows from operating activities	3,786,820	6,098,479	2,372,856	4,693,994
Cash paid for interest expenses	(61,077)	(97,673)	(28,371)	(49,597)
Cash paid for corporate income tax	(952,931)	(724,125)	(709,942)	(631,098)
Net cash flows from operating activities	2,772,812	5,276,681	1,634,543	4,013,299

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities:				
Cash paid for investment in subsidiary	-	-	(1,066,514)	-
Cash paid for investment in new subsidiaries - net from cash and cash equivalent received	(1,278,660)	-	(1,513,222)	-
Cash paid for acquisition of short-term loan in new subsidiaries from related party	(448,159)	-	(448,159)	-
Dividend received from subsidiaries	-	-	7,496	36,800
Dividend received from associate	4,838	27,127	4,838	27,127
Increase in short-term loans to related party	-	(13,511)	(28,963)	-
Increase in long-term loans to related party	-	-	(34,620)	(16,290)
Acquisition of equipment	(752,604)	(885,965)	(147,852)	(73,694)
Acquisition of computer software	(7,306)	(5,630)	(5,174)	(4,994)
Acquisition of leasehold rights	-	(2,192)	-	-
Proceeds from sales of equipment	945	4,831	864	4,515
Net cash flows used in investing activities	(2,480,946)	(875,340)	(3,231,306)	(26,536)
Cash flows from financing activities:				
Cash paid for acquisition of non-controlling interests of subsidiary	(387,512)	-	(387,512)	-
Increase (decrease) in short-term loans from financial institutions	2,039,660	(2,830,792)	2,157,453	(2,658,331)
Increase in short-term loans from related parties	-	-	285,000	-
Cash paid under finance lease agreements	(9,507)	(3,270)	(1,720)	(2,423)
Cash receipt from long-term loans	-	462,330	-	-
Repayment of long-term loans	(917,033)	(1,130,490)	-	(727,500)
Cash receipt from capital increase	45,595	51,054	45,595	51,054
Cash receipts from shares subscription	2,319	5,653	2,319	5,653
Dividend paid to shareholders	(1,083,045)	(615,778)	(1,083,045)	(615,778)
Cash receipt for paid-up share capital in subsidiary from non-controlling interests of subsidiary	-	1,854	-	-
Dividend paid to non-controlling interests of subsidiaries	(7,443)	(52,000)	-	-
Net cash flows from (used in) financing activities	(316,966)	(4,111,439)	1,018,090	(3,947,325)
Exchange differences on translation of financial statements in foreign currencies	(31,565)	(82,846)	-	-
Net increase (decrease) in cash and cash equivalents	(56,665)	207,056	(578,673)	39,438
Cash and cash equivalents at beginning of period	1,353,521	276,988	667,293	24,641
Cash and cash equivalents at end of period	1,296,856	484,044	88,620	64,079

Supplemental cash flows information

Non-cash transactions:

Purchase of equipment for which cash has not been paid	49,011	35,224	-	-
Settlement of dividend received from subsidiary with account payable (Note 6)	-	-	-	105,000
Settlement of dividend received from subsidiaries with short-term loan from related parties (Note 6)	-	-	205,000	-
Settlement of dividend received from subsidiaries with accrued interest to related parties (Note 6)	-	-	504	-

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

Tipco Asphalt Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2016

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 2015) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

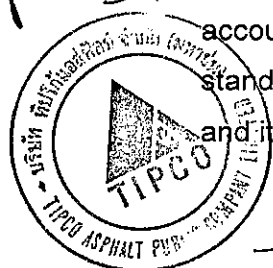
The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.2 Basis of consolidation

The consolidated interim financial statements include the financial statements of Tipco Asphalt Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015, except the change in percentage of shareholding in a subsidiary and investments in new subsidiaries as described in Note 6 to the interim financial statements.

1.3 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which became effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards did not have any significant impact on the financial statements of the Company and its subsidiaries.



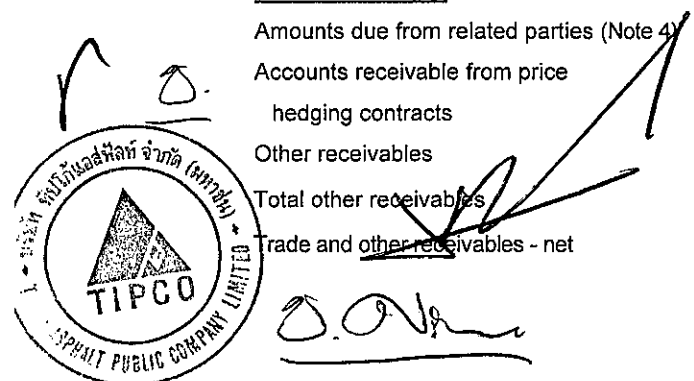
2. Significant accounting policies

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 2015.

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015 (Audited)	30 September 2016	31 December 2015 (Audited)
<u>Trade receivables - related parties</u> (Note 4)				
Aged on the basis of due dates				
Not yet due	290,948	676,818	638,223	954,902
Past due				
Up to 3 months	1,487	17,917	4,648	22,314
3 - 6 months	5	-	7,149	5,073
6 - 9 months	3	-	7,009	54,107
9 - 12 months	5	-	8,144	6,496
Over 12 months	10,060	119	349,514	374,969
Total	302,508	694,854	1,014,687	1,417,861
Less: Allowance for doubtful accounts	-	-	(353,907)	(353,907)
Total trade receivables - related parties, net	302,508	694,854	660,780	1,063,954
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,349,319	2,250,648	821,091	1,700,306
Past due				
Up to 3 months	363,856	203,045	66,102	82,864
3 - 6 months	35,085	25,661	35	2,593
6 - 9 months	44,755	2,510	3,136	938
9 - 12 months	49,599	26,404	126	1,777
Over 12 months	453,273	454,446	61,046	70,501
Total	2,295,887	2,962,714	951,536	1,858,979
Less: Allowance for doubtful accounts	(468,613)	(474,567)	(67,288)	(71,705)
Total trade receivables - unrelated parties, net	1,827,274	2,488,147	884,248	1,787,274
Total trade receivables - net	2,129,782	3,183,001	1,545,028	2,851,228
<u>Other receivables</u>				
Amounts due from related parties (Note 4)	10,088	9,764	35,871	29,964
Accounts receivable from price hedging contracts	7,155	43,107	7,155	43,108
Other receivables	18,580	35,904	4,857	2,306
Total other receivables	35,823	88,775	47,883	75,378
Trade and other receivables - net	2,165,605	3,271,776	1,592,911	2,926,606

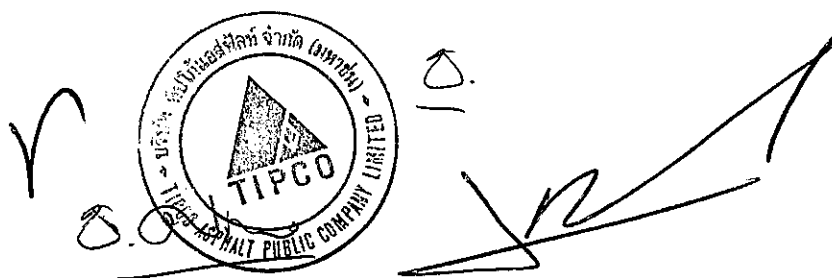


4. Related party transactions

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		Separate		
	financial statements		financial statements		Transfer pricing policies
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	611	1,139	Cost plus certain margin
Rental and service income	-	-	5	13	Contract price
Technical assistance fee income	-	-	3	3	Contract price
Interest income	-	-	3	-	At rate of 1.40 - 2.25 percent and LIBOR plus 1.50 percent per annum
Dividend income	-	-	213	18	
Rental and service expenses	-	-	552	624	Contract price
<u>Transactions with joint venture</u>					
Sales and services	342	289	269	276	Market price/Contract price
<u>Transactions with associated companies</u>					
Dividend income	-	-	5	-	
Rental and service expenses	2	-	-	-	Contract price
<u>Transactions with related companies</u>					
Sales and services	277	399	273	366	Market price/Contract price
Rental and service income	1	-	1	-	Contract price
Rental and service expenses	6	13	9	11	Contract price
Technical assistance fee expenses	7	14	7	9	Contract price



(Unaudited but reviewed)

(Unit : Million Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate		Transfer pricing policies
	financial statements		financial	statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	2,074	3,912	Cost plus certain margin
Rental and service income	-	-	24	38	Contract price
Technical assistance fee income	-	-	9	9	Contract price
Interest income	-	-	9	-	At rate of 1.40 - 2.25 percent and LIBOR plus 1.50 percent per annum
Dividend income	-	-	213	142	
Purchase of goods	-	-	51	1	Cost plus certain margin
Rental and service expenses	-	-	1,844	1,736	Contract price
<u>Transactions with joint venture</u>					
Sales and services	810	404	644	391	Market price/Contract price
Rental and service income	2	-	-	-	Contract price
Rental and service expenses	7	-	7	-	Contract price
<u>Transactions with associated companies</u>					
Dividend income	-	-	5	27	
Rental and service expenses	2	-	-	-	Contract price
<u>Transactions with related companies</u>					
Sales and services	1,251	1,982	1,175	1,881	Market price/Contract price
Rental and service income	2	2	2	2	Contract price
Rental and service expenses	34	33	28	27	Contract price
Technical assistance fee expenses	28	42	28	26	Contract price

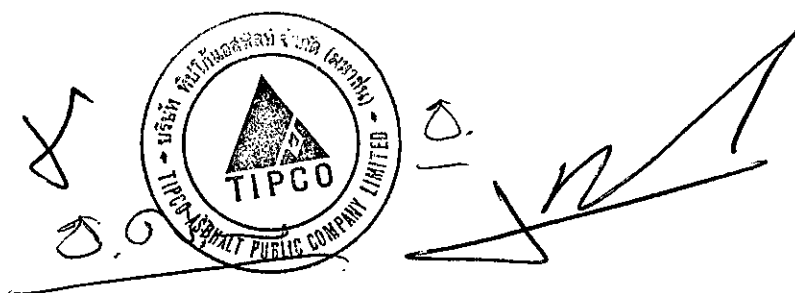


(Unaudited but reviewed)

The balances of the accounts as at 30 September 2016 and 31 December 2015 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Trade and other receivables - related parties (Note 3)</u>				
Subsidiaries	-	-	756,781	779,988
Joint venture	195,015	506,047	193,336	496,807
Associate	10,109	-	-	-
Related companies (common shareholders and directors)	107,472	198,571	100,441	171,030
Total trade and other receivables - related parties	312,596	704,618	1,050,558	1,447,825
Less : Allowance for doubtful accounts	-	-	(353,907)	(353,907)
Total trade and other receivables - related parties, net	312,596	704,618	696,651	1,093,918
<u>Short-term loan to related party</u>				
Subsidiary	-	-	34,524	6,179
Total short-term loan to related party	-	-	34,524	6,179
<u>Long-term loans to related parties</u>				
Subsidiaries	-	-	668,183	210,295
Total long-term loans to related parties	-	-	668,183	210,295
<u>Trade and other payables - related parties (Note 8)</u>				
Subsidiaries	-	-	920,996	411,557
Joint venture	12	9,235	12	-
Associate	1,840	-	-	-
Related companies (common shareholders and directors)	36,843	75,930	32,243	54,200
Total trade and other payables - related parties	38,695	85,165	953,251	465,757



(Unaudited but reviewed)

(Unit: Thousand Baht)

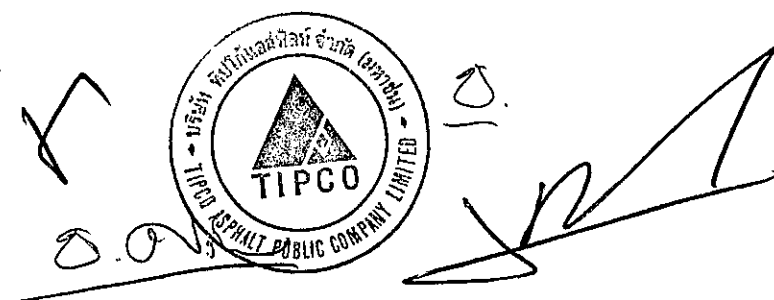
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Short-term loan from related party</u>				
Subsidiary	-	-	80,000	-
Total short-term loans from related parties	-	-	80,000	-
<u>Long-term loan from related party</u>				
Related company (shareholder of subsidiary)	7,652	8,152	-	-
Total long-term loan from related party	7,652	8,152	-	-

Loans to related parties and loans from related parties

As at 30 September 2016 and 31 December 2015, the balances of loans between the Company and those related companies and the movements were as follows:

(Unit: Thousand Baht)

		Consolidated financial statements		
Company's name	Related by	Balance as at 31 December 2015 (Audited)	Exchange differences on translation of financial statements in foreign currencies	Balance as at 30 September 2016
<u>Long-term loan from related party</u>				
Zhenjiang Highway Materials Company	Shareholder of subsidiary	8,152	(500)	7,652



(Unaudited but reviewed)

(Unit: Thousand Baht)

		Separate financial statements				
Company's name	Related by	Balance as at 31 December 2015 (Audited)	Increase during the period	Decrease during the period	Loss on exchange	Balance as at 30 September 2016
<u>Short-term loan to related parties</u>						
Kemaman Oil Corporation Sdn Bhd	Subsidiary	6,179	-	(5,827)	(352)	-
Highway Resources Pte Ltd.	Subsidiary	-	153,104	(118,314)	(266)	34,524
AD Shipping Pte Ltd. (Note 6)	Subsidiary	-	286,822	(280,134)	(6,688)	-
Reta Link Pte Ltd. (Note 6)	Subsidiary	-	161,337	(157,575)	(3,762)	-
Total		6,179	601,263	(561,850)	(11,068)	34,524
<u>Long-term loan to related parties</u>						
Tasco International (Hong Kong) Ltd.	Subsidiary	210,295	34,620	-	(8,285)	236,630
AD Shipping Pte Ltd. (Note 6)	Subsidiary	-	280,134	-	(3,940)	276,194
Reta Link Pte Ltd. (Note 6)	Subsidiary	-	157,575	-	(2,216)	155,359
Total		210,295	472,329	-	(14,441)	668,183
<u>Short-term loan from related parties</u>						
Raycol Asphalt Co., Ltd. (Note 6)	Subsidiary	-	130,000	(50,000)	-	80,000
Thai Bitumen Co., Ltd. (Note 6)	Subsidiary	-	155,000	(155,000)	-	-
Total		-	285,000	(205,000)	-	80,000

Directors and management's benefits

For the three-month and nine-month periods ended 30 September 2016 and 2015, 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 financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	29	33	23	29
Post-employment benefits	1	1	1	1
Share-based payment transactions	2	3	1	3
Total	32	37	25	33



(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	93	92	76	78
Post-employment benefits	4	4	3	4
Share-based payment transactions	7	8	6	7
Total	<u>104</u>	<u>104</u>	<u>85</u>	<u>89</u>

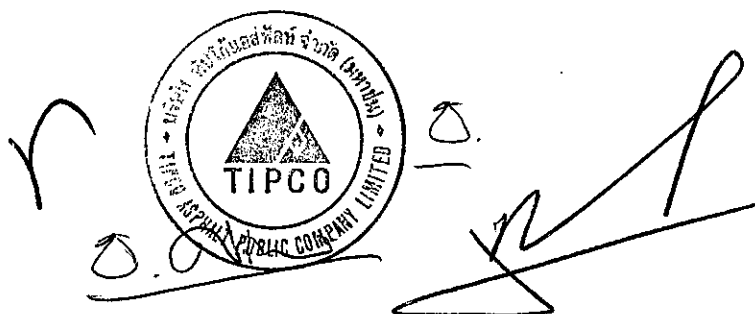
Guarantee obligations with related parties

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

5. Inventories

Movements in the reduction of cost to net realisable value of inventory account during the nine-month period ended 30 September 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2016	283,885	365,689
Increase from investments in new subsidiaries (Note 6)	8,620	-
Reversal of reduction of cost to net realisable value of inventory account during the period	(148,091)	(158,970)
Exchange differences on translation of financial statements in foreign currencies	284	-
Balance as at 30 September 2016	<u>144,698</u>	<u>206,719</u>



(Unaudited but reviewed)

6. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Investment cost	
	30 September 2016	31 December 2015
		(Audited)
<u>Domestic subsidiaries</u>		
Raycol Asphalt Co., Ltd.	580,712	193,200
Thai Bitumen Co., Ltd.	1,499,917	1,499,917
Less: Allowance for impairment loss of investment	(60,775)	(60,775)
Tipco Maritime Co., Ltd.	1,999	1,999
Alpha Maritime Co., Ltd.	142,999	142,999
Bitumen Marine Co., Ltd.	149,999	149,999
Delta Shipping Co., Ltd.	79,999	79,999
Tasco Shipping Co., Ltd.	289,999	289,999
<u>Overseas subsidiaries</u>		
Tasco International (Hong Kong) Ltd.	130,008	130,008
Add: Additional investment cost from the acquisition of subsidiary under common control	115,849	115,849
Less: Allowance for impairment loss of investment	(57,120)	(57,120)
Kemaman Oil Corporation Sdn Bhd	337,296	337,296
Kemaman Bitumen Company Sdn Bhd	1,885,158	818,644
Tipco Asphalt (Cambodia) Co., Ltd.	165	165
PT Asphalt Bangun Sarana	337,254	-
Highway Resources Pte Ltd.	717,054	-
AD Shipping Pte Ltd.	430,232	-
Reta Link Pte Ltd.	28,682	-
Total investments in subsidiaries	6,609,427	3,642,179
Cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees	22,140	15,403
Total investments in subsidiaries - net	6,631,567	3,657,582

During the nine-month period ended 30 September 2016, the Company recorded cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees amounting to Baht 6.7 million (2015: Baht 4.8 million), as a cost of investments in subsidiaries.



(Unaudited but reviewed)

During the three-month and nine-month periods ended 30 September 2016 and 2015, the Company received the following dividends from its subsidiaries:

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 September	
	2016	2015
Raycol Asphalt Co., Ltd.*	55,500	18,400
Thai Bitumen Co., Ltd.*	157,500	-
Total dividend received during the period	213,000	18,400

(Unit: Thousand Baht)

Company's name	For the nine-month periods ended 30 September	
	2016	2015
Raycol Asphalt Co., Ltd.*	55,500	36,800
Thai Bitumen Co., Ltd.*	157,500	-
Bitumen Marine Co., Ltd.**	-	105,000
Total dividend received during the period	213,000	141,800

* Raycol Asphalt Co., Ltd. and Thai Bitumen Co., Ltd. offset the dividend paid in the third quarter of 2016 against the short-term loan and accrued interest from the Company.

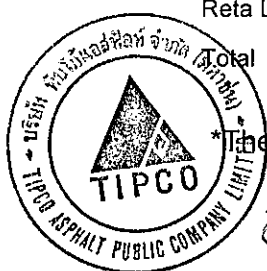
** Bitumen Marine Co., Ltd. offset the dividend against the amount due to the Company.

Investment in new subsidiaries

In December 2015, the Company had entered into Share Purchase Agreement with Colas S.A., a foreign related company, to acquire ordinary shares in companies in asphalt business and vessel business. Subsequently, on 5 January 2016, the Extraordinary General Meeting of the Company's shareholders No.1/2016 approved the acquisition of such ordinary shares as summarised below.

Company's name	Nature of business	Country of incorporation	Investment percentage (%)	Investment amount (Million USD)	Loan amount (Million USD)
PT Asphalt Bangun Sarana ("ABS")*	Manufacture and distribution of asphalt products	Indonesia	99.98	9.5	-
Highway Resources Pte Ltd. ("HR")*	Distribution of asphalt products	Singapore	100.00	20.0	-
AD Shipping Pte Ltd. ("ADS")	Marine transportation	Singapore	100.00	12.0	8.0
Reta Link Pte Ltd. ("RTL")	Marine transportation	Singapore	100.00	0.8	4.5
Total				42.3	12.5

* These subsidiaries have two subsidiaries and an associate as follows:



(Unaudited but reviewed)

Company's name	Nature of business	Country of incorporation	Related by	Shareholding percentage (%)
<u>Subsidiary and associate held by ABS</u>				
PT Saranaraya Reka Cipta ("SRC")	Manufacture and distribution of asphalt products	Indonesia	Subsidiary	100.00
PT Sarana Distribusi Aspal Nusantara ("SDAN")	Barge rental service	Indonesia	Associate	49.00
<u>Subsidiary held by HR</u>				
Asphalt Distribution Co., Ltd. ("ADCo")	Manufacture and distribution of asphalt products	Vietnam	Subsidiary	100.00

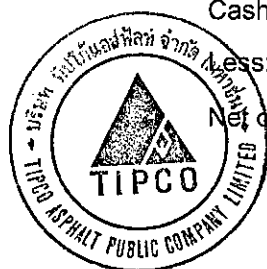
In addition, the Board of Director Meetings No.3/2016 held on 11 April 2016 passed a resolution to approve the Company and/or its subsidiary's acquisition of 100 percent of ordinary shares of Colas Vietnam Co., Ltd ("CVN") from Colas S.A. at a price of USD 1 million. Subsequently, in June 2016, ADCo, a subsidiary company, entered into Share Purchase Agreement with Colas S.A. at a price of VND 22,309 million (approximately Baht 36 million), to acquire ordinary shares of such company. ADCo received the transfer of the above shares in August 2016.

From the investment transactions in new subsidiaries, the Company has control over such subsidiaries from 1 January 2016 (the acquisition date) onwards. Under TFRS No.3 (revised 2009), the Company must consider the net fair value of the identifiable assets, liabilities and contingent liabilities of new subsidiaries on the acquisition date. The Company made preliminary assessment of the difference between purchase cost of the investments and net fair value of assets and found that the difference was approximately Baht 221.8 million. However, the Company is in the process of assessing the fair value of the identifiable assets, liabilities and contingent liabilities of new subsidiaries as of the acquisition date, and this process is currently not completed. Such difference of Baht 221.8 million is therefore recorded as non-current assets under "Estimated amount of interest in the net assets value of subsidiaries lower than purchase cost" in the consolidated statement of financial position.

Details of the acquisition are as follows:

(Unit: Thousand Baht)

Purchase price	
Cash paid for acquisition	1,548,917
Estimated carrying amounts of net assets acquired	(1,327,087)
Estimated amount of interest in the net assets value lower than purchase cost	221,830
Cash paid for acquisition	1,548,917
Less: Cash and cash equivalents of acquiree	(270,257)
Net cash paid in the acquisition - net from cash and cash equivalents received	1,278,660



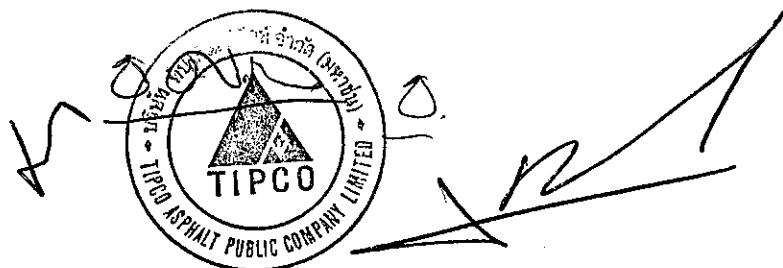
Handwritten signatures and initials are present below the table, including a large signature that appears to be 'D. O. V.' and another signature that appears to be 'D. O. V.'.

(Unaudited but reviewed)

The carrying amounts of assets and liabilities acquired from the acquisition of new subsidiaries as at 1 January 2016 are as follows:

	(Unit: Thousand Baht)
	Carrying value of acquiree as at 1 January 2016
Cash and cash equivalents	270,257
Trade and other receivables	712,692
Inventories	282,849
Other current assets	84,943
Plant and equipment	1,157,856
Leasehold rights	57,702
Intangible assets	12,509
Deferred tax assets - net	41,777
Other non-current assets	50,828
Short-term loans from bank	(359,908)
Short-term loans from related party*	(451,108)
Trade and other payables	(345,712)
Accrued income tax	(42,446)
Other current liabilities	(117,706)
Provision for long-term employee benefits	(19,955)
Other non-current liabilities	(7,456)
Non-controlling interest	(35)
Net assets	1,327,087

* In February 2016, the Company entered into Loan Purchase Agreement with Colas S.A. to purchase short-term loans of USD 12.5 million (approximately Baht 488 million) that Colas S.A. granted to ADS and RTL. The purchase amount is equal to the outstanding balances under the loan agreements, and the same terms and conditions are applied. Such loans bear interest rate with reference to LIBOR and mature in June 2016. The Company made a payment for a purchase of such loans in February 2016. However, on 28 June 2016, the Company made loan agreements with ADS and RTL to extend the loan period to ADS and RTL for another 3 years, maturing in June 2019. According to these loan agreements, the Company reclassified such loans as non-current assets and presented under the caption of "Long-term loans to related parties" in separate statement of financial position.



Investment in Raycol Asphalt Co., Ltd. ("Raycol")

In December 2015, the Company entered into Share Purchase Agreement with Colas S.A., a foreign related company, to acquire 38.00 percent of ordinary shares of Raycol at a price of USD 7 million (approximately Baht 255 million). Subsequently, on 5 January 2016, the Extraordinary General Meeting of the Company's shareholders No.1/2016 approved the acquisition of such ordinary shares. The Company received the transfer of the above shares in January 2016.

In addition, the Board of Directors Meeting No.3/2016 held on 11 April 2016 passed a resolution approving the Company's acquisition of 20.56 percent of ordinary shares of Raycol Asphalt Co., Ltd. at a price of USD 3.77 million (approximately Baht 132 million). Subsequently, on 27 April 2016, the Company entered into Share Purchase Agreement with Asiacol Co., Ltd. and Mrs. Riem Supsakorn, the related parties, to acquire ordinary shares of such company. The Company received the transfer of the above shares in April 2016.

As a result of the transactions, the shareholding of the Company in Raycol Asphalt Co., Ltd. increased from 41.44 percent to 100.00 percent and the Company recorded the change in the subsidiary interest amounting to Baht 261.9 million under the caption of "Change in the Company's interest in subsidiaries which does not result in a loss of control" in the consolidated shareholders' equity.

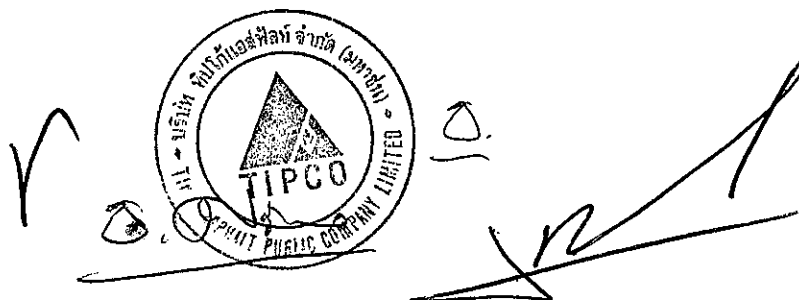
Investment in Kemaman Bituman Company Sdn Bhd ("KBC")

During the first quarter of 2016, the Company acquired 141.6 million shares in KBC, or 44.80 percent interest, from Kemaman Oil Corporation Sdn Bhd ("KOC") at a price of MYR 123.2 million (approximately Baht 1,067 million). The Company received the transfer of the above shares in March 2016.

From the above transaction, KOC recorded loss on disposal of investment in KBC under cost method amounting to MYR 18.4 million (approximately Baht 160 million) and separately presented the amount in profit or loss in the separate financial statements. However, the transaction had no impact on the consolidated financial statements.

Investment in Tipco Asphalt Guangzhou Trading Co., Ltd. ("TGT")

In August 2016, Tasco International (Hong Kong) Limited ("TIHK") invested in TGT, a new company incorporated in China with the registered capital of RMB 6 million (approximately Baht 32 million), to trade bitumen. TIHK has 100 percent of shareholding in this company.



(Unaudited but reviewed)

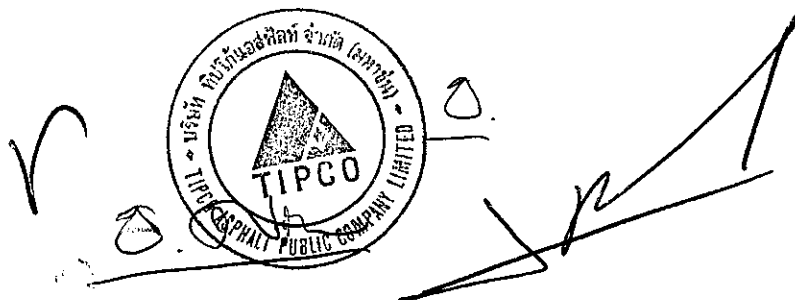
7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2016	7,075,695	552,045
Increase from investment in new subsidiaries (Note 6)	1,157,856	-
Acquisitions during period - at cost	682,904	147,852
Disposals/write-off during period - net book value at disposal/write-off date	(990)	(141)
Depreciation for the period	(500,758)	(57,171)
Exchange differences on translation of financial statements in foreign currencies	(241,418)	-
Net book value as at 30 September 2016	8,173,289	642,585

8. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Audited)		(Audited)
Trade payables - related parties (Note 4)	2,003	11,796	665,481	408,281
Trade payables - unrelated parties	1,281,515	1,518,367	1,129,367	1,209,923
Amounts due to related parties (Note 4)	36,692	73,369	287,770	57,476
Accounts payable from price hedging contracts	21,438	-	21,438	-
Accrued expenses	410,836	429,648	136,682	218,880
Other payables	198,098	220,445	108,544	81,896
Total trade and other payables	1,950,582	2,253,625	2,349,282	1,976,456



9. Long-term loans

Movements in the long-term loan account during the nine-month period ended 30 September 2016 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2016	2,481,511
Repayments	(917,033)
Unrealised gain on exchange	(15,201)
Exchange differences on translation of financial statements in foreign currencies	(52,422)
Balance as at 30 September 2016	1,496,855
Less: Current portion	(322,513)
Long-term loans - net of current portion	1,174,342

Loan covenants

The loan agreements of subsidiaries contain certain restrictive covenants as were disclosed in the consolidated financial statements for the year ended 31 December 2015.

10. Interest rate swap contracts

The Company and Kemaman Bitumen Sdn Bhd ("KBC") have entered into interest rate swap contracts to change interest rates from floating rates to fixed rates. Details are as follows:

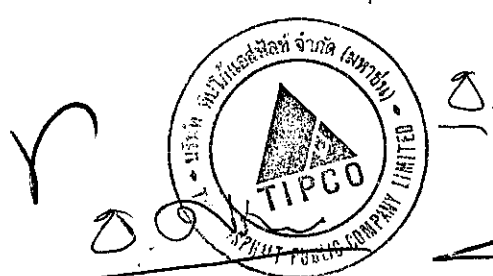
Counterparty	Agreements start	Fixed interest rate as per agreement (%)	Agreements expire	Notional amount balance	
				30 September 2016	31 December 2015
					(Audited)

For short-term loans

The Company	September 2014	1.20 to 1.26	December 2017	USD 25 million	USD 25 million
The Company	October 2014	1.15 to 1.26	December 2017	USD 25 million	USD 25 million

For long-term loans

The Company	May 2012	5.21	March 2018	Baht 257 million	Baht 420 million
KBC	December 2013	0.54	August 2016	-	USD 2 million
KBC	December 2013	0.93	April 2018	USD 8 million	USD 11 million



11. Credit facilities

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

- a) The guarantees of the Company, its subsidiaries and a shareholder of a subsidiary;
- b) The pledges/mortgages of the assets of subsidiaries which the net book value as at 30 September 2016 and 31 December 2015 are summarised below.

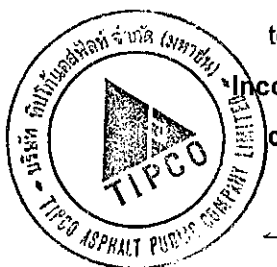
(Unit: Million Baht)		
Consolidated financial statements		
	30 September 2016	31 December 2015
	(Audited)	
Leasehold rights - net	363	387
Property, plant and equipment - net	5,313	5,391

- c) The prohibition from creating lien over assets of the Company and its subsidiaries;
- 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 drawdown by the subsidiaries.

12. Income tax

Income tax for the three-month and nine-month periods ended 30 September 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)				
For the three-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	(22,770)	(193,970)	14,799	(157,046)
Adjustment in respect of income tax of previous year	531	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(26,273)	(144,130)	(17,242)	(141,914)
Income tax reported in the statement of comprehensive income	<u>(48,512)</u>	<u>(338,100)</u>	<u>(2,443)</u>	<u>(298,960)</u>



(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	(463,496)	(714,850)	(297,636)	(594,007)
Adjustment in respect of income tax of previous year	531	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	73,455	(177,749)	87,991	(191,874)
Income tax reported in the statement of comprehensive income	<u>(389,510)</u>	<u>(892,599)</u>	<u>(209,645)</u>	<u>(785,881)</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2016 and 2015 are as follows:

(Unit : Thousand Baht)

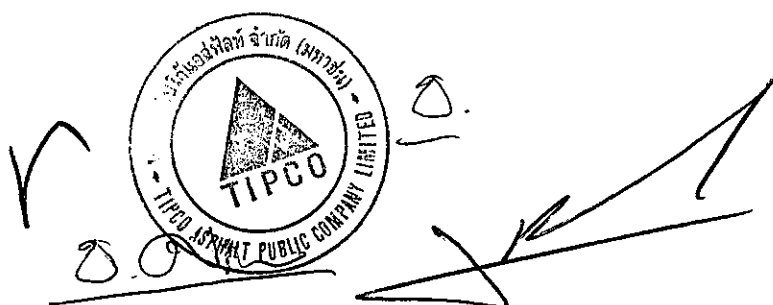
For the three-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to change in fair value of interest rate swap contract	-	(57)	-	(57)

(Unit : Thousand Baht)

For the nine-month periods ended 30 September

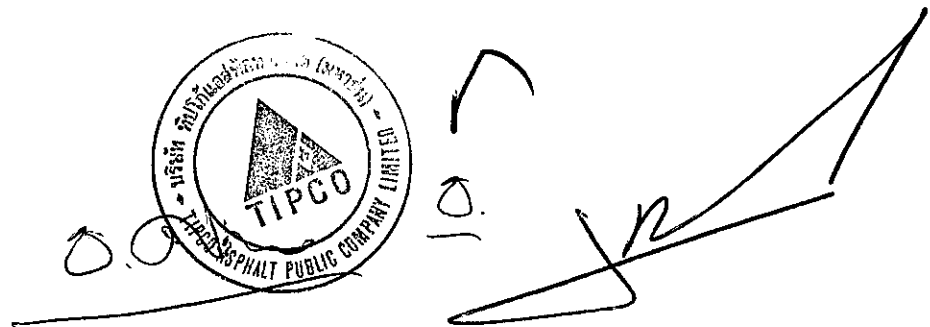
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to change in fair value of interest rate swap contract	-	(284)	-	(284)



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.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued without consideration of exercising period. However, warrants to purchase new ordinary shares of the Company to executive directors and/or employees of the Company and subsidiaries ("ESOP") of which the exercise prices and the fair value of the service rendered to the Company and its subsidiaries in the future under such ESOP were higher than the average market price of the Company's shares for the periods were not included in the calculation of diluted earnings per share for the three-month and nine-month periods ended 30 September 2016 and 2015.

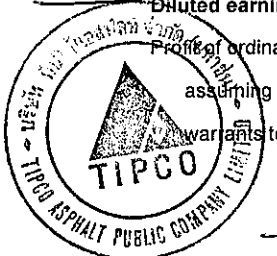
A circular stamp with a triangle in the center and the word "TIPCO" below it. The text around the triangle reads "TIPCO" and "TIPCO PUBLIC COMPANY LIMITED". To the right of the stamp is a large, stylized handwritten signature. There are also some smaller handwritten marks and numbers around the stamp.

(Unaudited but reviewed)

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

Consolidated financial statements						
For the three-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2016	2015	2016	2015	2016	2015	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of						
the Company						
328,832	1,453,166	1,544,322	1,542,991	0.21	0.94	
Effect of dilutive potential						
ordinary shares						
ESOP-W1	-	-	782			
ESOP-W2	-	119	695			
ESOP-W3	-	2,105	8,393			
ESOP-W4	-	9,156	8,889			
ESOP-W5	-	4,696	3,594			
-	-	16,076	22,353			
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares						
328,832	1,453,166	1,560,398	1,565,344	0.21	0.93	

Separate financial statements						
For the three-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2016	2015	2016	2015	2016	2015	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of						
the Company						
218,505	1,198,969	1,544,322	1,542,991	0.14	0.78	
Effect of dilutive potential						
ordinary shares						
ESOP-W1	-	-	782			
ESOP-W2	-	119	695			
ESOP-W3	-	2,105	8,393			
ESOP-W4	-	9,156	8,889			
ESOP-W5	-	4,696	3,594			
-	-	16,076	22,353			
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares						
218,505	1,198,969	1,560,398	1,565,344	0.14	0.77	



(Unaudited but reviewed)

Consolidated financial statements

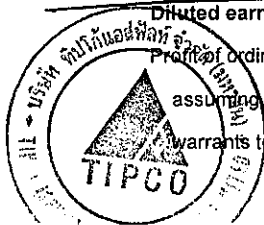
For the nine-month periods ended 30 September

	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	2,216,975	3,896,245	1,547,087	1,539,343	1.43	2.53
Effect of dilutive potential ordinary shares						
ESOP-W1	-	-	-	2,854		
ESOP-W2	-	-	215	1,004		
ESOP-W3	-	-	6,437	7,698		
ESOP-W4	-	-	9,366	8,109		
ESOP-W5	-	-	5,336	1,500		
	-	-	21,354	21,165		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	2,216,975	3,896,245	1,568,441	1,560,508	1.41	2.50

Separate financial statements

For the nine-month periods ended 30 September

	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	1,030,863	3,288,852	1,547,087	1,539,343	0.67	2.14
Effect of dilutive potential ordinary shares						
ESOP-W1	-	-	-	2,854		
ESOP-W2	-	-	215	1,004		
ESOP-W3	-	-	6,437	7,698		
ESOP-W4	-	-	9,366	8,109		
ESOP-W5	-	-	5,336	1,500		
	-	-	21,354	21,165		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	1,030,863	3,288,852	1,568,441	1,560,508	0.66	2.11



14. Share capital

On 5 January 2016, the Extraordinary General Meeting of the Company's shareholders No.1/2016 approved to increase the current registered capital of Baht 1,578,735,570 (1,578,735,570 ordinary shares of Baht 1 each) to the new registered capital of Baht 1,579,343,570 (1,579,343,570 ordinary shares of Baht 1 each), with the new shares to be set aside for the exercise of the Long Term Incentive Program grant#1 (ESOP-W1) and #2 (ESOP-W2) because the number of ordinary shares reserved for their exercise of the ESOP-W1 and ESOP-W2 warrants had previously been over-reduced by 101,000 shares and 507,000 shares, respectively, in error.

The Company registered the capital increased with the Ministry of Commerce on 13 January 2016.

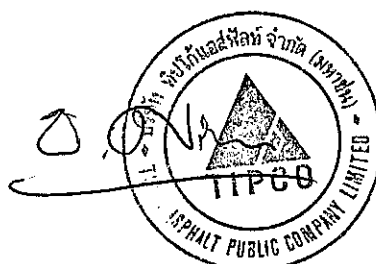
Below is the summary of the share registration from exercise of ESOP-W1 ESOP-W2 and ESOP-W3 warrants during the period.

	First quarter	Second quarter	Third quarter	Total
Number of warrants exercised (warrants)	9,150	35,700	826,250	871,100
Number of ordinary shares issued (shares)	91,500	357,000	8,262,500	8,711,000
Amount of cash received (Baht)	554,020	1,753,941	43,840,825	46,148,786
Share registration date	13 January 2016	12 April 2016	8 July 2016	
Paid-up capital after share registration	Baht 1,543,941,570 (1,543,941,570 ordinary shares of Baht 1 each)	Baht 1,544,298,570 (1,544,298,570 ordinary shares of Baht 1 each)	Baht 1,552,561,070 (1,552,561,070 ordinary shares of Baht 1 each)	

As at 30 September 2016, the Company received advance subscription from the exercise of ESOP-W3 warrants as follows:

	ESOP-W3
Number of warrants exercised (warrants)	43,700
Number of ordinary shares issued (shares)	437,000
Amount of cash received (Baht)	2,318,722

The Company registered the capital increase from the exercise of such warrants with the Ministry of Commerce on 11 October 2016.



(Unaudited but reviewed)

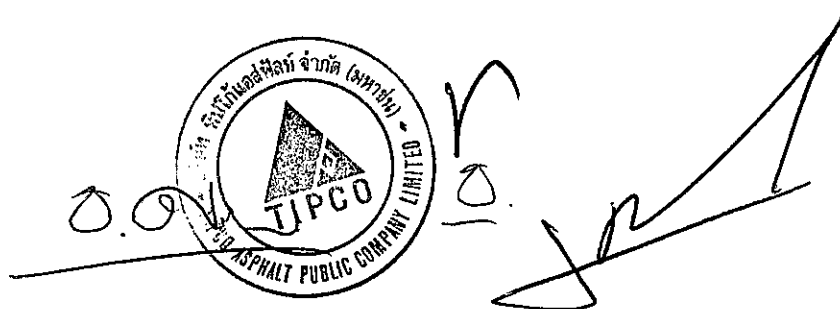
As at 30 September 2016 and 31 December 2015, the remaining unexercised of warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Company and its subsidiaries are summarised below.

	<u>30 September 2016</u>	<u>31 December 2015</u> (Audited)
ESOP-W1	-	15,000 units
ESOP-W2	15,000 units	50,700 units
ESOP-W3	229,150 units	1,099,100 units
ESOP-W4	1,178,300 units	1,178,300 units
ESOP-W5	11,140,000 units	11,140,000 units

15. Dividend

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend</u> <u>per share</u> (Baht per share)
Final dividends for 2014*	Annual General Meeting of the shareholders on 7 April 2015	153.4	1.0
Interim dividends for 2015	Board of Directors' meeting on 13 August 2015	462.9	0.3
Total for the nine-month period ended 30 September 2015		616.3	1.3
Final dividends for 2015	Annual General Meeting of the shareholders on 11 April 2016	617.6	0.4
Interim dividends for 2016	Board of Directors' meeting on 9 August 2016	465.7	0.3
Total for the nine-month period ended 30 September 2016		1,083.3	0.7

* The final dividends for 2014 are the dividends which are approved before change in par value of the Company's ordinary shares.



(Unaudited but reviewed)

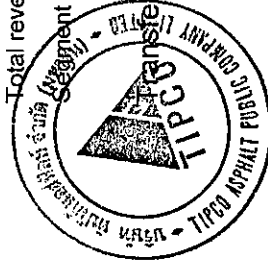
16. Segment information

The Company and its subsidiaries are engaged in single operating segment which is manufacturing and trading of asphalt and petroleum oil products. Whereas, the marine logistic business complements the manufacturing and trading of asphalt and petroleum oil products. The Board of Directors of the group is the chief operating decision makers of the Company and its subsidiaries. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment. Therefore, financial information by segment for the three-month and nine-month periods ended 30 September 2016 and 2015 have been presented only by geographical area, as follows:

	For the three-month periods ended 30 September						(Unit: Million Baht)	
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues from external customers	3,761	8,004	1,032	1,286	-	-	4,793	9,290
Inter-segment revenues	481	968	244	378	(725)	(1,346)	-	-
Total revenues	<u>4,242</u>	<u>8,972</u>	<u>1,276</u>	<u>1,664</u>	<u>(725)</u>	<u>(1,346)</u>	<u>4,793</u>	<u>9,290</u>
Segment operating profit	202	1,274	108	166	19	13	329	1,453

	For the nine-month periods ended 30 September						(Unit: Million Baht)	
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external customers	13,397	24,529	3,500	3,512	-	-	16,897	28,041
Inter-segment revenues	1,561	2,950	912	941	(2,473)	(3,891)	-	-
Total revenues	14,958	27,479	4,412	4,453	(2,473)	(3,891)	16,897	28,041
Segment operating profit (loss)	1,655	3,496	527	403	35	(3)	2,217	3,896

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



(Unaudited but reviewed)

17. Commitments and contingent liabilities

17.1 Capital commitments

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

Foreign currency	Consolidated financial statements		Separate financial statements		(Unit: Million)
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	
Baht	7	(Audited) 64	7	(Audited) 47	
Ringgit	11	48	-	-	
US Dollar	22	22	-	-	
Vietnam Dong	31,807	-	-	-	

17.2 Operating lease commitments

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

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

Consolidated financial statements						Separate financial statements			
Million Baht		Million USD		Million Vietnam Dong		Million Ringgit		Million Baht	
30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
(Audited)		(Audited)		(Audited)		(Audited)		(Audited)	
64	38	3	3	3,836	-	2	1	56	35
59	4	-	-	10,762	-	-	-	51	3
-	-	-	-	31,411	-	-	-	-	-
								24	

17.3 Long-term service commitments

The Company has entered into a service agreement with Colas S.A. under which it receives management and marketing services and advice on methods and systems of management and technical assistance in the manufacture of Asphalt Emulsion and Modified Asphalt. Under this agreement, which was for a period of five years, expiring on 31 December 2017, unless terminated by either party with at least one year's prior notice, the Company agrees to pay an annual lump sum administrative fee of Euro 145,000 plus a technical assistance fee equivalent to 0.75 percent of the consolidated revenues of the Company and its subsidiaries generated from the stipulated products. The fees for the nine-month periods ended 30 September 2016 and 2015 amounted to approximately Baht 28 million and Baht 26 million, respectively.

17.4 Crude oil purchase commitments

During the year 2014, the Company entered into an agreement with a company in Venezuela to purchase crude oil amounting to 44 million barrels. The term of the agreement is 4 years and ends in December 2017. However, on 25 May 2016, the Company has amended such agreement to increase the crude oil quantity by another 33 million barrels, to totaling 77 million barrels, and extend the term of agreement to another 3 years ending in December 2020.

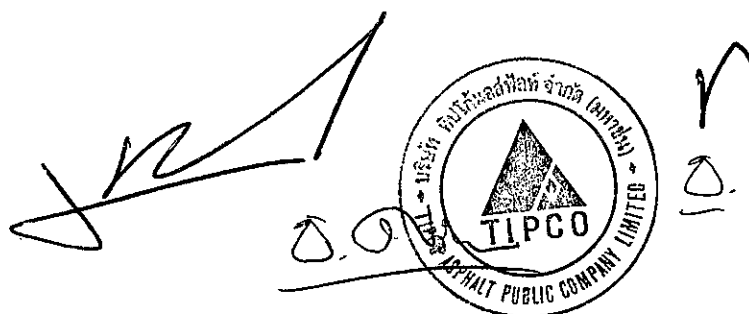
As at 30 September 2016, the Company had outstanding commitment in respect of receiving crude oil under such purchase agreement of approximately 48 million barrels.

17.5 Bank guarantees

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

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Audited)		(Audited)
Baht	4	3	2	2
Ringgit	7	8	-	-
Renminbi	-	5	-	5

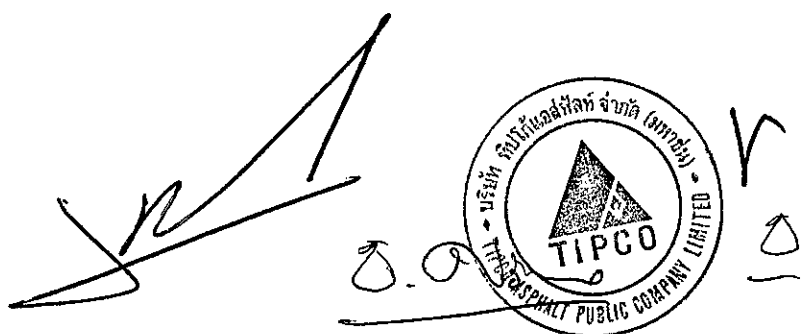


18. Foreign currency risk

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

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 September	31 December	30 September	31 December	30 September	31 December
	2016	2015	2016	2015	2016	2015
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit) (Audited)	
US Dollar	20	37	103	40	34.7	36.1
Yen	-	-	1	53	0.3	0.3
Ringgit	7	15	143	38	8.4	8.4
Vietnam Dong	-	15	-	-	0.0016	0.0016
Indonesia Rupiah	-	5	-	-	0.0027	0.0026

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 September	31 December	30 September	31 December	30 September	31 December
	2016	2015	2016	2015	2016	2015
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit) (Audited)	
US Dollar	48	49	99	30	34.7	36.1
Renminbi	72	81	-	-	5.2	5.5
Ringgit	-	-	-	3	8.4	8.4



(Unaudited but reviewed)

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

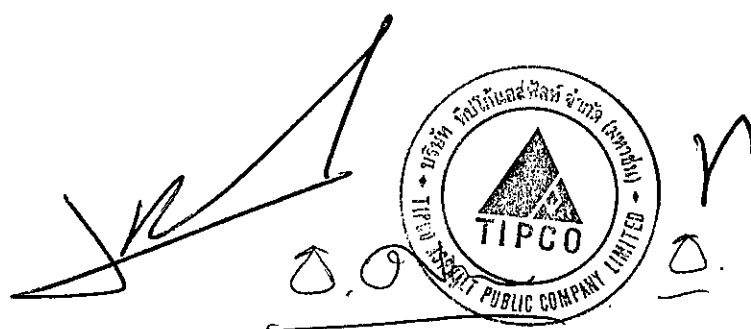
As at 30 September 2016

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold amount (Million)	Bought amount (Million)	Sold amount (Million)	Bought amount (Million)	Sold (Baht per 1 foreign currency unit)	Bought (Baht per 1 foreign currency unit)
US Dollar	7	6	6	6	34.6 - 35.8	34.6 - 35.0

As at 31 December 2015 (Audited)

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold amount (Million)	Bought amount (Million)	Sold amount (Million)	Bought amount (Million)	Sold (Baht per 1 foreign currency unit)	Bought (Baht per 1 foreign currency unit)
US Dollar	3	9	3	9	35.6 - 36.2	35.9 - 36.3

In addition, the Company and its subsidiaries are exposed to foreign exchange risk on their investments in overseas subsidiaries, joint venture and associates, loans to overseas subsidiaries and loans from financial institution. These investments and loans are currently not hedged by derivative financial instruments.



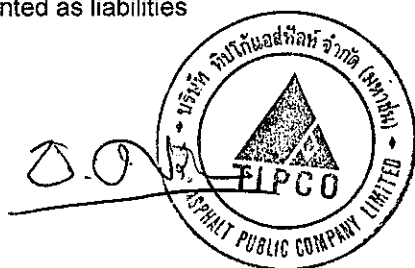
19. Raw materials and finished goods price risk

The Company and its subsidiaries are exposed to risk from fluctuations in the price of raw materials and finished goods. To manage these risks, the Company and its subsidiaries have entered into forward/future contracts to purchase/sell of raw materials and finished goods, and option contracts to purchase/sell of raw materials and finished goods to hedge the risk from fluctuation in such prices.

As at 30 September 2016 and 31 December 2015, the Company and its subsidiaries had outstanding price hedging contracts which are presented in the statements of financial position at fair value and were summarised below.

(Unit: Million Baht)

Contract type	Type of product	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2016	2015	2016	2015
			(Audited)		(Audited)
<u>Contracts presented as assets</u>					
Bought forward contract	Crude oil	121	-	121	-
Bought forward contract	Petroleum product	46	3	46	3
Sold forward contract	Crude oil	22	496	22	496
Sold forward contract	Petroleum product	33	1,146	33	1,146
Two-ways collar option	Petroleum product	-	30	-	30
Four-ways collar option	Crude oil	118	-	118	-
Total price hedging contracts presented as assets		340	1,675	340	1,675
<u>Contracts presented as liabilities</u>					
Bought forward contract	Crude oil	-	298	-	298
Bought forward contract	Petroleum product	-	473	-	473
Sold forward contract	Crude oil	66	7	66	7
Sold forward contract	Petroleum product	1	3	1	3
Sold future contract	Asphalt product	-	1	-	-
Four-ways collar option	Crude oil	9	38	9	38
Total price hedging contracts presented as liabilities		76	820	76	819



(Unaudited but reviewed)

20. Fair value of financial instruments

As of 30 September 2016 and 31 December 2015, the Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

	Consolidated financial statements					Separate financial statements				
	As at 30 September 2016		As at 31 December 2015 (Audited)			As at 30 September 2016		As at 31 December 2015 (Audited)		
	Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value										
Derivatives										
Forward exchange contracts	-	908	-	908	-	-	-	-	-	458
Price hedging contracts	-	339,758	-	339,758	-	-	-	-	-	1,674,980
Financial liabilities measured at fair value										
Derivatives										
Forward exchange contracts	-	1,655	-	1,655	-	-	636	-	-	636
Price hedging contracts	-	75,978	-	75,978	788	-	819,044	-	-	819,832
Interest rate swap contracts	-	16,487	-	16,487	-	-	18,945	-	-	18,945
Financial assets measured at fair value										
Derivatives										
Forward exchange contracts	-	908	-	908	-	-	-	-	-	458
Price hedging contracts	-	339,758	-	339,758	-	-	-	-	-	1,674,980
Financial liabilities measured at fair value										
Derivatives										
Forward exchange contracts	-	1,127	-	1,127	-	-	631	-	-	631
Price hedging contracts	-	75,978	-	75,978	-	-	819,044	-	-	819,044
Interest rate swap contracts	-	16,436	-	16,436	-	-	19,023	-	-	19,023

21. Events after the reporting period

Dividend income from Thai Bitumen Co., Ltd. ("Thai Bitumen")

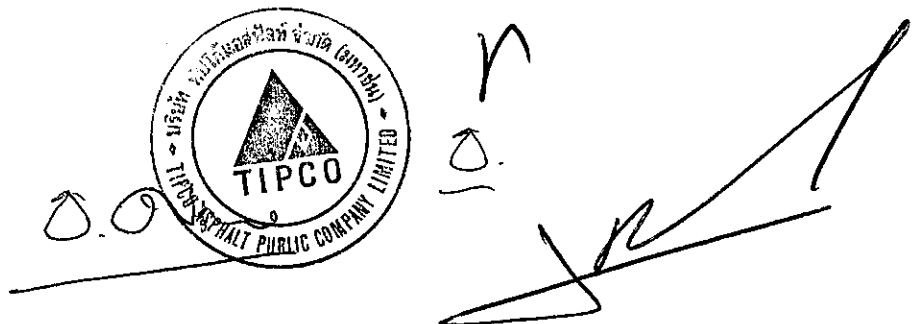
The Board of Directors Meeting of Thai Bitumen No.2/2016 held on 3 October 2016 approved to pay an interim dividend from retained earnings as of 30 September 2016 of Baht 42 per share, a total of Baht 630 million. Thai Bitumen expected to pay such dividend within 2016. In addition, the meeting passed a resolution to set aside an amount of Baht 31.5 million to the legal reserve.

Capital reduction in Thai Bitumen Company Limited ("Thai Bitumen")

The Extraordinary General Meeting of Shareholders of Thai Bitumen No.1/2016 held on 25 October 2016 passed a resolution to approve the reduction of its registered and paid up share capital by Baht 1,125 million, through the retirement of 11.25 million shares of Baht 100 each. After the completion of share reduction process, Thai Bitumen's registered and paid-up capital will consist of 3.75 million shares of Baht 100 each, totaling Baht 375 million. Thai Bitumen is currently in the process of fulfilling legal requirements relating to capital reduction.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 3 November 2016.

A circular stamp of TPCO (TIPCO Asphalt Public Company Limited) is centered. The stamp contains the text "บริษัท ทีพีซีแอสฟัลท์ จำกัด (มหาชน)" at the top, "TIPCO" in the middle, and "TIPCO ASPHALT PUBLIC COMPANY LIMITED" at the bottom. To the left of the stamp is a handwritten signature. To the right is a large, stylized handwritten signature.