

Tipco Asphalt Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2011 and 2010

Report of Independent Auditor

To the Shareholders of Tipco Asphalt Public Company Limited

I have audited the accompanying consolidated statements of financial position of Tipco Asphalt Public Company Limited and its subsidiaries as at 31 December 2011 and 2010, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and have also audited the separate financial statements of Tipco Asphalt Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of certain overseas subsidiaries which were included in the consolidated financial statements and whose total assets as at 31 December 2011 amounted to Baht 958 million (2010: Baht 906 million), and total revenues and profit for the year then ended amounted to Baht 1,700 million (2010: Baht 1,431 million) and Baht 35 Million (2010: Baht 70 million), respectively. Those statements were audited by other auditors whose reports have been furnished to me, and my reports, insofar as it relates to the amounts included for these subsidiaries, are based solely on the reports of the other auditors.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits and the reports of the other auditors referred to in the first paragraph provide a reasonable basis for my opinion.

In my opinion, based on my audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Tipco Asphalt Public Company Limited and its subsidiaries and of Tipco Asphalt Public Company Limited as at 31 December 2011 and 2010, and the results of their operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 3 to the financial statements. During the current year, the Company and its subsidiaries adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of the financial statements.

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

Siraporn Ouaanunkun

Certified Public Accountant (Thailand) No. 3844

Ernst & Young Office Limited

Bangkok: 13 February 2012

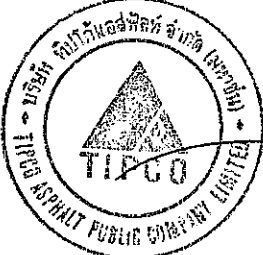
Tipco Asphalt Public Company Limited and its subsidiaries
 Statements of financial position
 As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Assets					
Current assets					
Cash and cash equivalents	7	1,001,818,734	299,920,234	430,513,964	20,319,068
Current investments	8	-	52,106,331	-	1,341,120
Trade and other receivables	9	3,687,503,063	1,974,906,078	1,626,387,848	2,053,245,003
Short-term loans to related parties	10	-	-	25,426,686	5,161,084
Inventories	11	5,743,778,747	3,531,813,724	4,792,319,855	308,695,600
Price hedging contracts	35	67,791,020	-	67,791,020	-
Forward exchange contracts	35	3,845,478	33,191,002	1,476,921	1,652,256
Other current assets		70,073,650	111,562,705	40,579,176	19,421,075
Total current assets		10,574,810,692	6,003,500,074	6,984,495,470	2,409,835,206
Non-current assets					
Deposits with financial institutions with restrictions	20	66,038,240	72,572,960	-	-
Investments in subsidiaries	12	-	-	4,627,139,803	4,576,753,996
Investment in associate	13	41,639,567	26,728,900	18,403,580	18,403,580
Investment properties	14	204,200,000	-	101,745,153	-
Property, plant and equipment	15	4,247,666,676	4,235,614,150	505,856,576	691,822,323
Goodwill	12	146,293,504	146,293,504	-	-
Other intangible assets - Computer software		7,735,064	10,489,063	2,466,533	1,908,243
Leasehold rights	16	220,175,110	212,589,564	4,330,141	4,558,043
Other non-current assets		11,948,686	40,822,841	5,251,693	17,857,789
Total non-current assets		4,945,696,847	4,745,110,982	5,265,193,479	5,311,303,974
Total assets		15,520,507,539	10,748,611,056	12,249,688,949	7,721,139,180

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

S. N. S.



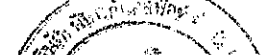
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As at 31 December 2011 and 2010

	Consolidated financial statements		Separate financial statements	
Note	2011	2010	2011	2010
17	3,784,809,127	2,338,748,570	2,360,331,137	574,542,431
18	3,485,909,495	747,225,288	2,968,515,785	428,609,118
10	-	-	-	94,300,000
	12,230,076	10,645,976	7,132,917	5,384,365
19	480,388,584	440,672,549	303,633,480	203,633,480
	24,330,283	36,846,145	18,729,136	18,535,705
12	-	50,765,211	-	-
35	27,996,342	143,635,479	27,996,342	-
35	13,763,714	7,112,334	6,362,769	171,888
	86,572,337	207,915,071	49,597,346	21,603,217
	7,915,999,958	3,983,566,623	5,742,298,912	1,346,780,204
	12,767,587	14,593,707	6,227,778	5,392,791
19	3,073,593,282	3,095,327,506	2,164,541,826	2,468,175,306
19	10,082,962	27,112,769	8,218,729	14,510,105
21	65,128,682	-	52,778,439	-
	3,161,572,513	3,137,033,982	2,231,766,772	2,488,078,202
	11,077,572,471	7,120,600,605	7,974,065,684	3,834,858,406

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

D. N. S. S. S.



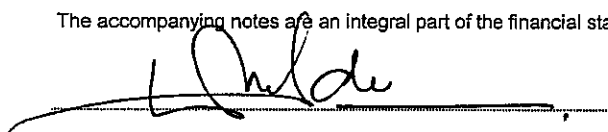
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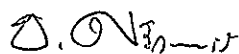
Tipco Asphalt Public Company Limited and its subsidiaries
 Statements of financial position (continued)
 As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Shareholders' equity					
Share capital	22				
Registered					
169,002,429 ordinary shares (2010: 152,547,663 ordinary shares) of Baht 10 each		<u>1,690,024,290</u>	<u>1,525,476,630</u>	<u>1,690,024,290</u>	<u>1,525,476,630</u>
Issued and fully paid					
152,548,068 ordinary shares (2010: 152,547,663 ordinary shares) of Baht 10 each		1,525,480,680	1,525,476,630	1,525,480,680	1,525,476,630
Premium on share capital		886,112,274	886,091,137	886,112,274	886,091,137
Non-controlling interests of subsidiary acquired					
by the Company at price lower than book value	2	6,237,755	6,237,755	-	-
Change in the Company's interest in subsidiary which not resulted in loss of control	12	12,904,468	-	-	-
Capital reserve for share-based payment transactions	24	4,644,652	-	4,644,652	-
Retained earnings					
Appropriated - statutory reserve	25	115,503,000	94,203,000	115,503,000	94,203,000
Unappropriated		1,436,063,037	778,249,405	1,751,297,017	1,395,020,112
Other components of shareholders' equity		<u>(136,995,709)</u>	<u>(244,109,349)</u>	<u>(7,414,358)</u>	<u>(14,510,105)</u>
Equity attributable to owners of the Company		<u>3,849,950,157</u>	<u>3,046,148,578</u>	<u>4,275,623,265</u>	<u>3,886,280,774</u>
Non-controlling interests of the subsidiaries		<u>592,984,911</u>	<u>581,861,873</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>4,442,935,068</u>	<u>3,628,010,451</u>	<u>4,275,623,265</u>	<u>3,886,280,774</u>
Total liabilities and shareholders' equity		<u>15,520,507,539</u>	<u>10,748,611,056</u>	<u>12,249,688,949</u>	<u>7,721,139,180</u>

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





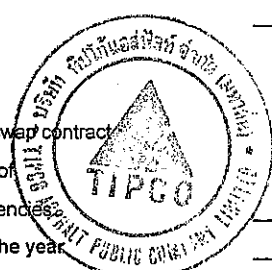
Directors



Tipco Asphalt Public Company Limited and its subsidiaries
 Statements of comprehensive income
 For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Revenues					
Sales and service income		22,303,811,809	25,790,959,610	6,887,662,659	8,332,872,129
Other income					
Dividend income from subsidiaries	12	-	-	236,418,513	92,127,493
Dividend income from associate	13	-	-	18,920,803	1,471,560
Gain on exchange	35	26,143,187	431,000,474	-	45,254,589
Compensation received from claims for damages	26	609,091,182	-	-	-
Others		80,762,164	76,307,260	80,534,420	82,913,190
Total revenues		23,019,808,342	26,298,267,344	7,223,536,395	8,554,638,961
Expenses					
Cost of sales and services		20,764,374,987	24,185,256,425	6,156,190,044	7,604,607,899
(Gain) loss from price hedging contracts	35	325,980,217	(1,918,585)	(124,896,987)	-
Reversal of reducing cost of inventory to net realisable value	11	(945,855)	(7,716,731)	(148,682)	(273,546)
		21,089,409,349	24,175,621,109	6,031,144,375	7,604,334,353
Selling expenses		123,898,586	123,746,934	58,627,401	51,797,930
Administrative expenses		589,158,621	555,765,089	356,961,051	313,463,775
Other expenses					
Doubtful debts		3,519,871	8,754,940	18,280,960	4,769,854
Loss from claim under bank guarantee	15	-	5,313,374	-	-
Loss on exchange	35	-	-	48,452,701	-
Impairment loss of investment properties	14	198,935,174	-	95,885,174	-
Impairment loss of land	15	1,182,718	-	1,182,718	-
Total expenses		22,006,104,319	24,869,201,446	6,610,534,380	7,974,365,912
Profit before share of profit from investment in associate, finance cost and corporate income tax		1,013,704,023	1,429,065,898	613,002,015	580,273,049
Share of profit from investment in associate	13	33,952,035	5,069,659	-	-
Profit before finance cost and corporate income tax		1,047,656,058	1,434,135,557	613,002,015	580,273,049
Finance cost		(238,334,556)	(280,935,403)	(133,302,942)	(118,423,540)
Profit before corporate income tax		809,321,502	1,153,200,154	479,699,073	461,849,509
Corporate income tax	28	(88,353,746)	(118,735,498)	(54,363,595)	(56,514,988)
Profit for the year		720,967,756	1,034,464,656	425,335,479	405,334,521
Other comprehensive income:					
Change in fair value of interest rate swap contract		7,095,747	(2,365,720)	7,095,747	(2,365,720)
Exchange differences on translation of financial statements in foreign currencies		124,632,783	(220,363,174)	-	-
Other comprehensive income for the year		131,728,530	(222,728,894)	7,095,747	(2,365,720)
Total comprehensive income for the year		852,696,286	811,735,762	432,431,226	402,968,801



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

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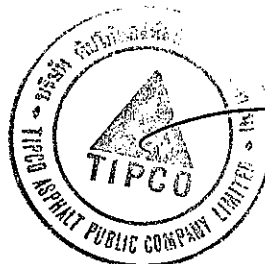
Tipco Asphalt Public Company Limited and its subsidiaries
 Statements of comprehensive income (continued)
 For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Profit attributable to:					
Equity holders of the Company		735,572,228	1,007,665,231	425,335,479	405,334,521
Non-controlling interests of the subsidiaries		(14,604,472)	26,799,425		
		<u>720,967,756</u>	<u>1,034,464,656</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		842,685,868	821,664,272	425,335,479	405,334,521
Non-controlling interests of the subsidiaries		10,010,418	(9,928,510)		
		<u>852,696,286</u>	<u>811,735,762</u>		
Earnings per share					
Basic earnings per share	31				
Profit attributable to equity holders of the Company		<u>4.82</u>	<u>6.61</u>	<u>2.79</u>	<u>2.66</u>

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

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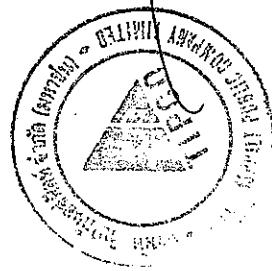
Tipco Asphalt Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2011 and 2010

(Unit: Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
	Non-controlling interests of subsidiary acquired by the Company	Change in the Company's interest in subsidiary	Capital reserve for share-base payment transactions	Other components of equity											
				Issued and paid-up share capital	Premium on share capital	at price lower than book value	loss of control	Retained earnings		Fair value of interest rate swap contract	Other comprehensive income	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total the shareholders' equity
								Appropriated - statutory reserve	Unappropriated - (Deficit)						
Balance as at 31 December 2009	1,525,476,630	886,091,137	6,237,755	-	-	73,803,000	(209,016,826)	(12,144,385)	(45,964,005)	(58,108,390)	2,224,484,306	628,711,598	2,853,195,904		
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	-	-	-	1,007,665,231	(2,365,720)	(183,635,239)	(186,000,959)	821,654,272	(36,921,215)	(36,921,215)		
Appropriation of statutory reserve	-	-	-	-	-	20,400,000	(20,400,000)	-	-	-	-	-	-		
Balance as at 31 December 2010	1,525,476,630	886,091,137	6,237,755	-	-	94,203,000	778,249,405	(14,510,105)	(229,599,244)	(244,109,349)	3,046,148,578	581,861,873	3,628,010,451		
Balance as at 31 December 2010	1,525,476,630	886,091,137	6,237,755	-	-	94,203,000	778,249,405	(14,510,105)	(229,599,244)	(244,109,349)	3,046,148,578	581,861,873	3,628,010,451		
Cumulative effect of change in accounting policy for employee benefits (Note 3)	-	-	-	-	-	-	(56,458,596)	-	-	-	(56,458,596)	(2,097,092)	(58,555,688)		
Increase in share capital (Note 22)	4,050	21,137	-	-	-	-	-	-	-	-	25,187	-	25,187		
Change in the Company's interest in subsidiary which not resulted in loss of control (Note 12)	-	-	-	12,904,468	-	-	-	-	-	-	12,904,468	37,012,032	49,916,500		
Share-base payment transactions (Note 24)	-	-	-	-	4,644,652	-	-	-	-	-	4,644,652	-	4,644,652		
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	-	-	-	735,572,228	7,095,747	100,017,893	107,113,640	842,685,868	(33,802,320)	852,886,286		
Appropriation of statutory reserve	-	-	-	-	-	21,300,000	(21,300,000)	-	-	-	-	-	-		
Balance as at 31 December 2011	1,525,480,680	886,112,274	6,237,755	12,904,468	4,644,652	115,503,000	1,436,063,037	(7,414,358)	(129,581,351)	(136,995,709)	3,849,950,157	592,984,911	4,442,935,068		



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

D. O. N. M. I. T.

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Tipco Asphalt Public Company Limited and its subsidiaries

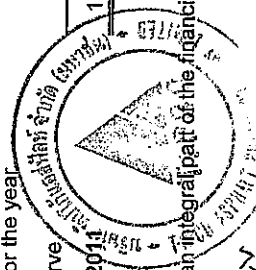
Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

Separate financial statements

	Other component of equity									
	Other									
	comprehensive income									
	Fair value of interest rate swap contracts									
	Capital reserve for share-base payment transactions			Retained earnings		Total other component of shareholders' equity		Total shareholders' equity		
	Issued and paid-up share capital	Premium on share capital		Appropriated - statutory reserve	Unappropriated					
Balance as at 31 December 2009	1,525,476,630	886,091,137	-	73,803,000	1,010,085,591	(12,144,385)	(12,144,385)	3,483,311,973		
Total comprehensive income for the year	-	-	-	-	405,334,521	(2,365,720)	(2,365,720)	402,968,801		
Appropriation of statutory reserve	-	-	-	20,400,000	(20,400,000)	-	-	-		
Balance as at 31 December 2010	1,525,476,630	886,091,137	-	94,203,000	1,395,020,112	(14,510,105)	(14,510,105)	3,886,280,774		
Balance as at 31 December 2010	1,525,476,630	886,091,137	-	94,203,000	1,395,020,112	(14,510,105)	(14,510,105)	3,886,280,774		
Cumulative effect of change in accounting policy for employee benefits (Note 3)	-	-	-	-	(47,758,574)	-	-	(47,758,574)		
Increase in share capital (Note 22)	4,050	21,137	-	-	-	-	-	25,187		
Share-base payment transactions (Note 24)	-	-	4,644,652	-	-	-	-	4,644,652		
Total comprehensive income for the year	-	-	-	-	425,335,479	7,095,747	7,095,747	432,431,226		
Appropriation of statutory reserve	-	-	-	21,300,000	(21,300,000)	-	-	-		
Balance as at 31 December 2011	1,525,480,680	886,112,274	4,644,652	115,503,000	1,751,297,017	(7,414,358)	(7,414,358)	4,275,623,265		



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

S. ONTANA

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Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from investing activities:				
(Increase) decrease in restricted bank deposits	56,133,919	(8,305,208)	-	-
Cash receipt from redemption of investment in amortising debentures	1,341,120	2,467,240	1,341,120	2,467,240
Decrease in amounts due from related parties	-	-	992,745,570	2,545,205,808
Cash paid for investment in subsidiary	-	-	(49,000,000)	-
Dividend received from subsidiaries	-	-	236,418,513	92,127,493
Dividend received from associate	18,920,803	-	18,920,803	1,471,560
(Increase) decrease in short-term loans to related parties	-	-	(20,265,602)	79,168,402
Acquisition of equipment	(624,843,912)	(514,421,880)	(74,199,627)	(39,574,217)
Acquisition of computer software	(1,721,100)	(12,453,809)	(1,706,389)	(421,190)
Proceeds from sales of equipment	32,932,298	12,376,220	18,425,787	10,255,704
Cash received from claim under bank guarantee	-	492,453,117	-	-
Net cash from (used in) investing activities	(517,236,872)	(27,884,320)	1,122,680,175	2,690,700,800
Cash flows from financing activities:				
Increase (decrease) in short-term loans from banks	1,520,708,943	(3,270,339,075)	1,851,396,745	(4,387,890,917)
Increase (decrease) in short-term loan from related party	-	-	(94,300,000)	92,295,253
Cash paid under finance lease agreements	(9,376,057)	(12,696,525)	(5,321,987)	(6,701,565)
Cash drawdown from long-term loans	799,432,164	1,868,982,850	-	1,500,000,000
Repayment of long-term loans	(841,287,735)	(888,602,013)	(203,633,480)	(323,713,480)
Cash receive for increase share capital	25,187	-	25,187	-
Dividend paid to non-controlling interests of subsidiary	(33,802,320)	(36,921,215)	-	-
Net cash from (used in) financing activities	1,435,700,182	(2,339,575,978)	1,548,166,465	(3,126,010,709)
Exchange differences on translation of financial statements in foreign currencies	14,377,680	(19,382,655)	-	-
Net increase in cash and cash equivalents	701,898,500	192,442,628	410,194,896	573,349
Cash and cash equivalents at beginning of year	299,920,234	107,477,606	20,319,068	19,745,719
Cash and cash equivalents at end of year	1,001,818,734	299,920,234	430,513,964	20,319,068

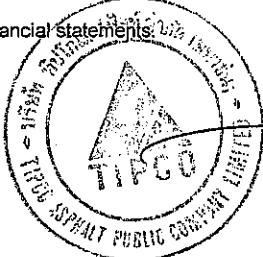
Supplemental cash flows information

Non-cash transactions

Acquisition of assets through finance lease	9,309,169	8,275,616	7,776,159	1,187,800
Settlement of loan to subsidiary with dividend received (Note 10)	-	-	192,498,653	-
Transfer of short-term loans from banks to a subsidiary by off-setting with amounts due (Note 10)	-	-	2,294,751,527	-
Transfer of cash receipt from Aras to investment by non-controlling interests of the subsidiaries (Note 12)	49,916,500	-	-	-

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

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Tipco Asphalt Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the years ended 31 December 2011 and 2010

1. General information

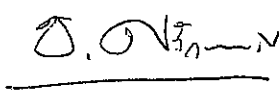
Tipco Asphalt Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The major shareholders of the Company are Supsakorn family and Colas Group, a company incorporated in French Republic. The Company is principally engaged in the manufacture and distribution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


2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

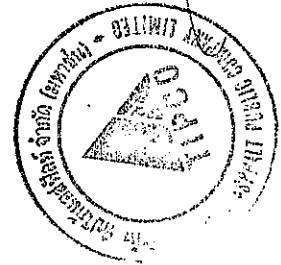




2.2 Basis of consolidation

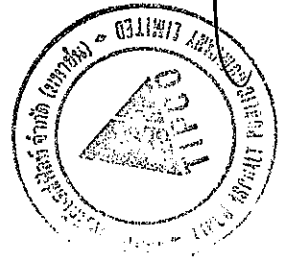
a) The consolidated financial statements include the financial statements of the Company and the following subsidiaries:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2011</u>	<u>2010</u>
<u>Domestic subsidiaries</u>				
Surat Bitumen Co., Ltd.	Manufacture and distribution of asphalt products	Thailand	99.99	99.99
Raycol Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	Thailand	41.44	41.44
Thai Bitumen Co., Ltd.	Holding company and manufacture and distribution of asphalt products	Thailand	99.99	99.99
Tipco Maritime Co., Ltd.	Shipping management and agency	Thailand	99.97	99.97
Alpha Maritime Co., Ltd.	Marine transportation	Thailand	99.99	99.93
Bitumen Marine Co., Ltd.	Marine transportation	Thailand	99.99	99.99
Delta Shipping Co., Ltd.	Marine transportation	Thailand	99.99	99.99
Tasco Shipping Co., Ltd.	Marine transportation	Thailand	99.99	99.99



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Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2011	2010
<u>Overseas subsidiaries</u>				
Kemaman Oil Corporation Sdn Bhd (KOC) (11.30% (2010: 11.68%) owned by the Company and 51.82% (2010: 53.58%) owned by Thai Bitumen Co., Ltd.)	Holding company and distribution of asphalt products	Malaysia	63.12	65.26
Kemaman Bitumen Company Sdn Bhd (41.98% owned by the Company, 11.82% owned by Thai Bitumen Co., Ltd. and 44.80% owned by KOC)	Manufacture and distribution of asphalt products	Malaysia	82.07	83.03
KBC Energy Pte. Ltd. (Owned by KOC)	Dormant	Singapore	63.12	65.26
Tipco Asphalt (Cambodia) Co., Ltd.	Manufacture and distribution of asphalt products	Cambodia	100.00	100.00
Tasco International (Hong Kong) Ltd.	Holding company	Hong Kong	100.00	100.00
<u>Subsidiaries owned by Tasco International (Hong Kong) Ltd.</u>				
Langfang Tongtai Road Material Co., Ltd.	Manufacture and distribution of asphalt products	China	51.00	51.00
Zhenjiang Tipco Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	China	51.00	51.00
Tipco Asphalt (Xinhui) Co., Ltd.	Manufacture and distribution of asphalt products	China	100.00	100.00

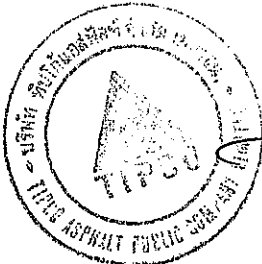


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- b) Subsidiaries are fully consolidated as from the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.
 - c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as those of the Company.
 - d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statements of changes in shareholders' equity.
 - e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
 - g) The financial statements of Raycol Asphalt Co., Ltd. are included in the consolidated financial statements even though the Company's shareholding is 41.44 percent. This is due to the fact that the Company has control over that company through its board of directors, and it is therefore regarded as a subsidiary.
 - h) During 2006, the Company acquired all of the non-controlling interests in Tasco International Ltd. at a price Baht 6.2 million lower than the book value of such interest. The Company recorded this difference under the caption of "Non-controlling interests of subsidiary acquired by the Company at price lower than book value" in shareholders' equity in the statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.

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3. Adoption of new accounting standards during the year

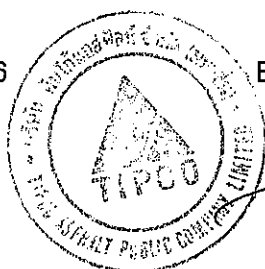
During the current year, the Company and its subsidiaries adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

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

Financial reporting standards:

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



Financial Reporting Standard Interpretations:

TFRIC 15 Agreements for the Construction of Real Estate

Accounting Standard Interpretations:

SIC 31 Revenue-Barter Transactions Involving Advertising Services

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

TAS 19 Employee Benefits

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

The Company and its subsidiaries changed this accounting policy in the current year and recognised the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The change has the effect of decreasing the profit of the Company and its subsidiaries for the year 2011 by Baht 10 million, (0.06 Baht per share) (Separate financial statements: decreasing profit by Baht 8 million, or 0.05 Baht per share). The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

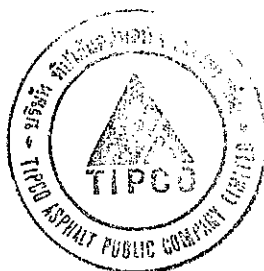
TAS 16 (revised 2009) Property, Plant and Equipment

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

	Consolidated financial statements	Separate financial statements
Profit for the period increase (Million Baht)	11	6
Earnings per share increase (Baht per share)	0.07	0.04

TAS 40 (revised 2009) Investment Property

To comply with TAS 40 (revised 2009) Investment Property, as at 31 December 2011, the Company presented its land, buildings and equipment awaiting sales, land rented to a subsidiary and another subsidiary presented its land awaiting sales as investment properties in the statements of financial position. These assets had been previously presented as part of property, plant and equipment (Note 15).



4. New accounting standards issued during the years not yet effective

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

Accounting standards:

TAS 12 Income Taxes

TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards.

TAS 12 Income Taxes

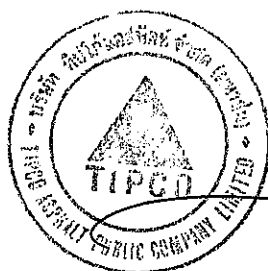
This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates

This accounting standard requires an entity to identify its functional currency in accordance with certain conditions in the standard and to record transactions and report its financial position and operating results in this functional currency, which may not be Baht.

At present, the management is still evaluating the impact on the financial statements in the year when these two standards are adopted.

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5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Vessel operating income consists of time charters and voyage charters. Income from time charters is recognised when the right to use a vessel is transferred to a lessee for an agreed period of time, while income from voyage charters is recognised by reference to the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

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5.4 Inventories

Finished goods are valued at the lower of cost determined under the first-in, first-out method and net realisable value. Cost of finished goods includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of cost determined under first-in, first-out method and net realisable value. Packaging materials, spare parts and factory supplies are valued at the lower of cost determined under at the weighted average cost method. Raw materials, packaging materials, spare parts and factory supplies are charged to production costs whenever consumed.

5.5 Investments

- a) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. Premiums/discounts on debt securities are amortised by the effective rate method with the amortised amount presented as an adjustment to the interest income.
- b) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method less allowance for loss on impairment.

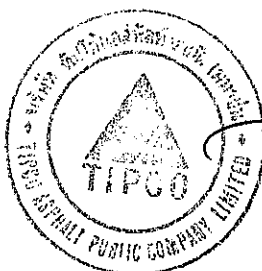
5.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment.

Depreciation of investment properties are calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 and 20 years. Depreciation of the land improvement is included in profit or loss. No depreciation is provided for land.

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

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5.7 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and less allowance for loss on impairment of assets.

Depreciation of plant and equipment is calculated by reference to their costs less residual value on the straight-line basis over the following estimated useful lives:

Land improvement	20 years
Buildings and complements	20 to 47 years
Building improvements	20 to 30 years
Machinery, tools and equipment	5 to 20 years
Furniture and office equipment	3 to 5 years
Vehicles	5 to 10 years
Vessels	10 to 30 years

Depreciation is included in profit or loss.

No depreciation is provided on land, construction in progress and equipment under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.8 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.9 Intangible assets - computer software

Computer software is measured at cost. Following initial recognition, computer software is carried at cost less any accumulated amortisation and allowance for impairment loss (if any).

Computer software with finite live is amortised on a straight line basis over the economic useful life of 5 years and tested for impairment whenever there is an indication that the software may be impaired. The amortisation period and the amortisation method of such software are reviewed at least at each financial year end.

The amortisation expense is charged to profit or loss.

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5.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less allowance for impairment loss (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's group of cash-generating units that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each group of cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss and will not be reversed in future periods.

5.11 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation and less allowance for impairment loss of leasehold rights (if any). Amortisation is calculated by reference to cost on a straight-line basis over the lease period.

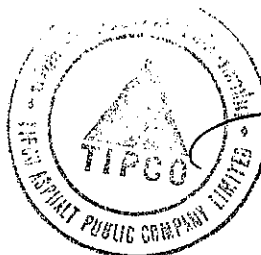
The amortisation is included in profit or loss.

5.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of operations of the Company and its subsidiaries.

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5.13 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period, if the Company and its subsidiaries expect not to purchase such assets at the end of the lease period.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.14 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of the reporting period.

Gains and losses on exchange are included in profit or loss.

5.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.



In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

5.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

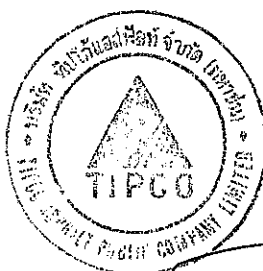
Defined benefit plans and other long-term employee benefits

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

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

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5.17 Equity-settled share-based payment transactions

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

5.18 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.19 Income Tax

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.

5.20 Derivatives

Forward exchange contracts

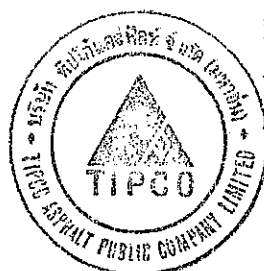
Forward exchange contracts are presented in the financial statements at fair value. Unrealised gain or loss from the forward contracts is recorded in profit or loss.

Price hedging contracts

Forward price hedging contracts with banks are presented in the financial statements at fair value. Unrealised gain or loss from the price hedging contracts is recorded in profit or loss.

Interest rate swap contracts

Interest rate swap contracts are the contracts under which the counter-parties agreed to exchange the amounts of interest, which are determined based on the pre-determined notional amount and the interest rates over the periods specified in the contracts. The Company and its subsidiaries recognised, on an accrual basis, the net amount of interest to be received or paid for each period under the interest rate swap contracts as income/expense in profit or loss. The interest rate swap contracts are presented in the financial statements at fair value. Unrealised gain or loss on interest rate swap contract of the Company deferred in shareholders' equity of the Company until realised and those of the subsidiary, recognised in profit or loss.



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6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

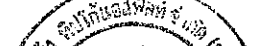
Net realisable value of inventories

The management uses judgment to estimate the net realisable value of inventories taking into consideration the fluctuation of price or cost directly relating to events occurring after the balance sheet date.

Impairment of investments

The Company and its subsidiaries treats investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

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Investment properties

The investment properties are measured at cost less allowance for impairment loss. The carrying value of the assets is determined based on fair value appraised by an independent valuer. Such valuation is based on certain assumptions and estimates.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment of the Company and subsidiaries and to review estimate useful lives and residual values when there are changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

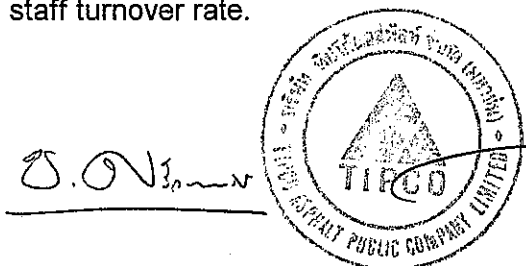

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercises judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Cost of share-based payment transactions

Estimating the cost of share-based payment transactions requires the determination of the fair value of the options granted under the transactions which involves appropriate assumptions, including but not limited to the expected life of the share options, share price volatility and dividend yield.

Contingent liabilities

As discussed in Note 12 to the financial statements, currently, the Appeal Court in Malaysia is in the midst of consideration of the petition filed by Aras Jalinan Sdn Bhd regarding the convention of the extraordinary general meeting of KOC. The Company's management has used judgment to assess of the results of the case and believes that no loss will be resulted. Therefore no contingent liabilities are recorded as the end of the reporting period.

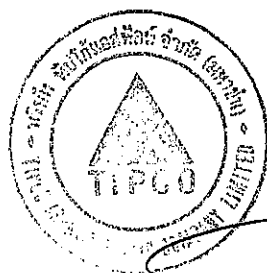
7. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash	4,493	3,267	3,057	1,978
Bank deposits	488,326	296,653	87,457	18,341
Bill of exchange	509,000	-	340,000	-
Total	<u>1,001,819</u>	<u>299,920</u>	<u>430,514</u>	<u>20,319</u>

As at 31 December 2011, bank deposits in saving accounts, fixed deposits and bill of exchange carried interests between 0.15 and 3.25 percent per annum (2010: between 0.05 and 2.20 percent per annum).

8. Current investments

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current portion of investment in debt security	-	1,341	-	1,341
Deposits with financial institutions - cash received from Aras (Note 12)	-	50,765	-	-
Total current investments	<u>-</u>	<u>52,106</u>	<u>-</u>	<u>1,341</u>



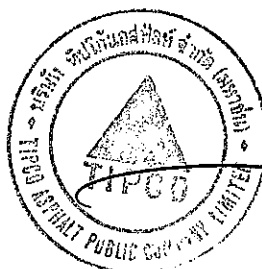
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9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	823,477	173,940	460,799	70,165
Past due				
Up to 3 months	43,035	15,150	57,583	41,409
3 - 6 months	-	672	-	3,471
Total trade receivables - related parties	866,512	189,762	518,382	115,045
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	2,170,662	1,224,756	811,422	752,691
Past due				
Up to 3 months	357,905	321,916	104,768	78,286
3 - 6 months	101,383	139,912	53,862	51,660
6 - 9 months	25,954	46,718	17,688	25,817
9 - 12 months	15,590	21,929	8,281	14,422
Over 12 months	127,810	101,127	104,289	68,682
Total	2,799,304	1,856,358	1,100,310	991,558
Less: Allowance for doubtful accounts	(101,107)	(97,891)	(88,252)	(69,971)
Total trade receivables - unrelated parties, net	2,698,197	1,758,467	1,012,058	921,587
Total trade receivables - net	3,564,709	1,948,229	1,530,440	1,036,632
<u>Other receivables</u>				
Amounts due from related parties	8,698	8,098	24,600	1,010,273
Accounts receivable from price hedging contracts	78,837	-	69,454	-
Other receivables	35,259	18,579	1,894	6,340
Total other receivables	122,794	26,677	95,948	1,016,613
Trade and other receivables - net	3,687,503	1,974,906	1,626,388	2,053,245

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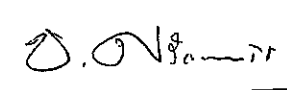
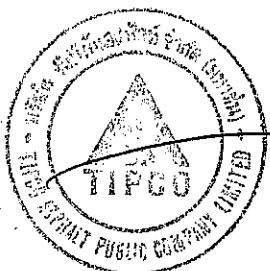
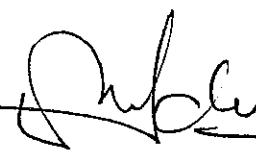
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10. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	704	640	Cost plus certain margin
Margin on sales of raw materials	-	-	2	5	Cost plus certain margin
Rental and service income	-	-	19	22	Contract price
Technical assistance fee income	-	-	14	18	Contract price
Interest income	-	-	2	2	5.0 percent per annum (2010: 4.0 and 5.0 percent per annum)
Dividend income	-	-	236	92	
Purchases of goods	-	-	568	2,680	Cost plus certain margin
Rental and service expenses	-	-	137	96	Contract price
<u>Transactions with associate</u>					
Dividend income	19	2	19	2	
<u>Transactions with related companies</u>					
Sales and service income	2,702	2,122	726	440	Market price / contract price
Rental and service income	8	7	2	2	Contract price
Rental and service expenses	63	42	35	33	Contract price
Technical assistance fee expenses	41	42	24	25	Contract price

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

(Unit: Thousand Baht)

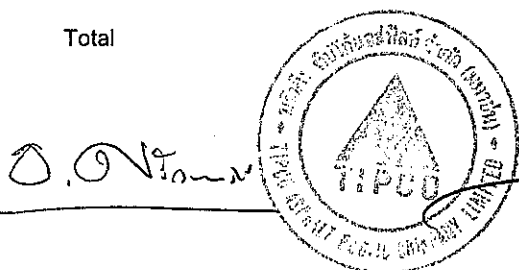
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Trade and other receivables- related parties (Note 9)</u>				
Subsidiaries	-	-	281,547	1,067,111
Related companies (common shareholders and directors)	875,210	197,860	261,435	58,207
Total trade and other receivables – related parties	875,210	197,860	542,982	1,125,318
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	25,427	5,161
Total short-term loans to related parties	-	-	25,427	5,161
<u>Trade and other payables - related parties (Note 18)</u>				
Subsidiaries	-	-	321,663	168,749
Related companies (common shareholders and directors)	42,584	8,577	31,730	4,597
Total trade and other payables - related parties	42,584	8,577	353,393	173,346
<u>Short-term loans from related parties</u>				
Subsidiaries	-	-	-	94,300
Total short-term loans from related parties	-	-	-	94,300

Loans to related parties and loans from related parties

As at 31 December 2011 and 2010, the balances of loans between the Company and its subsidiaries and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements		
Loans to related parties	Related by	Balance as at	Increase	Balance as at
		31 December		31 December
		2010	during the year	2011
Alpha Maritime Co., Ltd.	Subsidiary	-	20,000	20,000
Kemaman Oil Corporation Sdn Bhd.	Subsidiary	5,161	-	5,247
Total		5,161	20,000	25,247



(Unit: Thousand Baht)

		Separate financial statements		
Loans to related parties	Related by	Balance as at	Decrease	Balance as at
		31 December 2010	during the year	31 December 2011
Tipco Maritime Co., Ltd.	Subsidiary	16,300	(16,300)	-
Delta Shipping Co., Ltd.	Subsidiary	1,000	(1,000)	-
Tasco Shipping Co., Ltd.	Subsidiary	77,000	(77,000)	-
Total		94,300	(94,300)	-

During 2011, Surat Bitumen declared the payment of dividend of Baht 192 million. When making dividend payment, Surat Bitumen offset the dividend against the amount due between Surat Bitumen and Thai Bitumen, and Thai Bitumen borrowed the Company for the same amount. In addition, the Company transferred a Baht 2,295 million short-term loan from a bank of the Company to Thai Bitumen, by offsetting with the amount due from Thai Bitumen.



Directors and management's benefits

During 2011 and 2010, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Short-term employee benefits	90	77	75	66
Post-employment benefits	4	-	4	-
Share-based payment transactions (Note 24)	2	-	2	-
Total	96	77	81	66

Guarantee obligations with related parties

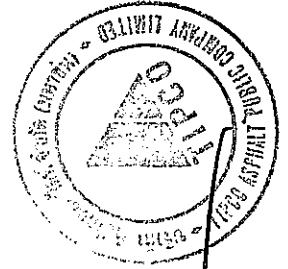
The Company and subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 20 to the financial statements.

11. Inventories

	Consolidated financial statements				(Unit: Thousand Baht)	
	Cost		Reduce cost to net realisable value		Inventories - net	
	2011	2010	2011	2010	2011	2010
Finished goods	1,115,681	1,234,094	-	(945)	1,115,681	1,233,149
Raw materials	2,223,423	2,249,996	-	-	2,223,423	2,249,996
Packaging materials, spare parts and factory supplies	102,462	49,075	(2,334)	(2,335)	100,128	46,740
Goods in transit	2,304,547	1,929	-	-	2,304,547	1,929
Total	5,746,113	3,535,094	(2,334)	(3,280)	5,743,779	3,531,814

	Separate financial statements				(Unit: Thousand Baht)	
	Cost		Reduce cost to net realisable value		Inventories - net	
	2011	2010	2011	2010	2011	2010
Finished goods	962,605	214,340	-	(148)	962,605	214,192
Raw materials	1,504,929	75,261	-	-	1,504,929	75,261
Packaging materials, spare parts and factory supplies	22,025	18,838	(1,524)	(1,524)	20,501	17,314
Goods in transit	2,304,285	1,929	-	-	2,304,285	1,929
Total	4,793,844	310,368	(1,524)	(1,672)	4,792,320	308,696

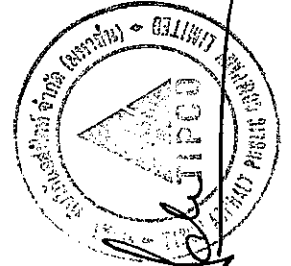


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12. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

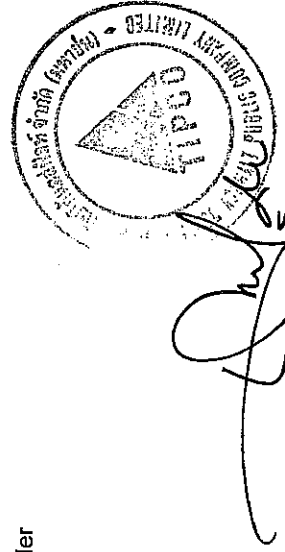
Company's name	Paid-up capital		Shareholding percentage		Investment cost of the Company		Dividend received during the year by the Company	
	2011	2010	2011	2010	2011	2010	2011	2010
	(Million Baht)	(Million Baht)	(%)	(%)				
	(Unit: Thousand Baht)							
	(Except for other specified currency)							
Domestic subsidiaries								
Surat Bitumen Co., Ltd.	100	100	99.99	99.99	99,999	99,999	212,499	39,999
Raycol Asphalt Co., Ltd.	111	111	41.44	41.44	193,200	193,200	23,920	26,128
Thai Bitumen Co., Ltd.	2,300	2,300	99.99	99.99	2,299,917	2,299,917	-	-
Less: Provision for impairment loss of investment					(60,775)	(60,775)	-	-
Tipco Maritime Co., Ltd.	2	2	99.97	99.97	1,999	1,999	-	-
Alpha Maritime Co., Ltd.	18	1	99.99	99.93	17,999	999	-	-
Bitumen Marine Co., Ltd.	150	150	99.99	99.99	149,999	149,999	-	-
Delta Shipping Co., Ltd.	80	80	99.99	99.99	79,999	79,999	-	26,000
Tasco Shipping Co., Ltd.	192	160	99.99	99.99	191,999	159,999	-	-



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(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Investment cost of the Company		Dividend received during the year by the Company	
	2011	2010	2011	2010	2011	2010	2011	2010
	(Million Baht)	(Million Baht)	(%)	(%)				
	(Except for other specified currency)							
<u>Overseas subsidiaries</u>								
Tasco International (Hong Kong) Ltd.	30.97	30.97	100.00	100.00	130,008	130,008	-	-
Add: Additional investment cost from the acquisition of subsidiary under common control	Million HKD	Million HKD			115,849	115,849		
Kemaman Oil Corporation Sdn Bhd (KOC)	151.96	146.96	63.12	65.26	173,677	173,677	-	-
(11.30% (2010: 11.68%) owned by the Company and 51.82% (2010: 53.58%) owned by Thai Bitumen Co., Ltd.)	million ringgit	million ringgit						
Kemaman Bitumen Company Sdn Bhd	305.55	305.55	82.07	83.03	1,231,719	1,231,719	-	-
(41.98% owned by the Company, 11.82% owned by Thai Bitumen Co., Ltd. and 44.80% owned by KOC)	million ringgit	million ringgit						
Tipco Asphalt (Cambodia) Co., Ltd.	20.00	20.00	100.00	100.00	165	165	-	-
	million riel	million riel						
Investments in subsidiaries					4,625,754	4,576,754	236,419	92,127



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Total investments in subsidiaries

Surat Bitumen Company Limited

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

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

Under the previous Shareholders Agreement, KOC was a jointly controlled entity between the Company and a subsidiary (Thai Bitumen Company Limited: Thai Bitumen) and a co-venturer which is a publicly listed company in Malaysia (Seloga Holdings Berhad: SHB). The purpose of the joint venture was to conduct a business relating to the manufacturing and distribution of asphalt products.

During March 2007, Thai Bitumen received 31.35 million ordinary shares of 1 ringgit per share from the conversion of non-redeemable convertible preference shares (NRCPS-A) of KOC. As a result of such conversion, the percentage holding of the Company and Thai Bitumen in KOC changed from 50 percent to 97 percent. However, the change in holding percentage is temporary since SHB was unable to increase its investment in KOC and according to the Call Option Agreement, during the option period, the Company and Thai Bitumen and SHB still have 50:50 interests in the equity and control in KOC, in accordance with the Shareholders Agreement.

During January 2008, there were the following changes in the shareholding structure of KOC, in accordance with the Call Option Agreement and a newly issued agreement (Settlement Agreement).

1. In January 2007, the Company and Thai Bitumen entered into a Call Option Agreement with SHB, granting an option to SHB to purchase 31.35 million redeemable convertible preference shares of KOC at 1 ringgit per share (24.7 million shares held by Multi Strategies Sdn Bhd: MSSB, a subsidiary of Thai Bitumen and 6.65 million shares held by Thai Bitumen) within 10 January 2008. At the due date of the option, SHB offered a related company, Aras Jalinan Sdn Bhd (Aras), the opportunity to exercise the option instead, as stipulated in the Settlement Agreement dated 11 January 2008. In accordance with the Settlement Agreement, Thai Bitumen has converted the 6.65 million preference shares to ordinary shares and sold the ordinary shares at cost plus interest to Aras. In addition, on 11 January 2008, Thai Bitumen also had MSSB convert its 24.7 million preference shares to ordinary shares and transferred MSSB to Aras.

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2. Under the Call Option Agreement, if SHB did not exercise the option to purchase such preference shares, Thai Bitumen and MSSB had the option to purchase all of the ordinary shares held by SHB in KOC. Therefore, during January 2008, Thai Bitumen purchased all 950,001 shares ordinary shares of KOC held by SHB at 1 ringgit per share, for a total of 950,001 ringgit, plus interest as stipulated in the Call Option Agreement. Under the Call Option Agreement, this is regarded as a cancellation of the joint venture in KOC with SHB. However, the ordinary shares purchased by Thai Bitumen are to be sold to Aras in accordance with the Settlement Agreement.
3. Thai Bitumen requested a conversion of 31.35 million redeemable convertible preference shares of KOC (RCPS-B) at 1 ringgit per share. The preference shares were converted to ordinary shares of KOC in January 2008.
4. As discussed in No. 1 above, on 11 January 2008, the Company and Thai Bitumen entered into Settlement Agreement whereby Aras increased its interest in KOC, such that within 31 March 2008 the proportionate shareholdings of the Company and Thai Bitumen, and Aras in KOC would be 50:50. Under to the agreement, Aras had to comply with the following conditions:
 - 1) increase its interest in the capital of KOC by 19 million ringgit (19 million shares) on 11 January 2008;
 - 2) increase its interest in the capital of KOC by 5 million ringgit (5 million shares) by 28 February 2008;
 - 3) increase its interest in the capital of KOC by 7.35 million ringgit (7.35 million shares) by 31 March 2008;
 - 4) acquire from Thai Bitumen 6.65 million ringgit of ordinary shares of KOC (6.65 million shares) and pay interest at 1.5% per annum (from 7 February 2007 until 11 January 2008), by 31 March 2008;
 - 5) acquire from Thai Bitumen 950,001 ringgit of ordinary shares of KOC (950,001 shares) and pay interest at 15% per annum (from 11 January 2008 until the date of transfer of the shares to Aras), by 31 March 2008.

D. On 11-12

The Settlement Agreement stipulates that throughout the period of the agreement (11 January 2008 to 31 March 2008) the Company and Thai Bitumen, and Aras will each have 50 percent equity interests in KOC and also equal control. In addition, the Settlement Agreement stipulated that the Articles of Association of KOC and KBC are to be amended so that management and decisions by the Board of Directors and the shareholders can be made by a simple shareholding majority.



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However, only parts of the above obligations have been fulfilled by Aras, as follow:

- 1) Aras paid 19 million ringgit for new ordinary shares of KOC on 11 January 2008, which was within the deadline.
- 2) Aras paid 5 million ringgit to KOC on 3 March 2008, which was after the deadline. The Company considers this to be a breach of agreement and has not allowed KOC to issue new share certificates to Aras.

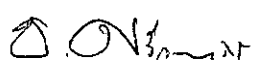
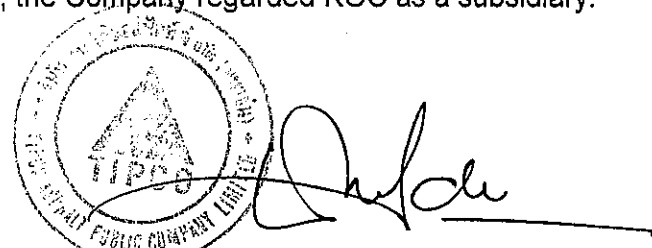
(KOC recorded the cash received as a liability in its statement of financial position as at 31 December 2010.)

- 3) Aras paid 7.35 million ringgit for new ordinary shares of KOC on 31 March 2008, which was within the deadline.
- 4), 5) Aras did not purchase the shares from Thai Bitumen in accordance with the agreement.

As Aras breached its contractual commitments as described in 2), 4) and 5), the Company and Thai Bitumen called an extraordinary general meeting of KOC to propose 4 new directors. However, Aras filed a petition with the courts in Malaysia, requesting the meeting be cancelled. The High Court of Malaya and the Appeals Court subsequently ruled on 7 April 2008 and 23 April 2008, respectively, that the courts did not have jurisdiction to hear this case because the dispute was between a Malaysian and a foreign investor. However, on 25 April 2008, Aras filed an Oppression Petition with the High Court of Malaya. The petition was accepted by the court on 6 May 2008.

On 6 June 2008, the High Court of Malaya cancelled the demission to convert the extraordinary general meeting of KOC. The Company and Thai Bitumen therefore held the extraordinary general meeting of KOC on 6 June 2008, and such meeting passed a resolution to appoint 4 additional directors proposed by the Company and Thai Bitumen. However, in June 2008, Aras filed an appeal against the High Court decision.

As a result of the appointment of the 4 additional directors by the meeting the number of directors on the side of the Company and Thai Bitumen exceeds the number on Aras's side, and the Company therefore controls KOC through those directors as from 6 June 2008. The Company applied a 50 percent interest in recognising share of loss from investment in KOC in the consolidated financial statements until 6 June 2008, and subsequent to that date, the Company regarded KOC as a subsidiary.

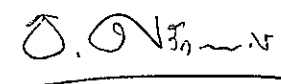
Currently, the Appeal Court in Malaysia is during the consideration of the petition filed by Aras Jalinan Sdn Bhd (Aras) regarding the convention of the extraordinary general meeting of KOC. The management of the Company and Thai Bitumen believe that the outcome of the Appeal Court, of which the result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

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

As at 31 December 2011, the value 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 equity interest 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.

Warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees

During 2011, the Company recorded cost of share-base payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees (Note 24) amounted to Baht 1.4 million as a cost of investments in subsidiaries.







13. Investment in associate

13.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	2011	2010	2011	2010	2011	2010
	(%)	(%)				
Colasie Co., Ltd.	40	40	18,404	18,404	41,640	26,729
(Registered under the law of France)						
(Holding company)						
Total investment in associate			18,404	18,404	41,640	26,729

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Shareholding percentage		Cost		Carrying amounts based on cost method	
	2011	2010	2011	2010	2011	2010
	(%)	(%)				
Colasie Co., Ltd.	40	40	18,404	18,404	18,404	18,404
Total investment in associate			18,404	18,404	18,404	18,404

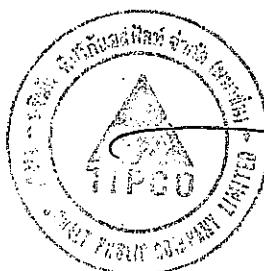
13.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate during the year		Dividend received during the year by the Company	
	2011	2010	2011	2010
Colasie Co., Ltd.	33,952	5,070	18,921	1,472
Total	33,952	5,070	18,921	1,472

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13.3 Summarised financial information of associate

Financial information of the associate is summarised below.

(Unit: Million Euro)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit for the year	
	as at		as at		as at		for the year ended		ended 31 December	
	31 December		31 December		31 December		31 December		ended 31 December	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Colasie Co., Ltd.	1.04	1.04	3.29	1.45	0.02	0.01	2.09	0.32	2.07	0.31

14. Investment properties

The net book value of investment properties as at 31 December 2011 is presented below.

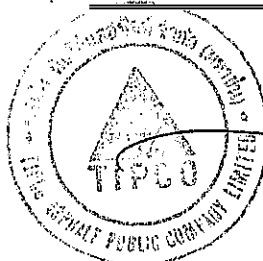
(Unit: Thousand Baht)

	Consolidated financial statements		
	Land, buildings and equipment awaiting sales	Land awaiting sales	Total
Cost	268,377	383,608	651,985
<u>Less</u> Accumulated depreciation	(138,692)	-	(138,692)
<u>Less</u> Impairment loss	(95,885)	(213,208)	(309,093)
Net book value	33,800	170,400	204,200

(Unit: Thousand Baht)

	Separate financial statements		
	Land, buildings and equipment awaiting sales	Land for rent	Total
Cost	268,377	76,960	345,337
<u>Less</u> Accumulated depreciation	(138,692)	(9,015)	(147,707)
<u>Less</u> Impairment loss	(95,885)	-	(95,885)
Net book value	33,800	67,945	101,745

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A reconciliation of the net book value of investment properties for 2011 is presented below.

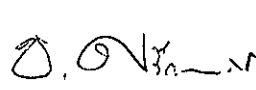
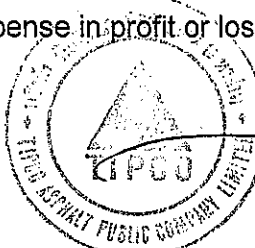

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value at beginning of year	-	-
Reclassified from property, plant and equipment to investment properties (Note 15)	403,135	198,176
Depreciation charged during the year	-	(546)
Impairment loss recorded during the year	(198,935)	(95,885)
Net book value at end of year	204,200	101,745

The fair value of the investment properties as at 31 December 2011 stated below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Land for rent	-	141,000
Land, buildings and equipment awaiting sales	33,800	33,800
Land awaiting sales	170,400	-

The land, buildings and equipment awaiting sales are assets of the Petchburi Plant of the Company, which the Company decided to cease the operations in 2011 and for which it is seeking a buyer. In November 2011, the Company arranged for an independent professional valuer to reappraise the value of the assets using the Sales Comparison Approach, with the valuer appraising the assets at Baht 33.8 million. As a result of the appraisal, the subsidiary recorded impairment loss of the assets amounting to Baht 95.9 million in the profit or loss for 2011.

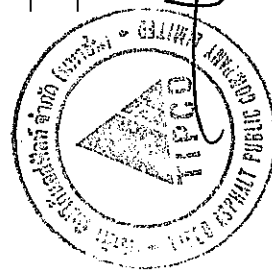
The land awaiting sales is an asset of Thai Bitumen Company Limited for the asphalt refinery plant project, which the subsidiary terminated in 1999 and for which it is seeking a buyer. In November 2011, the subsidiary arranged for an independent professional valuer to reappraise the value of the land using the Sales Comparison Approach, with the valuer appraising the assets at Baht 170.4 million. As a result of the appraisal, the subsidiary recorded impairment loss of the assets amounting to Baht 103.1 million as an expense in profit or loss for 2011.

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation
Cost						Total
1 January 2010	1,146,560	677,330	3,282,745	736,557	791,721	905,791
Additions	1,533	50,082	78,547	42,891	965	300,909
Disposals/write-off	-	-	(25,663)	(23,688)	-	-
Transfer in (transfer out)	-	453	382,925	383	3,033	(390,629)
Transfer out from the cancellation of vessel construction contract	-	-	-	-	-	(497,766)
Interest capitalised	-	-	-	-	-	580
31 December 2010	1,148,093	727,865	3,718,554	756,143	795,719	318,885
Additions	1,135	18,443	47,289	58,580	382,879	94,467
Disposals/write-off	(3,956)	(507)	(8,958)	(84,278)	(52,929)	(16)
Transfer in (transfer out)	-	-	27,133	7,765	-	(34,898)
Transfer from deferred expenses for vessel repair	-	-	-	-	59,384	-
Transfer to investment properties	(651,985)	-	-	-	-	-
Interest capitalised	-	-	-	-	-	5,550
31 December 2011	493,287	745,801	3,784,018	738,210	1,185,053	383,988
						7,330,357

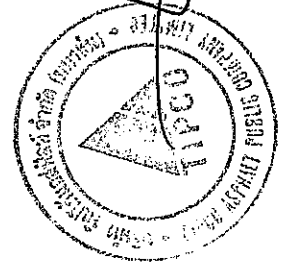


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(Unit: Thousand Baht)

Consolidated financial statements

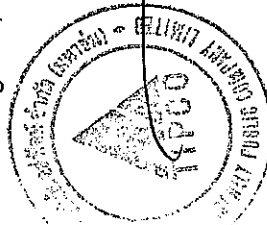
	Land improvement and land	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	Total
Accumulated depreciation							
1 January 2010	265,171	375,158	1,116,300	634,866	237,743	-	2,629,238
Depreciation for the year	21,419	31,173	200,142	34,446	29,502	-	316,682
Accumulated depreciation on disposal/write-off	-	-	(25,490)	(19,184)	-	-	(44,674)
Transfer in (transfer out)	-	-	(307)	(34)	307	-	(34)
31 December 2010	286,590	406,331	1,290,645	650,094	267,552	-	2,901,212
Depreciation for the year	21,065	31,149	205,263	40,248	63,847	-	361,572
Accumulated depreciation on disposal/write-off	-	(192)	(7,955)	(88,395)	(38,406)	-	(134,948)
Transfer in (transfer out)	-	-	-	-	-	-	-
Transfer from deferred expenses for vessel repair	-	-	-	-	31,128	-	31,128
Transfer to investment properties	(138,692)	-	-	-	-	-	(138,692)
31 December 2011	168,963	437,288	1,487,953	601,947	324,121	-	3,020,272



D. Onkum

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation
Allowance for impairment loss						Total
31 December 2010	110,158	-	-	-	-	110,158
Increase	1,183	-	-	-	-	1,183
Transfer to investment properties	(110,158)	-	-	-	-	(110,158)
31 December 2011	1,183	-	-	-	-	1,183
Translation adjustments						
1 January 2010	-	(3,993)	37,522	116	-	20,194
Translation adjustments during the year	-	(2,708)	(220,246)	(2,253)	-	(238,471)
31 December 2010	-	(6,701)	(182,724)	(2,137)	-	(218,277)
Translation adjustments during the year	-	15,617	159,133	1,974	-	157,042
31 December 2011	-	8,916	(23,591)	(163)	-	(61,235)
Net book value						
31 December 2010	751,345	314,834	2,245,185	103,914	528,167	4,235,614
31 December 2011	323,141	317,429	2,272,474	136,100	860,932	4,247,667
Depreciation for the year						
2010 (Baht 244.2 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						316,682
2011 (Baht 288.7 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						361,572

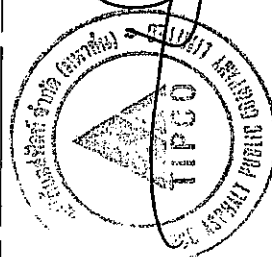


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(Unit: Thousand Baht)

Separate financial statements

Cost	Buildings, building improvements and complements					Furniture, office equipment and vehicles		Vessels		Construction in progress and equipment under installation		Total
	Land and land improvement	improvement	complements	Machinery, tools and equipment								
1 January 2010	649,534		331,803	501,441		541,774		90,922		661		2,116,135
Additions	1,137		816	4,410		21,955		-		12,444		40,762
Disposals/write-off	-		-	(17,201)		(17,697)		-		-		(34,898)
Transfer in (transfer out)	-		453	25		51		-		(661)		(132)
31 December 2010	650,671		333,072	488,675		546,083		90,922		12,444		2,121,867
Additions	453		2,122	13,101		51,165		-		8,808		75,649
Disposals/write-off	(3,957)		-	(914)		(48,473)		(4,507)		-		(57,851)
Transfer in (transfer out)	-		-	140		2,360		-		(2,500)		-
Transfer from deferred expenses for vessel repair	-		-	-		-		9,891		-		9,891
Transfer to investment properties	(345,337)		-	-		-		-		-		(345,337)
31 December 2011	301,830		335,194	501,002		551,135		96,306		18,752		1,804,219

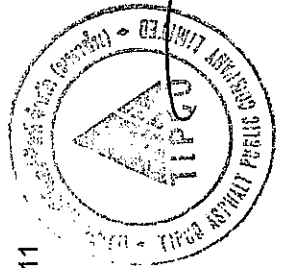


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(Unit: Thousand Baht)

Separate financial statements

	Land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	Total
Accumulated depreciation							
1 January 2010	193,453	210,895	485,530	472,715	33,915	-	1,396,508
Depreciation for the year	16,533	16,035	5,829	22,502	3,661	-	64,560
Accumulated depreciation on disposal/ write-off	-	-	(17,127)	(13,897)	-	-	(31,024)
Transfer in (transfer out)	-	-	-	-	-	-	-
31 December 2010	209,986	226,930	474,232	481,320	37,576	-	1,430,044
Depreciation for the year	15,565	15,717	6,460	22,518	4,752	-	65,012
Accumulated depreciation on disposal/ write-off	-	-	(908)	(48,338)	(2,363)	-	(51,609)
Transfer from deferred expenses for vessel repair	-	-	-	-	893	-	893
Transfer to investment properties	(147,161)	-	-	-	-	-	(147,161)
31 December 2011	78,390	242,647	479,784	455,500	40,858	-	1,297,179

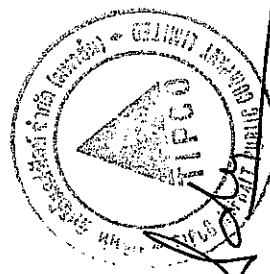


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(Unit: Thousand Baht)

Separate financial statements

	Land improvement and land	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	Total
Allowance for impairment loss							
31 December 2010	-	-	-	-	-	-	-
Increase	1,183	-	-	-	-	-	1,183
31 December 2011	1,183	-	-	-	-	-	1,183
Net book value							
31 December 2010	440,685	106,142	14,443	64,762	53,346	12,444	691,822
31 December 2011	222,257	92,547	21,218	95,635	55,448	18,752	505,857
Depreciation for the year							
2010 (Baht 20.0 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							64,560
2011 (Baht 22.6 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							65,012



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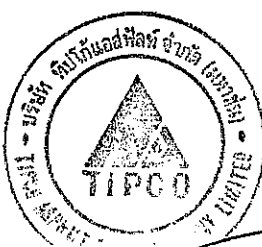

During 2007, a subsidiary entered into a USD 23 million vessel building contract with an overseas company, under which payment was to be made in five installments of USD 4.6 million each, with the last installment to be paid upon delivery of the vessel. This overseas company was unable to deliver the vessel to the subsidiary in accordance with the contract, which was guaranteed by an overseas bank. On 28 April 2010, the subsidiary cancelled the contract and on 5 May 2010, the subsidiary exercised its right under the bank guarantee and submitted a letter to the overseas bank in order to claim the installments paid by the subsidiary to the counterparty, totaling USD 13.8 million, plus interest thereon. The subsidiary received the installment refunded from the bank in June 2010.

Following the receipt of the refund, the subsidiary recorded loss from claim under bank guarantee amounting to Baht 5.3 million as an expense in the consolidated profit or loss for 2010.

In 2011, the Company recorded impairment loss of land amounted to Baht 1.2 million as an expense in profit or loss for 2011.

As at 31 December 2011, the subsidiary had an outstanding balance of work under construction of a new vessel of approximately Baht 271 million (2010: Baht 261 million). Construction of the plant has been financed with a loan from a financial institution and borrowing costs totaling approximately Baht 6 million were capitalised during the year ended 31 December 2011 (2010: Baht 1 million).

As at 31 December 2011, certain building and equipment items had been fully depreciated but were still in use. The original cost of those assets amounted to approximately Baht 1,290 million (2010: Baht 1,421 million) (The Company Only: Baht 896 million, 2010: Baht 870 million).



16. Leasehold rights

The Company and subsidiaries entered into agreements to lease buildings and land. The lease agreements can be summarised below.

Leasee	Country the leased asset located in	Lease period (year)	Lease agreement ending year	Prepaid lease amount at inception of the lease
1. The Company	China	30	2031	1.4 million renminbi
2. A subsidiary in China	China	30	2029	5.7 million renminbi
3. A subsidiary in China	China	50	2050	6.9 million renminbi
4. A subsidiary in China	China	45	2055	2.5 million renminbi
5. A subsidiary in Malaysia	Malaysia	50	2055	19.8 million ringgit

The book value of the leasehold rights can be summarised below.

(Unit: Thousand Baht)

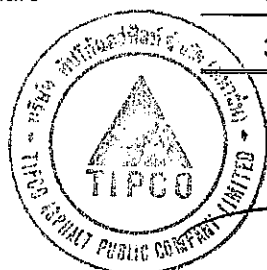
	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Balance as at 1 January	254,299	242,288	6,837	6,837
Acquisition during the year	-	12,011	-	-
Balance as at 31 December	254,299	254,299	6,837	6,837
Less: Accumulated amortisation	(33,692)	(28,254)	(2,507)	(2,279)
Translation adjustments	(432)	(13,455)	-	-
Net	<u>220,175</u>	<u>212,590</u>	<u>4,330</u>	<u>4,558</u>
Amortisation expenses included in the income statements for the year	<u>5,438</u>	<u>5,633</u>	<u>228</u>	<u>228</u>

17. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Promissory notes	-	200,000	-	200,000
Trust receipts	-	1,997,445	-	374,542
Loans in renminbi	130,853	141,304	-	-
Loans in US Dollars	3,653,956	-	2,360,331	-
Total	<u>3,784,809</u>	<u>2,338,749</u>	<u>2,360,331</u>	<u>574,542</u>

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As at 31 December 2011, the Company and its domestic subsidiaries had short-term loans from local banks, which carry interest at the rates ranging from 1.2 to 2.0 percent per annum (2010: 1.8 to 2.5 percent per annum).

In addition, overseas subsidiaries have short-term loans from overseas financial institutions, which carry interest at the rates ranging from 2.4 to 7.9 percent per annum (2010: 4.8 to 6.7 percent per annum).

18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade payables - related parties	1,251	902	317,874	168,142
Trade payables - unrelated parties	3,098,871	487,180	2,493,787	168,158
Amounts due to related parties	41,333	7,675	35,519	5,204
Accounts payable from price hedging contracts	114,537	1,349	39,380	-
Other payables for purchase of machineries	3,318	26,373	-	-
Accrued expenses	154,640	167,971	70,284	70,982
Other payables	71,959	55,775	11,672	16,123
Total trade and other payables	3,485,909	747,225	2,968,516	428,609

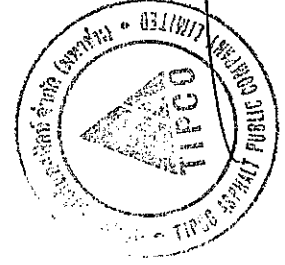
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19. Long-term loans

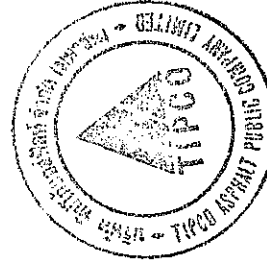
Loan	Borrower	Lender	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
					2011	2010	2011	2010
Long-term loans in Baht								
(1)	The Company	Local bank	Fixed rate	Monthly installments of Baht 0.3 million each, commencing April 2009 to March 2014	8,175	11,808	8,175	11,808
(2)	The Company	Local bank	Rate referenced to THBFIX	Quarterly installments of Baht 200 million for 2011 and Baht 240 million for 2012 to 2015	960,000	1,160,000	960,000	1,160,000
(3)	The Company	Local bank	Fixed rate for the first two years and for the third to the eighth years at a rate referenced to Minimum Loan Rate	Quarterly installments, as stipulated in the agreement, commencing June 2012	1,500,000	1,500,000	1,500,000	1,500,000
(4)	Bitumen Marine Company Limited	Local bank	Rate referenced to THBFIX	Quarterly installments of Baht 9.2 million each, commencing December 2010 to September 2013	64,150	100,830	-	-
Long-term loans in Yen								
(5)	Tasco Shipping Company Limited	Local bank	Rate referenced to Japanese Yen LIBOR, as stipulated in the agreements	As stipulated in the agreements	288,684	261,953	-	-



D. N. N.

(Unit: Thousand Baht)

Loan	Borrower	Lender	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
					2011	2010	2011	2010
Long-term loans in USD								
(6)	Kemaman Bitumen Company Sdn Bhd	Bank in Malaysia	Rate referenced to Lender's Cost of Funds	Quarterly installments of USD 2.08 million each, commencing September 2010 to June 2013	-	501,410	-	-
(7)	Kemaman Bitumen Company Sdn Bhd	Bank in Malaysia	Rate referenced to Lender's Cost of Funds	Quarterly installments of USD 0.83 million each, commencing November 2011 to August 2016	499,770	-	-	-
(8)	Kemaman Bitumen Company Sdn Bhd	Bank in Malaysia	Rate referenced to Lender's Cost of Funds	Quarterly installments of USD 1.10 million each, commencing November 2012 to August 2017	225,804	-	-	-
Long-term loan in Renminbi								
(9)	Zhenjiang Tipco Asphalt Company Limited	A shareholder of the lender	No interest rate	By February 2013	7,398	-	-	-
Total					3,553,982	3,536,001	2,468,175	2,671,808
Less: Current portion					(480,389)	(440,673)	(303,633)	(203,633)
Long-term loans - net of current portion					3,073,593	3,095,328	2,164,542	2,468,175



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Loan No. (5) of Tasco Shipping Company Limited: In October 2010, Tasco Shipping Company Limited received two long-term credit facilities from a local bank for the purpose of funding the vessel construction. The credit facilities are summarised below.

1) Facility of JPY 1,440 million or Baht 532 million, whichever is lower

The subsidiary can draw down this facility in accordance with the payment schedule of the five installments for vessel construction discussed in Note 28.1 to the financial statements. The subsidiary has an option to specify the loan currency as Yen or Baht each time a draw down is made. In this regard, on the date of the fifth draw down, which must be made not later than 30 November 2012, the loan facility in Yen is to be converted to Baht. If the balance of the loan after conversion into Baht amounts to more than Baht 532 million, the subsidiary is to repay any excess amount on that date in order to retain the loan balance to be not exceeding of Baht 532 million.

The loan is subject to interest at a rate referenced to Japanese Yen LIBOR if the loan currency is Yen and to THBFIX if the loan currency is Baht, and is repayable on a quarterly basis. The first scheduled payment date is three months after the fifth draw down date and not later than 30 November 2012. The payment schedule is summarised below.

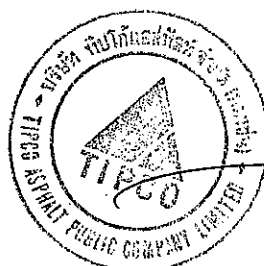
(Unit: Million Baht)	
<u>Installment</u>	<u>Amount per installment</u>
1-12	Baht 13 million
13-20	Baht 15 million
21-23	Baht 18 million
24	Balance of the loan

2) Facility of JPY 350 million

The subsidiary can draw down this facility in accordance with the payment schedule of the five installments for vessel construction discussed in Note 28.1 to the financial statements. The loan is subject to interest at a rate referenced to Japanese yen LIBOR and is repayable within 30 November 2012.

As at 31 December 2011, a long-term credit facility of a subsidiary which has not yet been drawn down amounted to Baht 256 million.

D. Onimay



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Loan covenants

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

Interest rate swap agreements

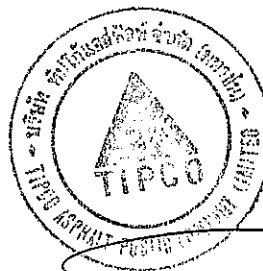
In May 2009, the Company entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan from a local bank to a fixed rate interest at 4.365 percent per annum. As at 31 December 2011, the notional amount of Baht 960 million (2010: Baht 1,160 million) was outstanding. The notional amount reduces on a quarterly basis in accordance with the long-term loan repayment schedule of the Company in (3) starting from May 2009 and matures in November 2015.

As at 31 December 2011, Kemaman Bitumen Company Sdn Bhd had outstanding interest rate swap agreement amounting to USD 5 million (2010: USD 17 million). The agreement swaps a floating interest rate with reference to LIBOR interest rate to a fixed interest rate at 5.5 percent per annum. Payment is to be made on a monthly basis, and the agreement expires in June 2012.

Early loan repayments

During 2010, the Company and two subsidiaries made early repayment in full of long-term loans, of which the balances as of the repayment date of Baht 566 million (the Company only: Baht 134 million).

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20. Credit facilities

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

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

(Unit: Million Baht)

	Consolidated financial statements	
	2011	2010
Deposits with financial institutions with restrictions	66	73
Leasehold rights - net	187	197
Property, plant and equipment - net	2,908	2,706
Computer software - net	5	8

- The prohibition from creating lien over assets of the Company and a subsidiary.
- Financial support letters provided by the Company and its subsidiaries to banks.
- 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.

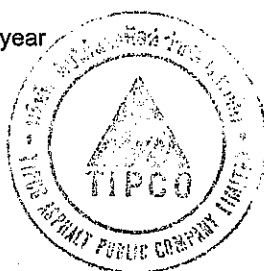
21. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 3)	58,556	47,759
Defined benefit plan:		
Current service cost	7,697	6,079
Interest cost	2,117	1,729
Benefits paid during the year	(2,887)	(2,506)
Long service awards:	(354)	(283)
Balance at end of year	65,129	52,778

S. Onsomit



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Long-term employee benefit expenses included in the profit or loss for the year ended 31 December 2011 amounted to Baht 15 million.

Principal actuarial assumptions at the valuation date were as follows:

	2011
	(% per annum)
Discount rate	3.9%
Future salary increase rate (depending on age of employee)	3.0% - 8.0%
Staff turnover rate (depending on age of employee)	0.0% - 14.0%

22. Share capital

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

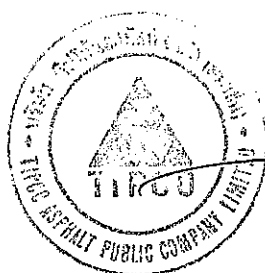
- 1) Increase the Company's registered capital by Baht 164,547,660, from Baht 1,525,476,630 (152,547,663 ordinary shares of Baht 10 each) to Baht 1,690,024,290 (169,002,429 ordinary shares of Baht 10 each), through the issue of 16,454,766 new ordinary shares of Baht 10 each.
- 2) Allocate and reserve the 16,454,766 new ordinary shares of Baht 10 each, a total of Baht 164,547,660, to support the exercise of the warrants, with 15,254,766 shares supporting the exercise of the TASCO-W3 warrants (Note 23) and 1,200,000 shares supporting the exercise of the ESOP-W1 warrants (Note 24).

The Company registered the capital increase on 22 April 2011.

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

	2011
No. of warrants exercised (warrants)	405
No. of ordinary shares issued (shares)	405
Amount of cash received (Baht)	25,187
Share registration date	8 July 2011 and 9 August 2011
Paid-up capital after share registration	Baht 1,525,480,680 (152,548,068 ordinary shares of Baht 10 each)

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

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

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

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

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

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

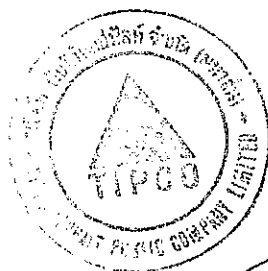
24. Warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Company and subsidiaries

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

The exercise price is subject to change according to the conditions of any rights adjustment.

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



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

The expenses recognised for employee services received during 2011 of the Company and its subsidiaries were totalled Baht 5 million (Separate financial statements Baht 3 million).

The fair value of options granted during 2011 was Baht 12.1 per share. The following tables list the inputs to the models used for 2011:

Dividend yield	- 3.75%
Expected stock volatility	- 40%
Risk-free interest rate	- 2.82%
Expected life of share options	- 2 years
Model used	- Black-Scholes

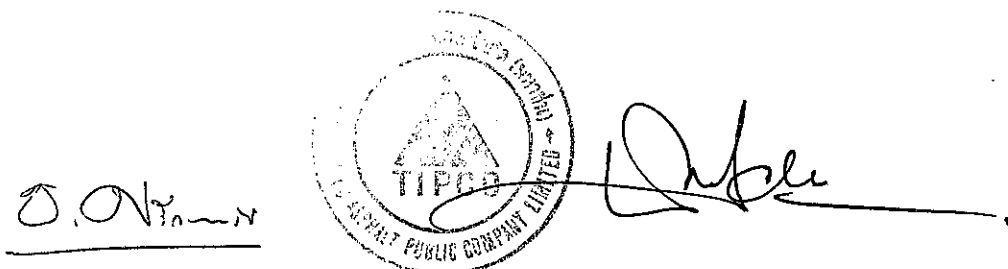
The expected volatility of the share options is based on historical data of the Company's stock price.

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

26. Compensation received from claims for damages

In 2011, the tribunal for arbitration between Thai Bitumen Company Limited (Thai Bitumen) and an overseas company awarded in favor of Thai Bitumen over a sales contract, where the counterparty had failed to make contracted delivery of goods to Thai Bitumen. The award was approximately USD 20.2 million plus interest of approximately USD 1.7 million. In late 2011, Thai Bitumen received the awarded amount and recorded the cash receipt, which net of expenses relating to this matter amounted to Baht 74 million, as income in profit or loss for 2011.

The block contains a handwritten signature on the left and a circular corporate seal in the center. The seal features a triangle with the letters 'TIPCO' inside, surrounded by the text 'THAI BITUMEN COMPANY LIMITED' and 'INCORPORATED IN THAILAND'. To the right of the seal is another handwritten signature.

27. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2011	2010	2011	2010
Salary and wages and other employee benefits	499	466	267	237
Depreciation and maintenance expenses	406	382	94	89
Costs related to production of goods and services (excluding of staff cost and depreciation)	19,985	23,786	5,720	7,507

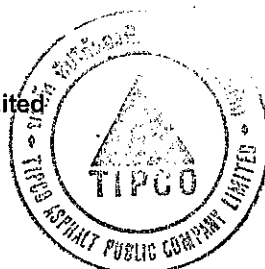
28. Corporate income tax

Corporate income tax was calculated on net income before income tax from non-promoted operations after adding back expenses which are disallowable and deducting dividend and income which are exempted for tax computation purposes.

29. Promotional privileges

The Company and its subsidiaries were granted investment promotion privileges by the Board of Investment. Important tax privileges granted to the companies are summarised below.

	Exemption from corporate income tax for 8 years commencing from	50% reduction of corporate income tax rate for 5 years commencing from
Tipco Asphalt Public Company Limited		
Manufacture of asphalt	13 August 1998 1 December 2000	14 August 2006 2 December 2008
Thai Bitumen Company Limited (Transferred from Surat Bitumen Company Limited)		
Manufacture of asphalt	24 August 1998	25 August 2006
Raycol Asphalt Company Limited		
Manufacture of asphalt	13 August 1997 2 May 2001	14 August 2005 3 May 2009
Bitumen Marine Company Limited		
Marine transportation	24 June 2003* 9 February 2006*	- -
Tasco Shipping Company Limited		
Marine transportation	24 May 2011*	-



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	Exemption from corporate income tax for 8 years commencing from	50% reduction of corporate income tax rate for 5 years commencing from
Alpha Maritime Company Limited		
Marine transportation	28 June 2011*	-

*Exemption of corporate income tax not exceeding of the stipulated amount.

In addition, Kemaman Bitumen Company Sdn Bhd received tax privilege in reduction of corporate income tax in Malaysia from the stipulated investment amount.

30. Tax privileges for maritime commerce

The Company and three subsidiaries, Delta Shipping Company Limited, Alpha Maritime Company Limited and Bitumen Marine Company Limited, are entitled to withholding income tax privileges under Revenue Department Instruction No. Por 110/2545 since they are international marine transportation business operators, whereby income from vessel rental is subject to withholding tax at a rate of 1%. Moreover, the Company and the subsidiaries are exempted from corporate income tax on their income from international marine transportation under Announcement of the Director-General of the Revenue Department No. 72.

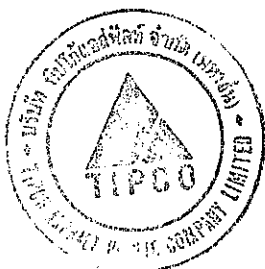
31. Earnings per share

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

The following table sets forth the computation of basic earnings per share:

	Consolidated Financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the year (Thousand Baht)	735,572	1,007,665	425,335	405,335
Weighted average number of ordinary shares (Thousand shares)	152,548	152,547	152,548	152,547
Earnings per share (Baht per share)	4.82	6.61	2.79	2.66

There is no calculation of diluted earnings per share for 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 year.



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32. Segment information

The Company and its subsidiaries' business operations involve three principal segments: (1) manufacture and sale of asphalt products (2) marine transportation (3) investment and others. The business operations are carried on both in Thailand and overseas. However, during the years ended 31 December 2011 and 2010, the Company and its subsidiaries did not have significant business transactions and 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 follow:

(Unit: Million Baht)

	Thailand		Overseas		Elimination of inter-segment revenues		Consolidation	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenue from external customers	19,329	23,020	2,975	2,771	-	-	22,304	25,791
Inter segment revenues	2,296	2,071	510	895	(2,806)	(2,966)	-	-
Total revenue	21,625	25,091	3,485	3,666	(2,806)	(2,966)	22,304	25,791
Segment operating income	874	929	(135)	94	(3)	(15)	736	1,008

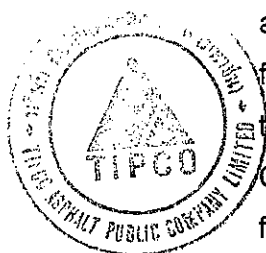
(Unit: Million Baht)

	Thailand		Overseas		Elimination of inter-segment revenues		Consolidation	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Property plant and equipment	1,776	1,821	2,472	2,415	-	-	4,248	4,236
Other assets							11,273	6,513
Total assets							15,521	10,749

Transfer prices between the segments are as set out in Note 10 to the financial statements.

33. Provident fund

The Company, its subsidiaries, and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund on a monthly basis. The fund, which is managed by CIMB-Principal Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During 2011, the Company and its subsidiaries contributed Baht 8 million (2010: Baht 7 million) to the fund (Separate financial statements: Baht 6 million, 2010: Baht 6 million).



34. Commitments and contingent liabilities

34.1 Capital commitment

As at 31 December 2011, the Company and its subsidiaries had outstanding capital commitments totaling approximately Baht 19 million, MYR 9 million and Yen 1,090 million (2010: MYR 6 million and Yen 1,090 million) relating to the purchase of land, machinery and equipment, computer software and vessels.

34.2 Operating lease commitments

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

Future minimum rental and service fees payable under these as at 31 December 2011 were as follow:

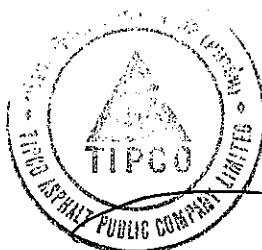
	Consolidated financial statements		Separate financial statements
	Million Baht	Million ringgit	Million Baht
Payable within:			
1 year	40	1	28
2 to 5 years	6	1	5

34.3 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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34.4 Crude oil purchase commitments

As at 31 December 2011, the Company had outstanding commitment in respect of the purchase of crude oil approximately 0.8 million barrels.

34.5 Bank guarantees

As at 31 December 2011, there were outstanding bank guarantees of approximately Baht 3 million, 5 million renminbi and 2 million ringgit 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 (Separate financial statements: Baht 3 million, 5 million renminbi and 1 million ringgit).

35. Financial instruments

35.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, trade and other payables and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans, as stated in statements of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, short-term loans from banks and long-term borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.



(Unit: Million Baht)

Consolidated financial statements

Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
Within 1 year	1-5 years				

Financial Assets

Cash and cash equivalents	519	-	76	406	1,002	0.2 - 3.3
Trade and other receivables	-	-	-	3,688	3,688	-
Deposits with financial institutions with restrictions	-	-	66	-	66	0.8 - 2.6

Financial liabilities

Short-term loans from financial institutions	3,785	-	-	-	3,785	1.3 - 3.7
Trade and other payables	-	-	-	3,486	3,486	-
Liabilities under finance lease agreements	12	13	-	-	25	1.0 - 63.0
Long-term loans	4	4	3,539	7	3,554	1.2 - 4.5

(Unit: Million Baht)

Separate financial statements

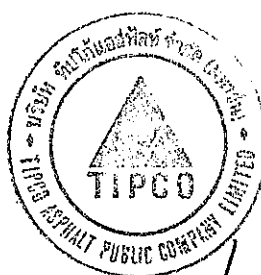
Interest rate statements						
Fixed interest rates		Floating	Non-			
Within		interest	interest			
1 year	1-5 years	rate	bearing	Total	Interest rate	
					(% p.a.)	

Financial Assets

Cash and cash equivalents	340	-	42	49	431	0.5 - 3.1
Trade and other receivables	-	-	-	1,626	1,626	-
Short-term loans to related parties	20	-	-	5	25	5.0

Financial liabilities

Short-term loans from financial institutions	2,360	-	-	-	2,360	1.8 - 2.0
Trade and other payables	-	-	-	2,969	2,969	-
Liabilities under finance lease agreements	7	6	-	-	13	4.8 - 63.0
Long-term loans	4	4	2,460	-	2,468	3.7 - 4.5



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Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and loans that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce risk from trading transactions by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

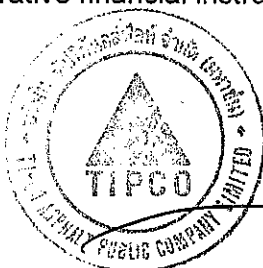
The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies as at 31 December 2011 are summarised below.

Foreign currency	Consolidated		Separate		Average exchange rate as at 31 December 2011 (Baht per 1 foreign currency unit)
	financial statements		financial statements		
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	
US Dollar	57	128	23	77	31.7
Renminbi	1	-	1	-	5.0
HK Dollar	-	-	1	-	4.1
Yen	-	701	-	-	0.4
Ringgit	8	5	-	1	10.0

Foreign exchange contracts of the Company and its subsidiaries outstanding at 31 December 2011 are summarised below.

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements		Sold	Bought
	Sold amount (Million)	Bought amount (Million)	Sold amount (Million)	Bought amount (Million)		
US Dollar	21.3	9.8	13.2	1.7	30.1 - 31.8 Baht per 1 US Dollar	31.0 - 31.9 Baht per 1 US Dollar
Euro	-	10.0	-	10.0	-	1.3 US Dollar per 1 Euro

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



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Risk from fluctuation in raw materials and finished goods prices

The Company and its subsidiary are exposed to risk from fluctuations in the price of raw materials and finished goods. To manage these risks, the Company and its subsidiary have entered into price hedging contracts with banks to hedge the risk from fluctuation in such prices.

As at 31 December 2011, the outstanding price hedging contracts are summarised below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Contracts presented as assets</u>				
Contracts to sell raw materials	13	-	13	-
Contracts to sell finished goods	55	-	55	-
Total price hedging contracts presented as assets	68	-	68	-
<u>Contracts presented as liabilities</u>				
Contracts to purchase raw materials	17	-	17	-
Contracts to sell raw materials	1	132	1	-
Contracts to sell finished goods	10	12	10	-
Total price hedging contracts presented as liabilities	28	144	28	-

35.2 Fair value of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets. For derivatives, fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.



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36. Capital management

The primary objective of the capital management of the Company and its subsidiaries is to ensure that they have an appropriate financial structure and preserves the ability to continue their business as a going concern.

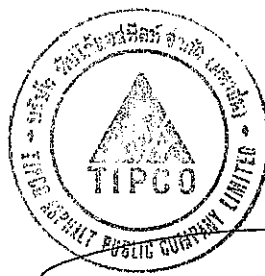
The Group manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2011, the Group's debt-to-equity ratio was 2.49:1 (2010: 1.96:1) and the Company's was 1.87:1 (2010: 0.99:1).

37. Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2 and as the result of the adoption of revised and new accounting standards as described in Note 3, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholder's equity.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 13 February 2012.



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