

Tipco Asphalt Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2013



Building a better
working world

Ernst & Young Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel: +66 2264 0777
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน เอ็นเอฟ แอนด์ ยัง จำกัด
ชั้น 33 อาคารเลคไรดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
ตู้ ป.ณ. 1047 กรุงเทพฯ 10501
โทรศัพท์: +66 2264 0777
โทรสาร: +66 2264 0789-90
ey.com

Independent Auditor's Report

To the Shareholders of Tipco Asphalt Public Company Limited

I have audited the accompanying consolidated financial statements of Tipco Asphalt Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Tipco Asphalt Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



Building a better
working world

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, 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 2013, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other matter

The financial statements of Tipco Asphalt Public Company Limited and its subsidiaries for the year ended 31 December 2012 were audited by another auditor of our office who, under her report dated 11 February 2013, expressed an unqualified opinion on those financial statements and drew attention to the change in accounting policy.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok: 12 February 2014

Tipco Asphalt Public Company Limited and its subsidiaries

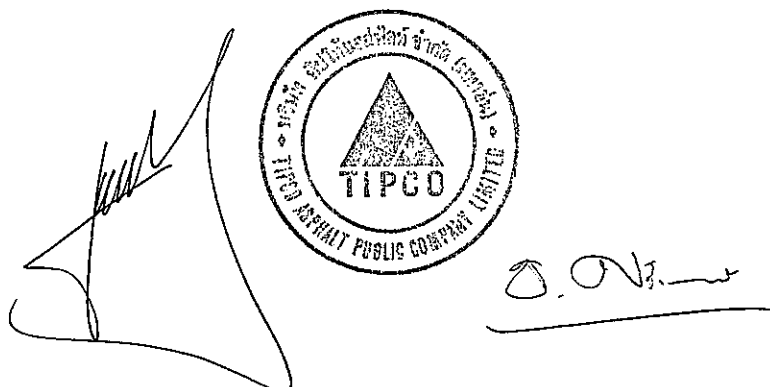
Statement of financial position

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Assets					
Current assets					
Cash and cash equivalents		495,434,890	739,597,042	89,695,844	44,140,952
Trade and other receivables	6, 7	3,966,572,674	5,347,921,360	3,663,366,890	5,442,063,490
Short-term loans to related parties	7	-	-	40,620,582	40,243,540
Inventories	8	9,349,415,454	7,048,482,865	8,651,623,150	6,443,284,016
Price hedging contracts	34	134,593,745	27,359,301	134,593,745	27,359,301
Forward exchange contracts	34	1,625,030	7,801,110	1,562,772	6,650,434
Other current assets		270,943,416	104,971,269	40,638,530	35,455,728
Total current assets		14,218,585,209	13,276,132,947	12,622,101,513	12,039,197,461
Assets held for sales - Vessel	9	-	45,423,693	-	-
Non-current assets					
Investments in subsidiaries	10	-	-	3,829,060,794	3,827,571,247
Investment in associate	11	110,520,585	60,648,740	18,403,580	18,403,580
Investment properties	12	199,432,500	199,432,500	100,651,528	101,197,924
Property, plant and equipment	13	5,246,623,305	4,595,800,707	455,783,574	490,569,772
Goodwill	10	146,293,504	146,293,504	-	-
Other intangible assets - Computer software		21,790,227	19,972,993	21,223,020	17,981,683
Leasehold rights	14	217,812,961	207,872,195	3,874,337	4,102,239
Deferred tax assets - net	26	102,407,897	106,845,698	45,871,803	44,776,746
Other non-current assets		10,052,516	11,331,624	4,931,288	5,380,932
Total non-current assets		6,054,933,495	5,348,197,961	4,479,799,924	4,509,984,123
Total assets		20,273,518,704	18,669,754,601	17,101,901,437	16,549,181,584

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



Tipco Asphalt Public Company Limited and its subsidiaries

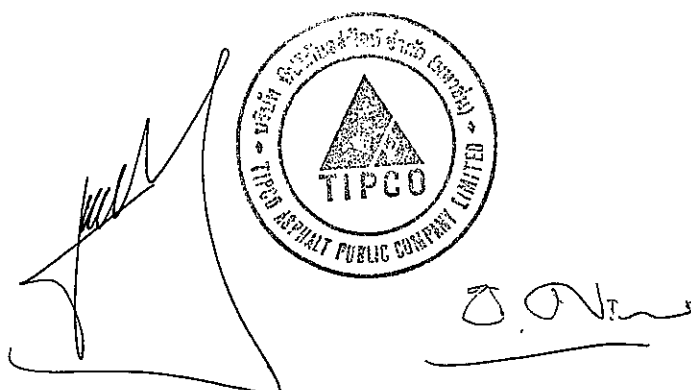
Statement of financial position (continued)

As at 31 December 2013

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	9,416,459,737	8,236,833,408	9,164,536,336	8,158,509,798
Trade and other payables	7, 16	1,611,815,321	2,202,837,490	1,682,324,035	2,212,017,359
Current portion of liabilities under					
finance lease agreements		7,009,538	8,595,644	5,238,513	4,618,291
Current portion of long-term loans from financial institutions	17	688,820,992	596,304,373	352,500,000	322,383,480
Income tax payable		13,735,830	69,328,878	1,457,547	38,501,527
Price hedging contracts	34	119,813,680	12,708,499	119,813,680	12,708,499
Forward exchange contracts	34	7,812,219	502,902	6,586,252	492,279
Other current liabilities		228,942,475	26,039,584	28,568,012	16,776,473
Total current liabilities		12,094,409,792	11,153,150,778	11,361,024,375	10,766,007,706
Non-current liabilities					
Liabilities under finance lease agreements -					
net of current portion		8,279,000	13,415,586	7,337,095	9,938,202
Long-term loans from financial institutions -					
net of current portion	17	2,179,870,256	2,364,592,294	772,500,000	1,103,408,346
Long-term loan from related party	7	7,950,789	7,227,108	-	-
Interest rate swap contracts	17	22,250,378	19,445,155	21,111,486	19,445,155
Provision for long-term employee benefits	19	69,821,799	69,231,320	55,544,867	56,821,784
Total non-current liabilities		2,288,172,222	2,473,911,463	856,493,448	1,189,613,487
Total liabilities		14,382,582,014	13,627,062,241	12,217,517,823	11,955,621,193

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



Tipco Asphalt Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013

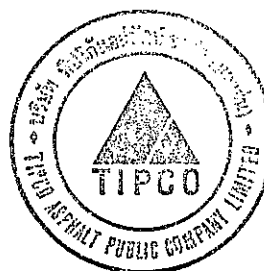
(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Shareholders' equity					
Share capital	20				
Registered					
171,059,929 ordinary shares					
(2012: 170,043,729 ordinary shares) of Baht 10 each		<u>1,710,599,290</u>	<u>1,700,437,290</u>	<u>1,710,599,290</u>	<u>1,700,437,290</u>
Issued and fully paid					
152,580,868 ordinary shares					
(2012: 152,548,068 ordinary shares) of Baht 10 each		1,525,808,680	1,525,480,680	1,525,808,680	1,525,480,680
Premium on share capital		887,824,106	886,112,274	887,824,106	886,112,274
Non-controlling interests of subsidiary acquired					
by the Company at price lower than book value		6,237,755	6,237,755	-	-
Change in the Company's interest in subsidiary					
which did not result in a loss of control	10	12,904,468	12,904,468	-	-
Capital reserve for share-based payment transactions	22	23,254,939	13,140,737	23,254,939	13,140,737
Retained earnings					
Appropriated - statutory reserve	23	162,053,000	140,503,000	162,053,000	140,503,000
Unappropriated		2,682,128,935	2,024,808,519	2,289,092,238	2,032,966,638
Other components of shareholders' equity		<u>(58,505,345)</u>	<u>(184,521,435)</u>	<u>(3,649,349)</u>	<u>(4,642,938)</u>
Equity attributable to owners of the Company		<u>5,241,706,538</u>	<u>4,424,665,998</u>	<u>4,884,383,614</u>	<u>4,593,560,391</u>
Non-controlling interests of the subsidiaries		<u>649,230,152</u>	<u>618,026,362</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>5,890,936,690</u>	<u>5,042,692,360</u>	<u>4,884,383,614</u>	<u>4,593,560,391</u>
Total liabilities and shareholders' equity		<u>20,273,518,704</u>	<u>18,669,754,601</u>	<u>17,101,901,437</u>	<u>16,549,181,584</u>

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

[Handwritten signature]

Directors

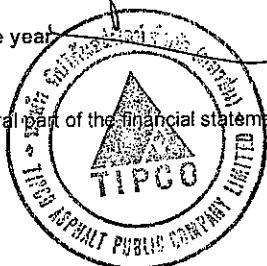


Tipco Asphalt Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2013

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues					
Sales and service income		33,934,919,398	37,663,155,183	31,860,052,018	35,898,367,645
Other income					
Dividend income from subsidiaries	10	-	-	16,100,000	204,947,351
Dividend income from associate	11	-	-	-	16,789,105
Income from liquidation of subsidiary		-	-	-	26,659,535
Gain on exchange	34	35,305,530	567,189,427	5,353,351	517,221,811
Compensation received from claims for damages	24	-	50,308,840	-	-
Others		123,941,836	98,310,237	127,106,669	72,772,845
Total revenues		34,094,166,764	38,378,963,687	32,008,612,038	36,736,758,292
Expenses					
Cost of sales and services		32,271,716,606	35,754,713,865	30,975,116,488	34,773,472,639
(Gain) loss from price hedging contracts	34	(84,606,270)	805,913,511	(84,606,270)	804,611,289
Reduce cost of inventory to net realisable value	8	7,831,398	1,081,594	1,196,947	560,977
		32,194,941,734	36,561,708,970	30,891,707,165	35,578,644,905
Selling expenses		126,902,787	108,782,788	65,392,144	60,759,321
Administrative expenses		658,427,546	594,138,146	419,021,660	386,061,700
Other expenses					
Allowance for doubtful accounts (reversal)		(19,669,545)	31,475,421	(4,991,993)	(7,227,555)
Impairment loss of assets held for sales	9	-	4,800,298	-	-
Impairment loss of investment properties	12	-	4,767,500	-	-
Impairment loss of equipment	13	1,756,500	20,834,537	-	-
Total expenses		32,962,359,022	37,326,507,660	31,371,128,976	36,018,238,371
Profit before share of profit from investment in associate, finance cost and income tax expenses		1,131,807,742	1,052,456,027	637,483,062	718,519,921
Share of profit from investment in associate	11	46,207,339	35,323,425	-	-
Profit before finance cost and income tax expenses		1,178,015,081	1,087,779,452	637,483,062	718,519,921
Finance cost		(194,704,205)	(282,340,477)	(131,703,116)	(225,094,917)
Profit before income tax expenses		983,310,876	805,438,975	505,779,946	493,425,004
Income tax expenses	26	(121,703,983)	(129,589,957)	(75,525,378)	(39,518,542)
Profit for the year		861,606,893	675,849,018	430,254,568	453,906,462
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currencies		148,818,782	(60,204,158)	-	-
Change in fair value of interest rate swap contract		1,241,986	1,610,686	1,241,986	1,610,686
Income tax effect	26	(248,397)	(544,569)	(248,397)	(544,569)
Other comprehensive income for the year		149,812,371	(59,138,041)	993,589	1,066,117
Total comprehensive income for the year		1,011,419,264	616,710,977	431,248,157	454,972,579

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



[Handwritten signature]

Tipco Asphalt Public Company Limited and its subsidiaries

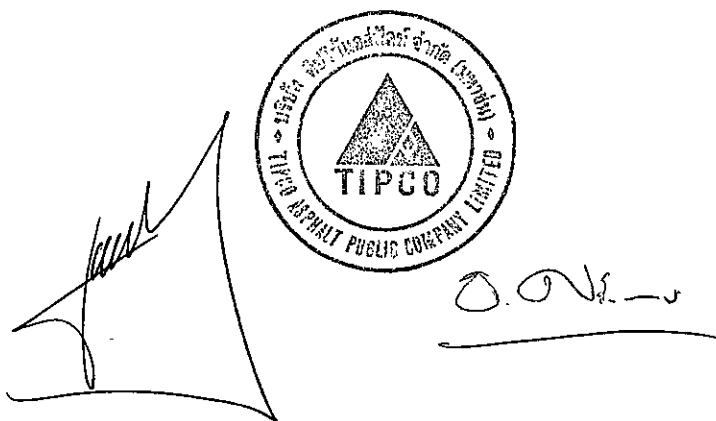
Statement of comprehensive income (continued)

For the year ended 31 December 2013

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Profit attributable to:					
Equity holders of the Company		831,449,384	642,273,946	<u>430,254,568</u>	<u>453,906,462</u>
Non-controlling interests of the subsidiaries		<u>30,157,509</u>	<u>33,575,072</u>		
		<u>861,606,893</u>	<u>675,849,018</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		957,465,474	593,042,917	<u>431,248,157</u>	<u>454,972,579</u>
Non-controlling interests of the subsidiaries		<u>53,953,790</u>	<u>23,668,060</u>		
		<u>1,011,419,264</u>	<u>616,710,977</u>		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>5.45</u>	<u>4.21</u>	<u>2.82</u>	<u>2.98</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>5.44</u>	<u>4.21</u>	<u>2.81</u>	<u>2.98</u>

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



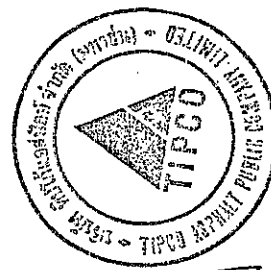
The image shows a handwritten signature on the left and a circular stamp in the center. The stamp contains the text 'TIPCO' in the middle, with 'TIPCO ASPHALT PUBLIC COMPANY LIMITED' around the perimeter. To the right of the stamp is another handwritten signature.

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2013

(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 which did not result in a loss of control	Capital reserve for share-based payment transactions	Retained earnings	Fair value of interest rate swap contract	Unappropriated statutory reserve	Unappropriated statutory reserve	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
Issued and paid-up share capital	Premium on share capital											
1,525,480,680	886,112,274	6,237,755	12,904,468	4,644,652	115,503,000	1,598,218,783	(5,709,055)	(129,581,351)	(135,290,406)	4,013,811,206	594,364,522	4,608,175,728
Share-based payment transactions (Note 22)		-	-	-	-	-	-	-	-	8,496,085	-	8,496,085
Dividend paid (Note 32)		-	-	-	-	(190,684,210)	-	-	-	(190,684,210)	-	(190,684,210)
Dividend paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	-	(6,220)	(6,220)
Total comprehensive income for the year		-	-	-	-	642,273,946	1,066,117	(50,297,146)	(49,231,029)	593,042,917	23,668,060	616,710,977
Appropriation of statutory reserve (Note 23)		-	-	-	-	(25,000,000)	-	-	-	-	-	-
Balance as at 31 December 2012	886,112,274	6,237,755	12,904,468	13,140,737	140,503,000	2,024,808,519	(4,642,938)	(179,878,497)	(184,521,435)	4,424,665,998	618,026,362	5,042,692,360
Balance as at 1 January 2013	886,112,274	6,237,755	12,904,468	13,140,737	140,503,000	2,024,808,519	(4,642,938)	(179,878,497)	(184,521,435)	4,424,665,998	618,026,362	5,042,692,360
Increase in share capital (Note 20)	1,711,832	-	-	-	-	-	-	-	-	2,039,832	-	2,039,832
Share-based payment transactions (Note 22)	-	-	-	-	-	-	-	-	-	10,114,202	-	10,114,202
Dividend paid (Note 32)	-	-	-	-	-	(152,578,968)	-	-	-	(152,578,968)	-	(152,578,968)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(22,750,000)	(22,750,000)
Total comprehensive income for the year	-	-	-	-	-	831,449,384	993,589	125,022,501	125,016,090	957,465,474	53,953,790	1,011,419,264
Appropriation of statutory reserve (Note 23)	-	-	-	-	-	(21,550,000)	-	-	-	-	-	-
Balance as at 31 December 2013	887,824,106	6,237,755	12,904,468	23,254,939	162,053,000	2,682,128,935	(3,649,349)	(54,855,996)	(58,505,345)	5,241,706,538	649,230,152	5,890,936,690

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



D. Onk...

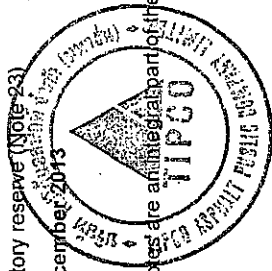
Tipco Asphalt Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2013

	Separate financial statements								(Unit: Baht)
	Other component of equity								
	Other								
	comprehensive								
	income								
	Capital reserve for share-base payment transactions	Retained earnings Appropriated - statutory reserve	Unappropriated	Fair value of interest rate swap contracts	Total other component of shareholders' equity	Total shareholders' equity			
Issued and paid-up share capital	Premium on share capital								
Balance as at 1 January 2012	1,525,480,680	886,112,274	115,503,000	1,794,744,386	(5,709,055)	4,320,775,937			
Share-based payment transactions (Note 22)	-	-	-	-	-	8,496,085			
Dividend paid (Note 32)	-	-	-	(190,684,210)	-	(190,684,210)			
Total comprehensive income for the year	-	-	-	453,906,462	1,066,117	454,972,579			
Appropriation of statutory reserve (Note 23)	-	-	25,000,000	(25,000,000)	-	-			
Balance as at 31 December 2012	1,525,480,680	886,112,274	140,503,000	2,032,966,638	(4,642,938)	4,593,560,391			
Balance as at 1 January 2013	1,525,480,680	886,112,274	140,503,000	2,032,966,638	(4,642,938)	4,593,560,391			
Increase in share capital (Note 20)	328,000	1,711,832	-	-	-	2,039,832			
Share-based payment transactions (Note 22)	-	-	-	-	-	10,114,202			
Dividend paid (Note 32)	-	-	-	(152,578,968)	-	(152,578,968)			
Total comprehensive income for the year	-	-	-	430,254,568	993,589	431,248,157			
Appropriation of statutory reserve (Note 23)	-	-	21,550,000	(21,550,000)	-	-			
Balance as at 31 December 2013	1,525,808,680	887,824,106	162,053,000	2,289,092,238	(3,649,349)	4,884,383,614			

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



[Signature]

Tipco Asphalt Public Company Limited and its subsidiaries

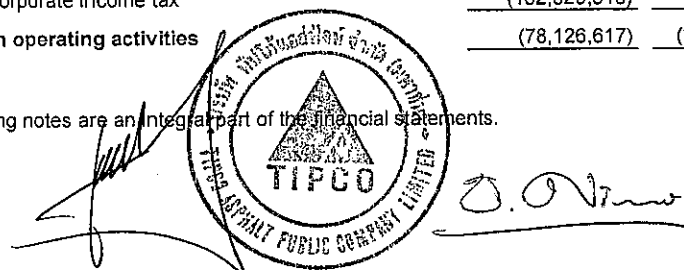
Cash flow statement

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:				
Profit before tax	983,310,876	805,438,975	505,779,946	493,425,004
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	434,352,337	418,850,240	74,454,840	80,230,131
Write-off withholding tax	10,751	1,177,404	-	-
Allowance for doubtful accounts (reversal)	(19,669,545)	31,475,421	(4,991,993)	(7,227,555)
Reduce cost of inventory to net realisable value	7,831,398	1,081,594	1,196,947	560,977
Dividend income from subsidiaries	-	-	(16,100,000)	(204,947,351)
Dividend income from associate	-	-	-	(16,789,105)
Income from liquidation of subsidiary	-	-	-	(26,659,535)
Unrealised (gain) loss on exchange rate	249,370,473	(46,386,441)	188,480,393	(22,931,806)
Realised gain on exchange from amendment of long-term loan agreement	(28,988,684)	-	-	-
Gain on sales of equipment	(8,318,007)	(2,761,185)	(7,773,877)	(3,054,992)
Impairment loss of assets held for sales	-	4,800,298	-	-
Impairment loss of investment properties	-	4,767,500	-	-
Impairment loss of equipment	1,756,500	20,834,537	-	-
Share of profit from investment in associate	(46,207,339)	(35,323,425)	-	-
Share-based payment transactions	10,114,202	8,496,085	8,624,655	6,065,341
Provision for long-term employee benefits	9,397,208	10,269,170	7,361,043	8,125,296
Change in fair value of forward exchange contracts	13,485,397	(17,216,444)	11,181,635	(11,044,004)
Change in fair value of price hedging contracts	(129,263)	25,143,876	(129,263)	25,143,876
Change in fair value of interest rate swap contract recognised in profit or loss	3,550,518	22,637,827	2,411,626	11,664,947
Interest expenses	179,624,390	250,515,438	122,287,638	204,792,744
Profit from operating activities before changes in operating assets and liabilities	1,789,491,212	1,503,800,870	892,783,590	537,353,968
(Increase) decrease in operating assets				
Trade and other receivables	1,415,991,486	(1,737,761,316)	1,834,292,316	(3,815,246,272)
Inventories	(2,308,969,227)	(1,293,721,153)	(2,214,733,747)	(1,651,200,783)
Other current assets	(210,018,640)	(73,572,920)	(17,507,250)	(23,104,662)
Other non-current assets	28,338	(93,104,560)	(8,423,075)	9,588,118
Increase (decrease) in operating liabilities				
Trade and other payables	(631,176,805)	(1,280,789,497)	(555,965,601)	(621,586,429)
Other current liabilities	194,592,853	(78,364,177)	3,650,270	(35,730,661)
Cash flows from (used in) operating activities	249,939,217	(3,053,512,753)	(65,903,497)	(5,599,926,721)
Cash paid for interest expenses	(165,736,319)	(260,374,184)	(105,604,706)	(210,800,565)
Cash paid for corporate income tax	(162,329,515)	(38,476,765)	(113,912,812)	(20,239,149)
Net cash used in operating activities	(78,126,617)	(3,352,363,702)	(285,421,015)	(5,830,966,435)

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



Tipco Asphalt Public Company Limited and its subsidiaries

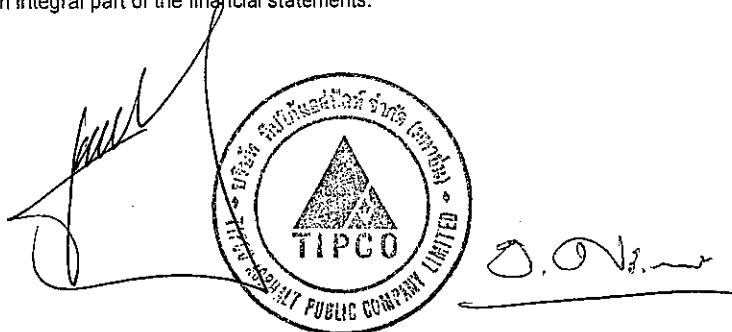
Cash flow statement (continued)

For the year ended 31 December 2013

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from investing activities:				
Decrease in restricted bank deposits	-	66,065,220	-	-
Cash receipt from business transfer to subsidiary	-	-	61,067,790	-
Cash paid for investment in subsidiary	-	-	-	(98,000,000)
Cash receipt from liquidation of subsidiary	-	-	-	968,450
Cash receipt from share capital reduction of subsidiary	-	-	-	800,000,000
Dividend received from subsidiaries	-	-	16,100,000	204,947,351
Dividend received from associate	-	16,789,105	-	16,789,105
Increase in short-term loans to related parties	-	-	-	(15,000,000)
Acquisition of equipment	(842,195,847)	(725,051,764)	(63,131,935)	(38,721,697)
Acquisition of computer software	(4,369,546)	(17,212,991)	(4,198,500)	(16,688,664)
Proceeds from sales of equipment and vessel	57,957,383	6,612,691	4,849,510	3,329,980
Net cash from (used in) investing activities	(788,608,010)	(652,797,739)	14,686,865	857,624,525
Cash flows from financing activities:				
Increase in short-term loans from banks	937,729,804	4,483,942,513	771,972,889	5,824,946,986
Cash paid under finance lease agreements	(8,674,693)	(9,452,812)	(4,465,792)	(4,950,336)
Cash drawdown from long-term loans	488,288,300	700,128,119	-	-
Repayment of long-term loans	(622,410,446)	(1,244,331,016)	(300,791,827)	(1,042,383,480)
Cash receipt from increase share capital	2,039,832	-	2,039,832	-
Dividend paid to shareholders	(152,466,060)	(190,644,272)	(152,466,060)	(190,644,272)
Dividend paid to non-controlling interests of subsidiaries	(22,750,000)	(6,220)	-	-
Net cash from financing activities	621,756,737	3,739,636,312	316,289,042	4,586,968,898
Exchange differences on translation of				
financial statements in foreign currencies	815,738	3,303,437	-	-
Net increase (decrease) in cash and cash equivalents	(244,162,152)	(262,221,692)	45,554,892	(386,373,012)
Cash and cash equivalents at beginning of year	739,597,042	1,001,818,734	44,140,952	430,513,964
Cash and cash equivalents at end of year	495,434,890	739,597,042	89,695,844	44,140,952
Supplemental cash flows information				
Non-cash transactions				
Acquisition of assets through finance lease	3,231,432	6,811,771	2,628,700	5,927,191
Accounts payable from purchase of equipment	17,953,938	15,079,974	-	-
Settlement of proceed from liquidation of subsidiary with account payable	-	-	-	125,690,385

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



Tipco Asphalt Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2013

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 and petroleum products and its registered address is 118/1 Rama 6 Road, Samsen-nai Sub district, Phayathai District, Bangkok.

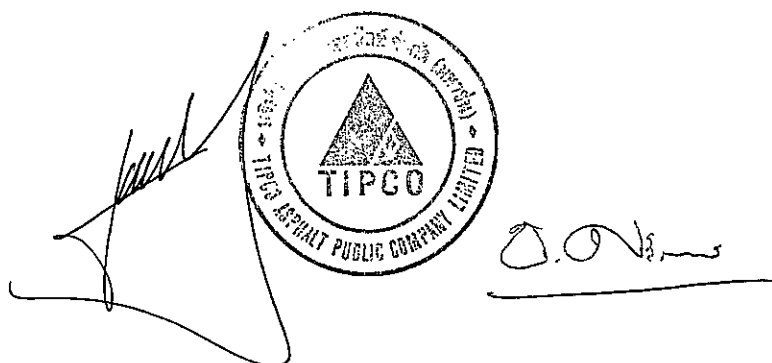
On 10 August 2012, the Meeting of the Company's Board of Directors passed a resolution to transfer vessel operation to its subsidiary. This business transfer was completed on 30 April 2013. The Company transferred assets amounting to Baht 63.2 million and transferred liabilities amounting to Baht 2.1 million. The Company received cash payment for the net assets value amounting to Baht 61.1 million, on 30 April 2013 and 17 May 2013.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting 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.

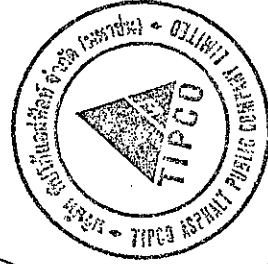


The image shows a handwritten signature on the left and a circular stamp in the center. The stamp features a triangle with the word 'TIPCO' inside, surrounded by the text 'TIPCO ASPHALT PUBLIC COMPANY LIMITED'. To the right of the stamp is another handwritten signature.

2.2 Basis of consolidation

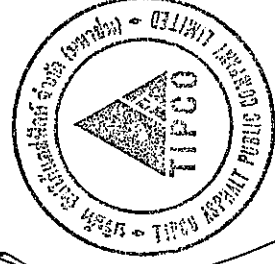
- a) The consolidated financial statements include the financial statements of the Company and the following subsidiaries:

Company's name	Nature of business	Paid-up capital		Percentage of shareholding	
		<u>2013</u> (Million Baht) (Except for other specified currency)	<u>2012</u> (Million Baht)	<u>2013</u> (%)	<u>2012</u> (%)
<u>Subsidiaries incorporated in Thailand</u>					
Raycol Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	111	111	41.44	41.44
Thai Bitumen Co., Ltd.	Holding company and manufacture and distribution of asphalt products	1,500	1,500	99.99	99.99
Tipco Maritime Co., Ltd.	Shipping management and agency	2	2	99.97	99.97
Alpha Maritime Co., Ltd.	Marine transportation	18	18	99.99	99.99
Bitumen Marine Co., Ltd.	Marine transportation	150	150	99.99	99.99
Delta Shipping Co., Ltd.	Marine transportation	80	80	99.99	99.99
Tasco Shipping Co., Ltd.	Marine transportation	290	290	99.99	99.99



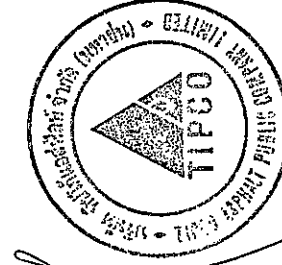
(Signature)

Company's name	Nature of business	Paid-up capital		Percentage of shareholding	
		<u>2013</u> (Million Baht) (Except for other specified currency)	<u>2012</u> (Million Baht)	<u>2013</u> (%)	<u>2012</u> (%)
<u>Subsidiaries incorporated in Malaysia</u>					
Kemaman Oil Corporation Sdn Bhd (KOC)	Holding company	151.96	151.96	63.12	63.12
(11.30% owned by the Company and 51.82% owned by Thai Bitumen Co., Ltd.)		Million ringgit	Million ringgit		
Kemaman Bitumen Company Sdn Bhd (KBC)	Manufacture and distribution of	305.55	305.55	82.77	82.77
(41.98% owned by the Company, 12.52% owned by Thai Bitumen Co., Ltd. and 44.80% owned by KOC)	asphalt products	Million ringgit	Million ringgit		
<u>Subsidiary incorporated in Singapore</u>					
KBC Energy Pte. Ltd. (Owned by KOC)	Dormant	0.01	0.01	63.12	63.12
		Million USD	Million USD		
<u>Subsidiary incorporated in Cambodia</u>					
Tipco Asphalt (Cambodia) Co., Ltd.	Manufacture and distribution of	20.00	20.00	100.00	100.00
	asphalt products	Million riel	Million riel		



(Signature)

Company's name	Nature of business	Paid-up capital		Percentage of shareholding	
		<u>2013</u> (Million Baht) (Except for other specified currency)	<u>2012</u> (Million Baht)	<u>2013</u> (%)	<u>2012</u> (%)
<u>Subsidiary incorporated in Hong Kong</u>					
Tasco International (Hong Kong) Ltd.	Holding company	30.97 Million HKD	30.97 Million HKD	100.00	100.00
<u>Subsidiaries incorporated in China (owned by Tasco International (Hong Kong) Ltd.)</u>					
Langfang Tongtai Road Material Co., Ltd.	Manufacture and distribution of asphalt products	2.10 Million USD	2.10 Million USD	51.00	51.00
Zhenjiang Tipco Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	20.00 Million RMB	20.00 Million RMB	51.00	51.00
Tipco Asphalt (Xinhui) Co., Ltd.	Manufacture and distribution of asphalt products	2.10 Million USD	2.10 Million USD	100.00	100.00



[Handwritten signature]

[Handwritten signature]

- 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 statement 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.

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.

3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

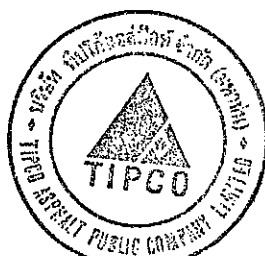
(a) Accounting standards that became effective in the current accounting year

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 |

Financial Reporting Standard:

- | | |
|--------|--------------------|
| IFRS 8 | Operating Segments |
|--------|--------------------|



[Handwritten signature]

[Handwritten signature]

Accounting Standard Interpretations:

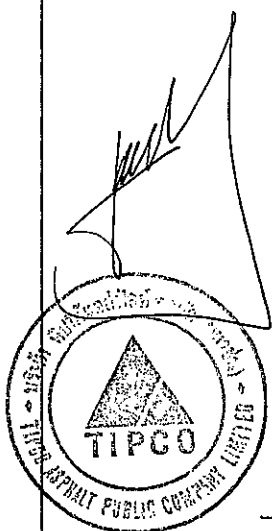
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements. However, the Company and its subsidiaries have early adopted TAS 12 "Income Taxes" before the effective date.

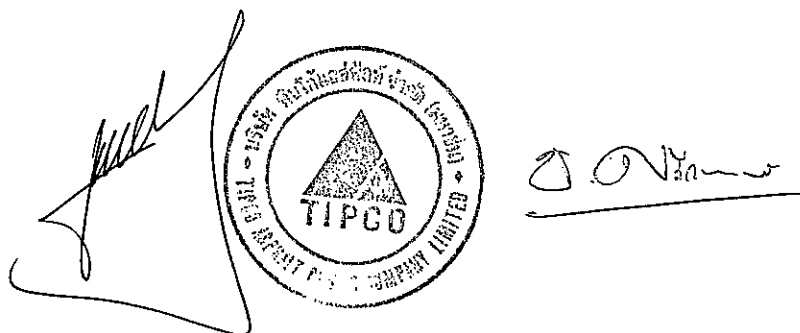
(b) Accounting standards that will become effective in the future

			<u>Effective date</u>
Accounting Standards:			
TAS 1 (revised 2012)	Presentation of Financial Statements		1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows		1 January 2014
TAS 12 (revised 2012)	Income Taxes		1 January 2014
TAS 17 (revised 2012)	Leases		1 January 2014
TAS 18 (revised 2012)	Revenue		1 January 2014
TAS 19 (revised 2012)	Employee Benefits		1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates		1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures		1 January 2014
TAS 28 (revised 2012)	Investments in Associates		1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures		1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting		1 January 2014
TAS 38 (revised 2012)	Intangible Assets		1 January 2014
Financial Reporting Standards:			
TFRS 2 (revised 2012)	Share-based Payment		1 January 2014
TFRS 3 (revised 2012)	Business Combinations		1 January 2014
TFRS 4	Insurance Contracts		1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations		1 January 2014
TFRS 8 (revised 2012)	Operating Segments		1 January 2014



		<u>Effective date</u>
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The management of the Company and its subsidiaries believe that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.



The block contains a handwritten signature on the left, a circular official stamp in the center, and another handwritten signature on the right. The circular stamp features a triangle in the center with the word 'TIPCO' below it. The text around the triangle reads 'TIPCO' at the top and 'TIPCO COMPANY LIMITED' at the bottom. The entire stamp is enclosed in a circular border.

4. Significant accounting policies

4.1 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.

4.2 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.

4.3 Trade and other receivables

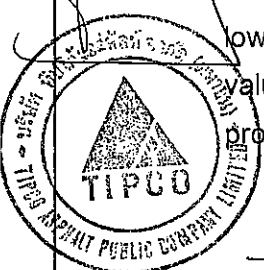
Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Finished goods are valued at the lower of cost determined under the weighted average cost method and net realisable value. Cost of finished goods includes all production costs and attributable factory overheads.

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

D. V. V.



4.5 Assets held for sales - Vessel

Assets held for sales are assets whose carrying amounts will be recovered through a sales transaction rather than through continuing use. The assets are measured at the lower of carrying amount and fair value less costs to sell, and they are not depreciated.

4.6 Investments

- a) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method less allowance for loss on impairment.

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

4.8 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.

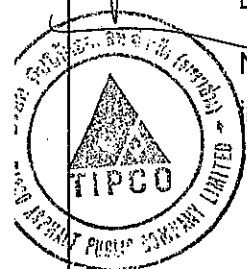
Depreciation of plant and equipment is calculated by reference to their costs less residual value on the straight-line basis over the following estimated useful lives:

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.

D. O. N. S. M.



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.

4.9 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.

4.10 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).

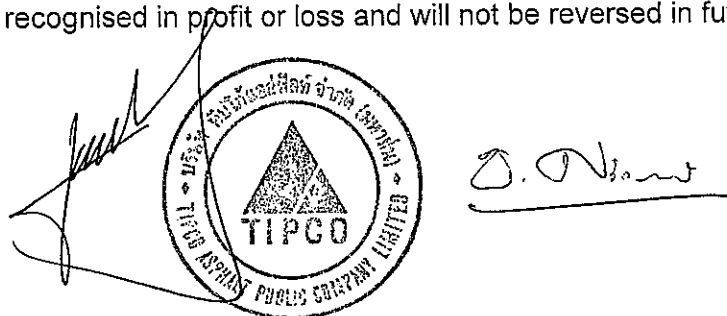
Computer software with finite life is amortised on a straight line basis over the economic useful life of 5 years and tested for impairment whenever there is an indication that the software may be impaired. The amortisation period and the amortisation method of such software are reviewed at least at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

4.11 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 unit 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.



4.12 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.

4.13 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.

4.14 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 are depreciated over the shorter of the useful life of the assets and the lease period, if the Company and its subsidiaries expect not to purchase such assets at the end of the lease period.

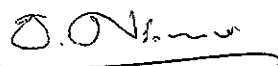
Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

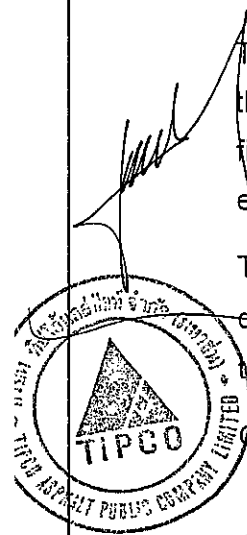
4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using the functional currency of that entity.

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.





4.16 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.

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, such reversal except for that of goodwill, is recognised in profit or loss.

4.17 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

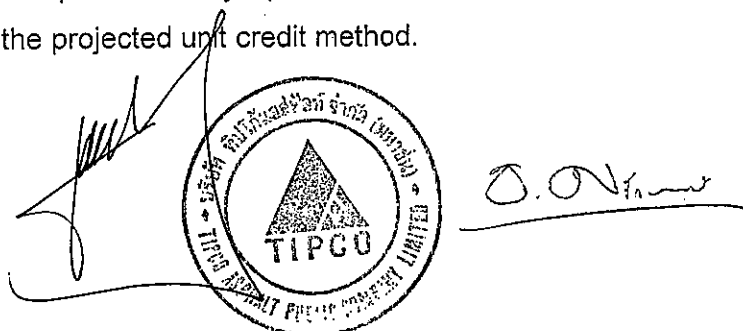
Defined contribution plans

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 they must make to employees upon retirement under labor law and other employee benefit plans. The Company and the local 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 plans 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.

A handwritten signature is written over a circular stamp. The stamp features a triangle in the center with the letters 'TPGO' below it. The text around the triangle reads 'TIPCO GROUP LIMITED' at the top and 'TIPCO GROUP LIMITED' at the bottom. To the right of the stamp is another handwritten signature.

4.18 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.

4.19 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.

4.20 Income Tax

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

Current tax

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

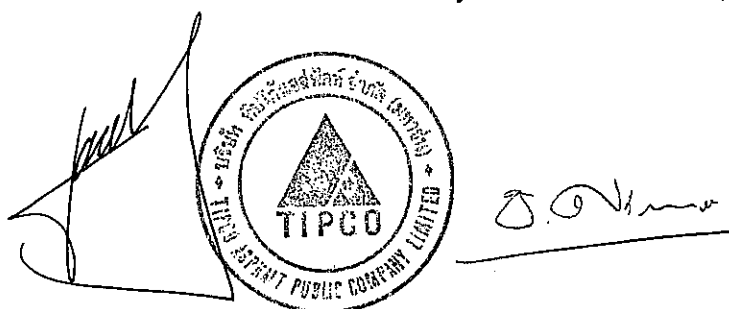
Deferred tax

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

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

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

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



4.21 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 and option 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 and its subsidiaries deferred in shareholders' equity of the Company and its subsidiaries until realised or recorded in profit or loss.

5. Significant accounting judgments and estimates

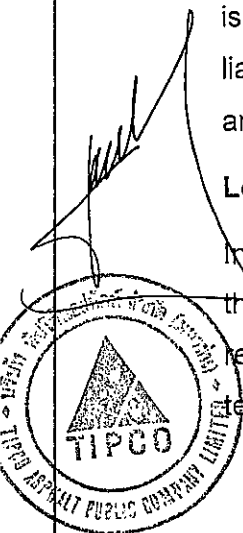
The preparation of financial statements in conformity with financial reporting standards accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures, 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.



[Signature]

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 reporting period.

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.

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 judgment of the management.

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.

Deferred tax assets

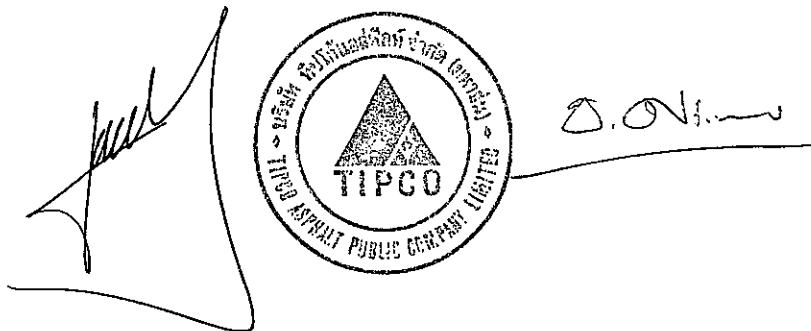
Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

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.



The image shows a handwritten signature on the left and a circular stamp in the center. The stamp features a triangle with the letters 'TIPCO' inside. The text around the triangle reads 'TIPCO ASPHALT PUBLIC COMPANY LIMITED' in English and Thai. To the right of the stamp is another handwritten signature.

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Trade receivables - related parties</u> (Note 7)				
Aged on the basis of due dates				
Not yet due	490,525	453,024	1,269,351	1,139,533
Past due				
Up to 3 months	21,051	448,143	279,848	1,019,038
3 - 6 months	-	-	56,375	83,755
6 - 9 months	58	176	-	-
9 - 12 months	61	-	3,272	-
Over 12 months	176	-	-	-
Total trade receivables - related parties	511,871	901,343	1,608,846	2,242,326
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	2,749,017	3,521,307	1,827,445	2,646,853
Past due				
Up to 3 months	454,089	731,293	152,994	460,384
3 - 6 months	120,295	51,350	22,959	14,881
6 - 9 months	39,668	22,591	669	2,537
9 - 12 months	6,878	70,262	1,824	5,514
Over 12 months	115,022	114,826	82,325	92,791
Total	3,484,969	4,511,629	2,088,216	3,222,960
Less: Allowance for doubtful accounts	(115,833)	(132,390)	(76,033)	(81,025)
Total trade receivables - unrelated parties, net	3,369,136	4,379,239	2,012,183	3,141,935
Total trade receivables - net	3,881,007	5,280,582	3,621,029	5,384,261
<u>Other receivables</u>				
Amounts due from related parties (Note 7)	12,224	7,809	26,409	16,497
Accounts receivable from price				
hedging contracts	5,866	39,410	5,866	39,410
Other receivables	67,476	20,120	10,063	1,895
Total other receivables	85,566	67,339	42,338	57,802
Trade and other receivables - net	3,966,573	5,347,921	3,663,367	5,442,063

Other receivables

Amounts due from related parties (Note 7)

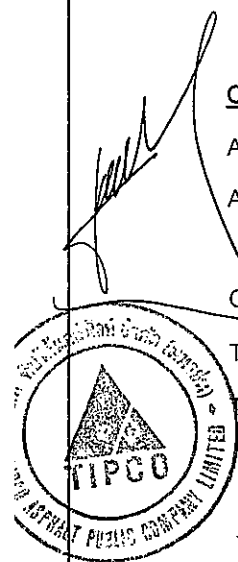
Accounts receivable from price

hedging contracts

Other receivables

Total other receivables

Trade and other receivables - net



7. 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		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	5,602	5,211	Cost plus certain margin
Rental and service income	-	-	34	20	Contract price
Technical assistance fee income	-	-	12	12	Contract price
Interest income	-	-	1	-	2.8 percent per annum
Dividend income	-	-	16	205	
Purchases of goods	-	-	8	535	Cost plus certain margin
Rental and service expenses	-	-	1,438	1,766	Contract price
<u>Transactions with associate</u>					
Dividend income	-	17	-	17	
<u>Transactions with related companies</u>					
Sales and service income	3,703	4,840	3,531	4,633	Market price / contract price
Rental and service income	4	5	4	2	Contract price
Rental and service expenses	45	41	32	35	Contract price
Technical assistance fee expenses	51	42	32	25	Contract price

The balances of the accounts between the Company and its subsidiaries and those related companies as at 31 December 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Trade and other receivables- related parties</u> (Note 6)				
Subsidiaries	-	-	1,154,376	1,364,109
Related companies (common shareholders and directors)	524,095	909,152	480,879	894,714
Total trade and other receivables - related parties	524,095	909,152	1,635,255	2,258,823

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	40,621	40,244
Total short-term loans to related parties	-	-	40,621	40,244

Trade and other payables - related parties (Note 16)

Subsidiaries	-	-	449,778	338,560
Related companies (common shareholders and directors)	45,198	47,273	37,879	35,412
Total trade and other payables - related parties	45,198	47,273	487,657	373,972

Long-term loan from related party

Related company (shareholder of subsidiary)	7,951	7,227	-	-
Total long-term loan from related party	7,951	7,227	-	-

Loans to related parties and loan from related parties

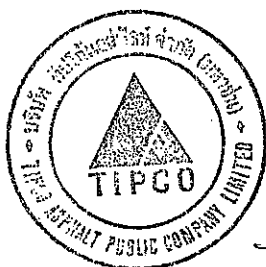
As at 31 December 2013 and 2012, the balances of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements		
Loans to related parties	Related by	Balance as at	Unrealise gain on	Balance as at
		31 December 2012	exchange rate	31 December 2013
Alpha Maritime Co., Ltd.	Subsidiary	35,000	-	35,000
Kemaman Oil Corporation Sdn Bhd	Subsidiary	5,244	377	5,621
Total		40,244	377	40,621

(Unit: Thousand Baht)

		Consolidated financial statements		
Loans from related parties	Related by	Balance as at	Translation	Balance as at
		31 December 2012	adjustment	31 December 2013
Zhenjiang Highway Materials Company	Shareholder of subsidiary	7,227	724	7,951
Total		7,227	724	7,951



Directors and management's benefits

During 2013 and 2012, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	102	104	86	89
Post-employment benefits	4	4	4	4
Share-based payment transactions (Note 22)	6	4	6	3
Total	<u>112</u>	<u>112</u>	<u>96</u>	<u>96</u>

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 18 to the financial statements.

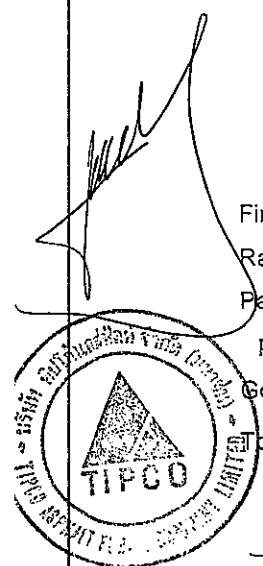
8. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Finished goods	1,419,466	1,487,167	-	(157)	1,419,466	1,487,010
Raw materials	2,406,331	2,338,736	(7,759)	(730)	2,398,572	2,338,006
Packaging materials, spare parts and factory supplies	101,443	110,403	(3,726)	(2,529)	97,717	107,874
Goods in transit	5,433,660	3,115,593	-	-	5,433,660	3,115,593
Total	<u>9,360,900</u>	<u>7,051,899</u>	<u>(11,485)</u>	<u>(3,416)</u>	<u>9,349,415</u>	<u>7,048,483</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Finished goods	1,287,299	1,353,790	-	-	1,287,299	1,353,790
Raw materials	1,919,566	1,964,899	-	-	1,919,566	1,964,899
Packaging materials, spare parts and factory supplies	15,035	20,926	(3,282)	(2,085)	11,753	18,841
Goods in transit	5,433,005	3,105,754	-	-	5,433,005	3,105,754
Total	<u>8,654,905</u>	<u>6,445,369</u>	<u>(3,282)</u>	<u>(2,085)</u>	<u>8,651,623</u>	<u>6,443,284</u>



9. Assets held for sales - Vessel

The vessel held for sales was an asset of Delta Shipping Company Limited. In December 2012, this subsidiary entered into a contract to sell the vessel, together with tools and instruments on the vessel, to an overseas company for approximately USD 1.5 million. As a result, the subsidiary reclassified these assets from property, plant and equipment to vessel held for sale and recorded impairment loss on the assets of approximately Baht 4.8 million as an expense in profit or loss for 2012.

In January 2013, the subsidiary received payment and transferred the vessel to the buyer.

10. Investments in subsidiaries

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

Company's name	Investment cost of the Company		(Unit: Thousand Baht) Dividend received during the year by the Company	
	2013	2012	2013	2012
<u>Domestic subsidiaries</u>				
Raycol Asphalt Co., Ltd.	193,200	193,200	16,100	-
Thai Bitumen Co., Ltd.	1,499,917	1,499,917	-	187,450
Less: Provision for impairment loss of investment	(60,775)	(60,775)		
Tipco Maritime Co., Ltd.	1,999	1,999	-	17,497
Alpha Maritime Co., Ltd.	17,999	17,999	-	-
Bitumen Marine Co., Ltd.	149,999	149,999	-	-
Delta Shipping Co., Ltd.	79,999	79,999	-	-
Tasco Shipping Co., Ltd.	289,999	289,999	-	-
<u>Overseas subsidiaries</u>				
Tasco International (Hong Kong) Ltd.	130,008	130,008	-	-
Add: Additional investment cost from the acquisition of subsidiary under common control	115,849	115,849		
Kemaman Oil Corporation Sdn Bhd (KOC) (11.30% owned by the Company and 51.82% owned by Thai Bitumen Co., Ltd.)	173,677	173,677	-	-
Kemaman Bitumen Company Sdn Bhd (KBC) (41.98% owned by the Company, 12.52% owned by Thai Bitumen Co., Ltd. and 44.80% owned by KOC)	1,231,719	1,231,719	-	-
Tipco Asphalt (Cambodia) Co., Ltd.	165	165	-	-
Investments in subsidiaries	3,823,755	3,823,755	16,100	204,947
Cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees (Note 22)	5,306	3,816		
Total investments in subsidiaries	3,829,061	3,827,571		

The paid-up capital and percentage of shareholding were presented in Note 2.2 to the financial statements.

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

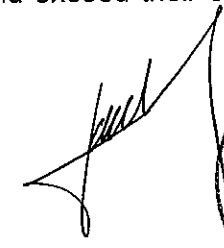
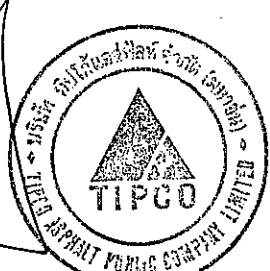
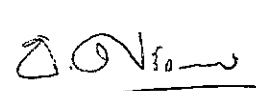
During 2013, the Company recorded cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees (Note 22) amounted to Baht 1.5 million (2012: Baht 2.4 million), as a cost of investments in subsidiaries.

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

After the Company and Thai Bitumen signed the KOC's shareholder agreement with Seloga Holdings Berhad ("SHB") and Aras Jalinan Sdn Bhd ("Aras") offered to exercise the rights under such agreement on behalf of SHB, the Company and Thai Bitumen have had disputes with Aras since 2008. In May 2011, the International Chamber of Commerce Arbitral Tribunal made the final arbitration award relating to the dispute between the Company and Thai Bitumen, and Aras, which the Company and Thai Bitumen brought to arbitration. The arbitration award denied all the disputed claims by ARAS, except that KOC shall accept the share acquisition payment amounting to MYR 5 million which was made by Aras to KOC on 3 March 2008. 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. The Company recorded the change in the subsidiaries' interest under the caption of "Change in the Company's interest in subsidiary which did not result in a loss of control" over the consolidated shareholders' equity.

Currently, the Federal Court of Malaysia is considering the appeal against the judgment of the Court of First Instance filed by Aras regarding the extraordinary general meeting of KOC's shareholders because the said judgment was in favor of the Company and Thai Bitumen. The management of the Company and Thai Bitumen believed that the outcome of the appeal, which has not been reached, would not affect the value of the investments and the equity interests of the Company and Thai Bitumen in KOC and KBC.

As at 31 December 2013, 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 interests in these subsidiaries by Baht 477 million (2012: Baht 553 million). The Company believed that the recoverable benefits from these investments would exceed their costs. Therefore, no allowance for impairment was made in the account.

11. Investment in associate

11.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements					
	Shareholding		Cost		Carrying amounts based	
	percentage				on equity method	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(%)	(%)				
Colasie Co., Ltd.	40	40	18,404	18,404	110,521	60,649
(Registered under the law of France)						
(Holding company)						
Total investment in associate			<u>18,404</u>	<u>18,404</u>	<u>110,521</u>	<u>60,649</u>

(Unit: Thousand Baht)

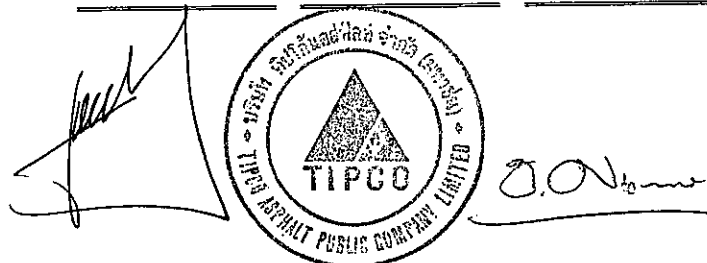
Company's name	Separate financial statements					
	Shareholding		Cost		Carrying amounts	
	percentage				based on cost method	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(%)	(%)				
Colasie Co., Ltd.	40	40	18,404	18,404	18,404	18,404
Total investment in associate			<u>18,404</u>	<u>18,404</u>	<u>18,404</u>	<u>18,404</u>

11.2 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		Dividend received	
	associate during the year		during the year by the Company	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Colasie Co., Ltd.	46,207	35,323	-	16,789
Total	<u>46,207</u>	<u>35,323</u>	<u>-</u>	<u>16,789</u>



11.3 Summarised financial information of associate

Financial information of the associate is summarised below.

(Unit: Million Euro)

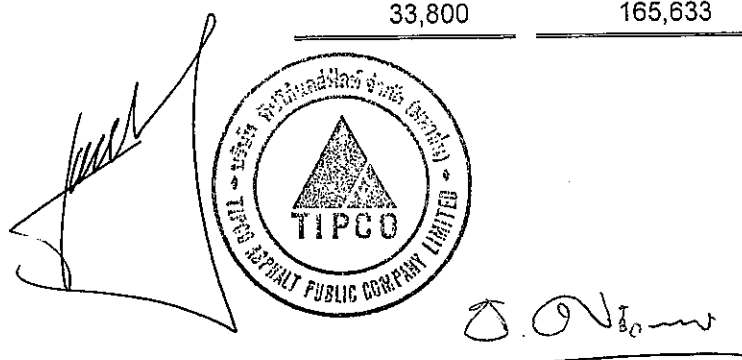
Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit for the year	
	as at		as at		as at		for the year ended		ended 31 December	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Colasie Co., Ltd.	1.04	1.04	3.04	2.61	0.01	0.01	2.87	2.26	2.83	2.20

12. Investment properties

The net book value of investment properties as at 31 December 2013 and 2012 are presented below.

(Unit: Thousand Baht)

Consolidated financial statements			
The Company's			
land, buildings			
and equipment			
located at			
	Petchburi Plant	Land of Thai Bitumen	Total
As at 31 December 2013:			
Cost	268,377	383,608	651,985
<u>Less</u> Accumulated depreciation	(138,692)	-	(138,692)
<u>Less</u> Allowance for diminution in value	(95,885)	(217,975)	(313,860)
Net book value	33,800	165,633	199,433
As at 31 December 2012:			
Cost	268,377	383,608	651,985
<u>Less</u> Accumulated depreciation	(138,692)	-	(138,692)
<u>Less</u> Allowance for diminution in value	(95,885)	(217,975)	(313,860)
Net book value	33,800	165,633	199,433



(Unit: Thousand Baht)

Separate financial statements

	The Company's land, buildings and equipment located at Petchburi Plant	The Company's land for rent located at Suratthani Province	Total
As at 31 December 2013:			
Cost	268,377	76,960	345,337
<u>Less</u> Accumulated depreciation	(138,692)	(10,108)	(148,800)
<u>Less</u> Allowance for diminution in value	(95,885)	-	(95,885)
Net book value	33,800	66,852	100,652

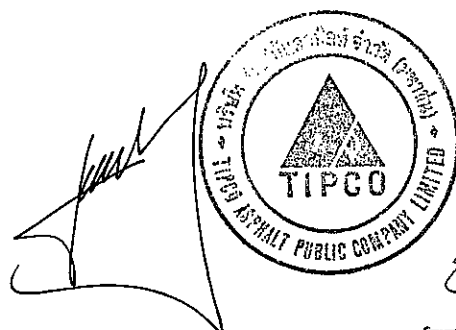
As at 31 December 2012:

Cost	268,377	76,960	345,337
<u>Less</u> Accumulated depreciation	(138,692)	(9,562)	(148,254)
<u>Less</u> Allowance for diminution in value	(95,885)	-	(95,885)
Net book value	33,800	67,398	101,198

A reconciliation of the net book value of investment properties for 2013 and 2012 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net book value at beginning of year	199,433	204,200	101,198	101,745
Depreciation charged during the year	-	-	(546)	(547)
Impairment loss recorded during the year	-	(4,767)	-	-
Net book value at end of year	199,433	199,433	100,652	101,198


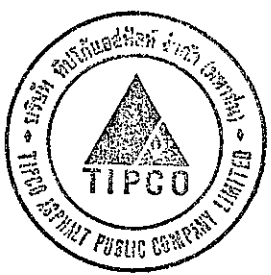
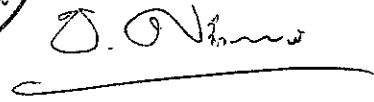


[Signature]

The fair values of the investment properties, appraised by an independent professional valuer using the Sales Comparison Approach, as at 31 December 2013 and 2012 are stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
The Company's land for rent located at				
Suratthani Province	-	-	141,000	141,000
The Company's land, buildings and				
equipment located at Petchburi Plant	33,800	33,800	33,800	33,800
Land of Thai Bitumen	165,633	165,633	-	-

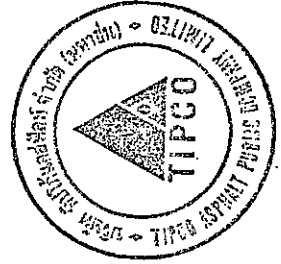
During the year 2012, Thai Bitumen received a letter from Land Office relating to investigation of revocation of some title deeds that had been issued illegally. The case currently has not been concluded. However, Thai Bitumen recorded impairment loss on the land of approximately Baht 4.8 million as an expense in profit or loss for 2012.

13. 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
As at 1 January 2012	627,369	618,960	3,777,545	737,442	1,185,053	383,988
Additions	1,608	-	66,693	22,955	12,266	762,743
Disposals/write-off	(332)	-	(6,113)	(33,395)	-	-
Transfer in (transfer out)	5,075	6,500	3,923	49,592	716,677	(781,767)
Transfer to assets held for sales (Note 9)	-	-	(2,934)	(955)	(148,864)	-
Interest capitalized	-	-	-	-	-	15,920
As at 31 December 2012	633,720	625,460	3,839,114	775,639	1,765,132	380,884
Additions	-	-	33,569	11,877	54,282	748,825
Disposals/write-off	-	(1,286)	(8,091)	(57,282)	-	-
Transfer in (transfer out)	6,021	4,275	315,868	40,074	-	(366,238)
Interest capitalized	-	-	-	-	-	4,892
As at 31 December 2013	639,741	628,449	4,180,460	770,308	1,819,414	768,363
						8,806,735



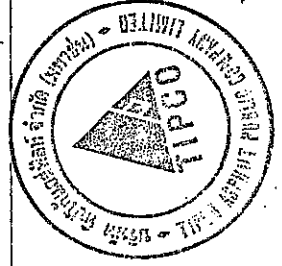
[Handwritten signature]

[Handwritten signature]

(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	Total
Accumulated depreciation							
As at 1 January 2012	264,898	348,491	1,481,570	601,192	324,121	-	3,020,272
Depreciation for the year	17,466	24,973	217,179	39,161	77,556	-	376,335
Accumulated depreciation on disposal/write-off	(251)	-	(5,916)	(30,097)	-	-	(36,264)
Transfer to assets held for sales (Note 9)	-	-	(2,234)	(946)	(99,349)	-	(102,529)
As at 31 December 2012	282,113	373,464	1,690,599	609,310	302,328	-	3,257,814
Depreciation for the year	17,261	22,823	211,721	41,975	91,358	-	385,138
Accumulated depreciation on disposal/write-off	-	(993)	(5,805)	(55,637)	-	-	(62,435)
As at 31 December 2013	299,374	395,294	1,896,515	595,648	393,686	-	3,580,517
Allowance for impairment loss							
As at 1 January 2012	1,183	-	-	-	-	-	1,183
Increase during the year	-	-	20,835	-	-	-	20,835
As at 31 December 2012	1,183	-	20,835	-	-	-	22,018
Increase during the year	-	-	1,756	-	-	-	1,756
As at 31 December 2013	1,183	-	22,591	-	-	-	23,774



[Signature]

(Unit: Thousand Baht)

Consolidated financial statements

	Buildings, building improvements and improvement	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	Total
Translation adjustments						
As at 1 January 2012	-	8,916	(23,591)	(163)	-	(61,235)
Translation adjustments during the year	-	(5,771)	(77,077)	(233)	-	(83,081)
As at 31 December 2012	-	3,145	(100,668)	(396)	-	(144,316)
Translation adjustments during the year	-	16,599	128,137	2,327	41,432	188,495
As at 31 December 2013	-	19,744	27,469	1,931	(4,965)	44,179
Net book value						
As at 31 December 2012	350,424	255,141	2,027,012	165,933	334,487	4,595,801
As at 31 December 2013	339,184	252,899	2,288,823	176,591	763,398	5,246,623

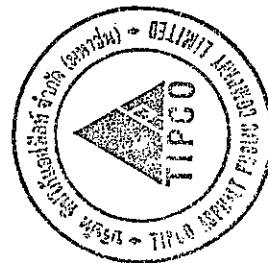
Depreciation for the year

2012 (Baht 281 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)

2013 (Baht 306 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)

376,335

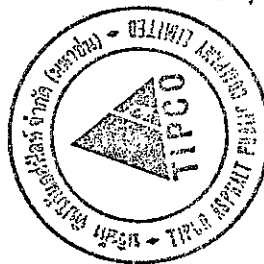
385,138



(Unit: Thousand Baht)

Separate 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	Total
Cost							
As at 1 January 2012	435,912	208,353	494,529	550,367	96,306	18,752	1,804,219
Additions	3,090	5,732	7,165	21,395	-	6,821	44,203
Disposals/write-off	(332)	-	(2,881)	(22,017)	-	-	(25,230)
Transfer in (transfer out)	63	644	1,249	16,796	-	(18,752)	-
As at 31 December 2012	438,733	214,729	500,062	566,541	96,306	6,821	1,823,192
Additions	-	-	2,614	6,348	-	60,458	69,420
Disposals/write-off	-	(1,281)	(1,844)	(31,389)	-	-	(34,514)
Transfer in (transfer out)	5,066	3,177	8,954	30,901	-	(48,098)	-
Business transfer to subsidiary (Note 1)	-	-	(1,546)	(322)	(96,306)	-	(98,174)
As at 31 December 2013	443,799	216,625	508,240	572,079	-	19,181	1,759,924

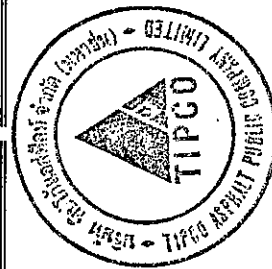


[Signature]

(Unit: Thousand Baht)

Separate 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	Total
Accumulated depreciation							
As at 1 January 2012	174,325	153,851	473,401	454,744	40,858	-	1,297,179
Depreciation for the year	12,792	8,867	7,594	25,300	4,563	-	59,116
Accumulated depreciation on disposal/ write-off	(251)	-	(2,874)	(21,731)	-	-	(24,856)
As at 31 December 2012	186,866	162,718	478,121	458,313	45,421	-	1,331,439
Depreciation for the year	12,140	8,328	7,113	25,223	1,333	-	54,137
Accumulated depreciation on disposal/ write-off	-	(990)	(1,844)	(31,280)	-	-	(34,114)
Transfer in (transfer out)	(548)	-	534	14	-	-	-
Business transfer to subsidiary (Note 1)	-	-	(1,429)	(322)	(46,754)	-	(48,505)
As at 31 December 2013	198,458	170,056	482,495	451,948	-	-	1,302,957
Allowance for impairment loss							
As at 1 January 2012	1,183	-	-	-	-	-	1,183
As at 31 December 2012	1,183	-	-	-	-	-	1,183
As at 31 December 2013	1,183	-	-	-	-	-	1,183
Net book value							
As at 31 December 2012	250,684	52,011	21,941	108,228	50,885	6,821	490,570
As at 31 December 2013	244,158	46,569	25,745	120,131	-	19,181	455,784
Depreciation for the year							
2012 (Baht 26 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							59,116
2013 (Baht 25 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							54,137



During the year 2013, an overseas subsidiary assessed machinery, tools and equipment and found that some of machinery, tools and equipment were not appropriate for its current operations and needed replacement. The subsidiary therefore recorded impairment loss of machinery, tools and equipment amounting to USD 0.1 million (2012: USD 0.7 million) as expense in profit or loss.

During the year 2013, borrowing costs totaling approximately Baht 5 million were capitalised as cost of the vessel (2012: Baht 16 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 3% (2012: 5%).

As at 31 December 2013, certain building and equipment items had been fully depreciated but were still in use. The original cost of those assets amounted to approximately Baht 1,426 million (2012: Baht 1,436 million) (The Company Only: Baht 961 million, 2012: Baht 898 million).

14. 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 as at 31 December 2013 and 2012 can be summarised below.

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cost	254,299	254,299	6,837	6,837
<u>Less</u> Accumulated amortisation	(44,859)	(39,122)	(2,963)	(2,735)
Translation adjustment	8,373	(7,305)	-	-
Net book value	217,813	207,872	3,874	4,102

(Unit: Thousand Baht)



A reconciliation of the net book value of leasehold rights for the years 2013 and 2012 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2013	2012
Net book value at beginning of year	207,872	220,175
Amortisation	(5,737)	(5,697)
Translation adjustments	15,678	(6,606)
Net book value at end of year	217,813	207,872

15. Short-term loans from financial institutions

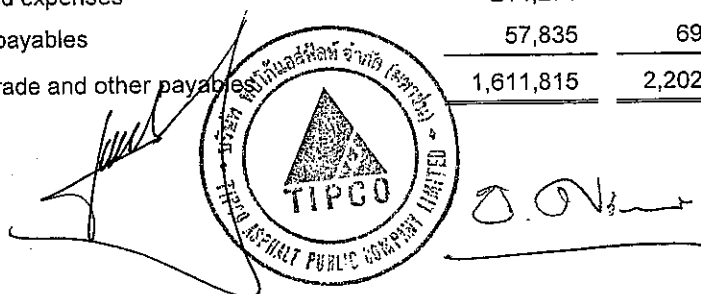
	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2013	2012
Trust receipts	9,164,536	8,158,510
Loans in renminbi	140,626	29,498
Loans in US Dollars	111,298	48,825
Total	9,416,460	8,236,833

As at 31 December 2013, the Company had short-term loans from local banks, which carry interest at the rates of 0.85 percent per annum (2012: 0.9 to 1.2 percent per annum).

In addition, overseas subsidiaries had short-term loans from overseas financial institutions, which carry interest at the rates ranging from 2.1 to 7.2 percent per annum (2012: 5.2 to 7.9 percent per annum).

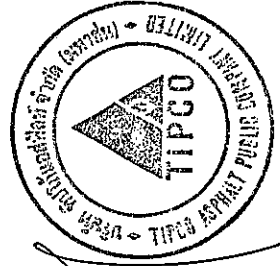
16. Trade and other payables

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2013	2012
Trade payables - related parties (Note 7)	4,735	11,165
Trade payables - unrelated parties	1,233,559	1,894,277
Amounts due to related parties (Note 7)	40,463	36,108
Accounts payable from price hedging contracts	60,952	-
Accrued expenses	214,271	191,548
Other payables	57,835	69,739
Total trade and other payables	1,611,815	2,202,837

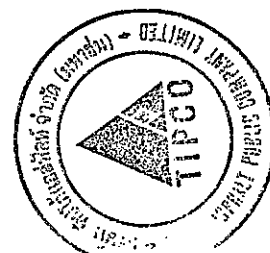


17. Long-term loans from financial institutions

Loan	Borrower	Interest rate	Repayment schedule	(Unit: Thousand Baht)			
				Consolidated financial statements		Separate financial statements	
				2013	2012	2013	2012
Long-term loans in Baht from Bank in Thailand							
(1)	The Company	Fixed rate	Monthly installments of Baht 0.3 million each, commencing April 2009 to March 2014	-	4,541	-	4,541
(2)	The Company	Rate referenced to THBFX	Quarterly installment, totalling Baht 200 million for 2011 and Baht 240 million for 2012 to 2015	480,000	720,000	480,000	720,000
(3)	The Company	Fixed rate for the first two years and for the third to the eighth years at a rate referenced to THBFX	Quarterly installments, as stipulated in the agreement, commencing June 2012	645,000	701,250	645,000	701,250
(4)	Bitumen Marine Company Limited	Rate referenced to THBFX	Quarterly installments of Baht 9.2 million each, commencing December 2010 to September 2013	-	27,470	-	-
(5)	Alpha Maritime Company Limited	Fixed rate for the first three years and for the fourth to the fifth years at a rate referenced to BIBOR	Quarterly installments as stipulated in the agreement, commencing April 2012	37,800	47,550	-	-



Loan	Borrower	Interest rate	Repayment schedule	(Unit: Thousand Baht)		
				Consolidated financial statements	Separate financial statements	
				2013	2012	2013
(6)	Tasco Shipping Company Limited	Fixed rate for the first three years and for the fourth to the eighth years at a rate referenced to BIBOR	Quarterly installments as stipulated in the agreement, commencing May 2012	168,400	185,400	-
(7)	Tasco Shipping Company Limited	Rate referenced to THBFX (2012: Rate referenced to USD LIBOR)	Quarterly installments as stipulated in the agreements, commencing October 2012	424,615	503,777	-
Long-term loans in USD from bank in Thailand						
(8)	Alpha Maritime Company Limited	Rate referenced to LIBOR	Quarterly installments as stipulated in the agreements, commencing July 2015	199,673	-	-
Long-term loans in USD from bank in Malaysia						
(9)	Kemaman Bitumen Company Sdn Bhd	Rate referenced to Lender's Cost of Funds	Quarterly installments of USD 0.83 million each, commencing November 2011 to August 2016	299,588	381,363	-
(10)	Kemaman Bitumen Company Sdn Bhd	Rate referenced to Lender's Cost of Funds	Quarterly installments of USD 1.10 million each, commencing November 2012 to August 2017	613,615	389,545	-
Total				2,868,691	2,960,896	1,425,791
Less: Current portion				(688,821)	(596,304)	(322,383)
Long-term loans from financial institutions - net of current portion				2,179,870	2,364,592	1,103,408



Loan No. (7) of Tasco Shipping Company Limited : In April 2013, Tasco Shipping Company Limited has amended long-term loan agreement from a local bank to change currency from United States Dollar to Thai Baht and the interest rate of long-term loan from interest rate with referenced to LIBOR to interest rate with referenced to THBFIX.

As at 31 December 2013, the long-term credit facilities of a subsidiary which has not yet been drawn down amounted to USD 6.1 million.

Loan covenants

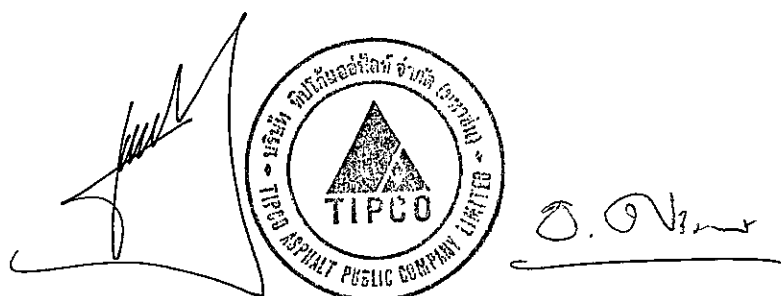
The loan agreements of the Company and its subsidiaries contain certain restrictive covenants pertaining to, among others things, the maintenance of financial ratios, the prohibition from creating lien over assets, the loan to related parties, the maintenance of trade accounts receivable and inventory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

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 2013, the notional amount of Baht 480 million (2012: Baht 720 million) was outstanding. The notional amount reduces on a quarterly basis in accordance with the long-term loan repayment schedule of the Company in (2), starting from May 2009 and matures in November 2015.

In May 2012, the Company entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan from a local bank to a fixed interest rate at 5.21 percent per annum. As at 31 December 2013, the notional amount of Baht 645 million (2012: Baht 701 million), was outstanding, and this will reduce every quarter in accordance with the related long-term loan repayment schedule of the Company in (3), starting from June 2012 and ending when the loan mature in March 2018.

In December 2013, Kemaman Bitumen Company Sdn Bhd entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan from a bank in Malaysia to a fixed interest rate at 0.2416 percent per annum. As at 31 December 2013, the notional amount of USD 29 million was outstanding, and this will mature in January 2014.



The image shows a handwritten signature on the left and a circular stamp in the center. The stamp contains the text 'Taseco Asphalt Public Company Limited' around the perimeter and 'TIPCO' in the center. To the right of the stamp is another handwritten signature.

18. Credit facilities

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

- 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 2013 and 2012 of the assets are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	
	2013	2012
Leasehold rights - net	201	151
Property, plant and equipment - net	3,524	2,880
Computer software - net	-	1

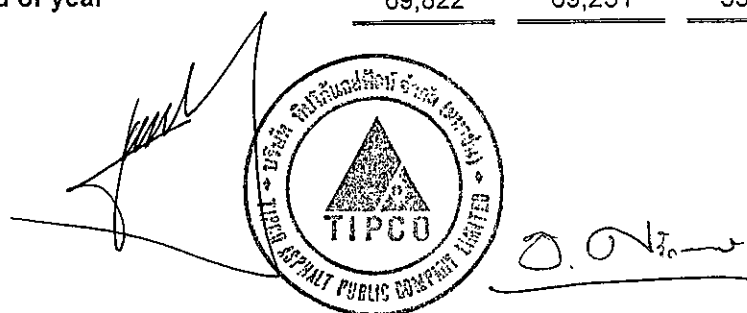
- The prohibition from creating lien over assets of the Company and its subsidiaries.
- Financial support letters provided by the Company and its subsidiaries to banks.
- The Company allows its subsidiaries to use its facilities obtained from banks, with the Company responsible to the banks for the amounts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

19. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Balance at beginning of year	69,231	65,129	56,822	52,778
Defined benefit plans:				
Current service cost	6,604	7,641	5,148	6,023
Interest cost	2,494	2,324	2,004	1,889
Benefits paid during the year	(8,135)	(4,234)	(8,135)	(2,580)
Long service awards:	(372)	(1,629)	(294)	(1,288)
Balance at end of year	69,822	69,231	55,545	56,822



Long-term employee benefit expenses included in the profit or loss was as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2013	2012	2013	2012
Current service cost	6,826	7,857	5,303	6,175
Interest cost	2,571	2,412	2,058	1,950
Total expense recognised in profit or loss	9,397	10,269	7,361	8,125
Line items under which such expenses are included in profit or loss				
Cost of sales	944	1,232	331	628
Selling and administrative expenses	8,453	9,037	7,030	7,497

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated/Separate	
	financial statements	
	2013	2012
	(% per annum)	(% per annum)
Discount rate	3.9	3.9
Future salary increase rate (depending on age of employee)	3.0 - 8.0	3.0 - 8.0
Staff turnover rate (depending on age of employee)	0.0 - 14.0	0.0 - 14.0

20. Share capital

The Annual General Meeting of the shareholders held on 5 April 2013 approved the following resolutions.

Decrease of share capital

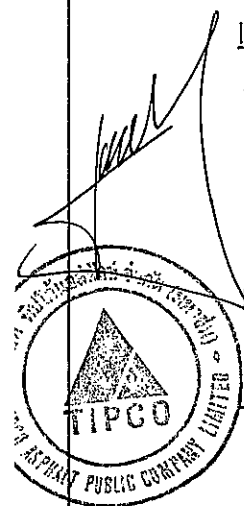
Decrease the Company's registered capital by Baht 1,838,000 from Baht 1,700,437,290 (170,043,729 ordinary shares of Baht 10 each) to Baht 1,698,599,290 (169,859,929 ordinary shares of Baht 10 each), by decreasing the ordinary shares reserved for the exercise of ESOP-W1 and ESOP-W2 of 183,800 shares at the par value of Baht 10 each.

The Company registered the capital decrease on 18 April 2013.

Increase of share capital

- 1) Increase the Company's registered capital by Baht 12,000,000 from Baht 1,698,599,290 (169,859,929 ordinary shares of Baht 10 each) to Baht 1,710,599,290 (171,059,929 ordinary shares of Baht 10 each), through the issue of 1,200,000 new ordinary shares of Baht 10 each.
- 2) Allocate and reserve the 1,200,000 new ordinary shares to support the exercise of the ESOP-W3 warrants (Note 22).

The Company registered the capital increase on 19 April 2013.



Below is the summarisation of the exercise of ESOP-W1 warrants in 2013.

No. of warrants exercised (warrants)	32,800
No. of ordinary shares issued (shares)	32,800
Amount of cash received (Baht)	2,039,832
Share registration date	9 July 2013
Issued and paid-up share capital after share registration	Baht 1,525,808,680 (152,580,868 ordinary shares of Baht 10 each)

21. 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:

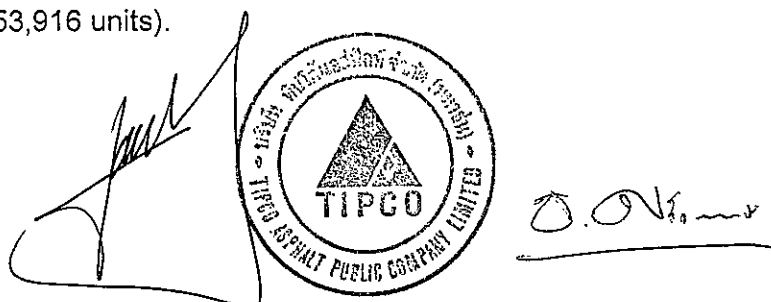
<u>Exercise month (from date of issuance)</u>	<u>Exercise price (Baht per share)</u>
Months 1 to 12	62.19
Months 13 to 18	63.74
Months 19 to 24	65.30
Months 25 to 30	66.85
Months 31 to 36	68.41

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.

As at 31 December 2013, the remained unexercised of TASCO-W3 was 15,253,916 units (2012: 15,253,916 units).



The image shows a handwritten signature on the left and a circular corporate stamp in the center. The stamp features a triangle with the letters 'TIPCO' inside, surrounded by the text 'TISCO PUBLIC COMPANY LIMITED'. To the right of the stamp is another handwritten signature.

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

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

	<u>ESOP-W1</u>	<u>ESOP-W2</u>	<u>ESOP-W3</u>
Annual General Meeting of			
the shareholders date	5 April 2011	27 April 2012	5 April 2013
Exercise price	62.19 Baht per share	49.13 Baht per share	53.06 Baht per share
Issue date	18 April 2011	18 May 2012	30 April 2013
Number of warrants subscribed	1,088,100 warrants	1,128,700 warrants	1,182,600 warrants
Number of warrants unsubscribed	111,900 warrants	71,300 warrants	17,400 warrants

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

The holders of ESOP-W1 and ESOP-W2 warrants can exercise their rights to purchase the Company's ordinary shares after the second year and the holders of ESOP-W3 can exercise their rights to purchase the Company's ordinary shares after the third year counting from the warrant issuance date. Moreover, they must still be executive directors and/or employees of the Company or its subsidiaries on the date the warrants are exercised. The warrants have terms of 5 years.

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

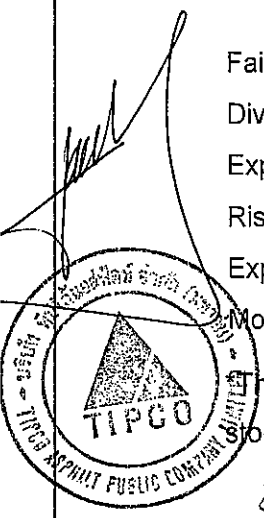
The expenses recognised for employee services received during 2013 of the Company and its subsidiaries were totaled Baht 10 million (2012: Baht 8 million) (Separate financial statements Baht 9 million (2012: Baht 6 million)).

The fair value of option granted and the inputs of the model used are summarised below.

	<u>ESOP-W1</u>	<u>ESOP-W2</u>	<u>ESOP-W3</u>
Fair value of options granted	Baht 12.10 per share	Baht 5.41 per share	Baht 27.63 per share
Dividend yield	3.75%	2.58%	1.79%
Expected stock volatility*	40.0%	45.4%	43.3%
Risk-free interest rate	2.82%	3.30%	3.03%
Expected life of share options	2 years	2 years	3 years
Model used	Black-Scholes	Black-Scholes	Black-Scholes

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

[Signature]



As at 31 December 2013, the remain unexercised of ESOP are summarized below.

	<u>2013</u>	<u>2012</u>
ESOP-W1	932,300 units	1,077,200 units
ESOP-W2	1,009,800 units	1,128,700 units
ESOP-W3	1,128,600 units	-

23. 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.

24. Compensation received from claims for damages

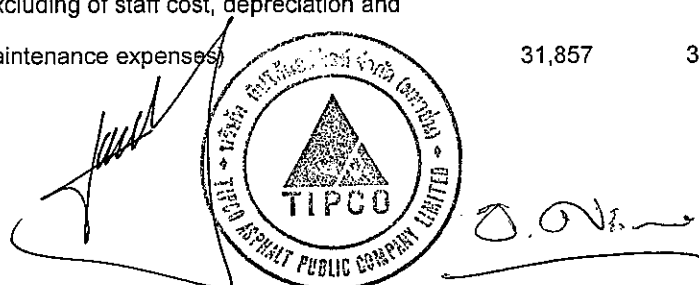
In 2011, the tribunal for arbitration between Thai Bitumen Company Limited (Thai Bitumen) and an overseas company awarded in favor of Thai Bitumen over a sales contract, where the counterparty had failed to make contracted delivery of goods to Thai Bitumen. The award was approximately USD 20.2 million 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.

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

25. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Salary and wages and other employee benefits	725	613	326	290
Depreciation and maintenance expenses	514	507	103	108
Costs related to production of goods and services				
(excluding of staff cost, depreciation and maintenance expenses)	31,857	35,070	30,854	34,289



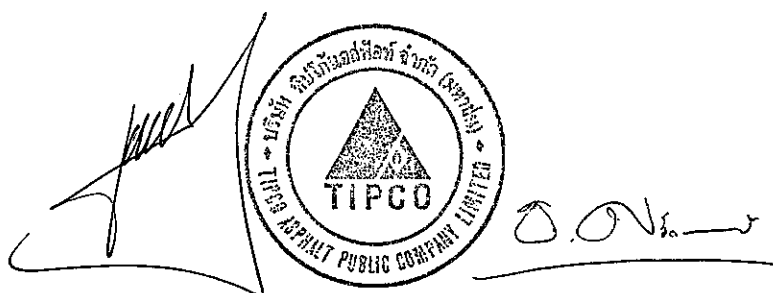
26. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2013	2012
Current income tax:		
Current income tax charge	117,514	77,989
Deferred tax:		
Relating to origination and reversal of temporary differences	3,425	(11,267)
Utilisation of tax loss carried forward during the year	765	50,061
Effects of changes in the applicable tax rates	-	12,807
Income tax expense reported in the statement of comprehensive income	121,704	129,590

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2013	2012
Deferred tax relating to change in fair value of interest rate swap contract	248	371
Effects of changes in the applicable tax rates	-	174
	248	545

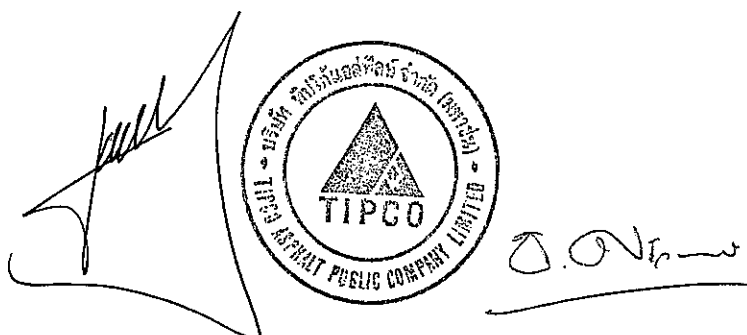


Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Accounting profit before tax	<u>983,311</u>	<u>805,439</u>	<u>505,780</u>	<u>493,425</u>
Income tax at Thai corporate income tax rate of 20% (2012: 23%)	196,662	185,251	101,156	113,488
Adjustment in respect of current income tax of previous year	68	60	-	-
Utilisation of previously unrecognised tax losses	(27,782)	(50,065)	-	-
Effects of changes in the applicable tax rates	-	12,807	-	4,959
Difference in tax rate in group companies	(62,770)	(47,143)	(25,016)	(31,217)
Effects of:				
Non-deductible expenses	15,823	30,174	2,902	3,904
Additional expense deductions allowed	(297)	(616)	(297)	(616)
Exemption of income	-	(878)	(3,220)	(50,999)
Total	<u>15,526</u>	<u>28,680</u>	<u>(615)</u>	<u>(47,711)</u>
Income tax expenses reported in the statement of comprehensive income	<u>121,704</u>	<u>129,590</u>	<u>75,525</u>	<u>39,519</u>

The tax rates enacted at the end of the reporting period of the Company and its subsidiaries is 0% to 25% (2012: 0% to 25%).

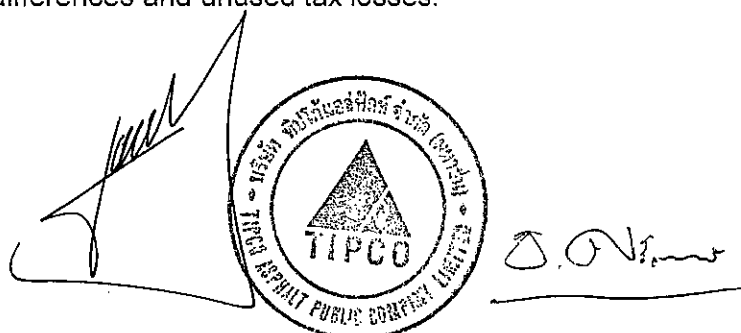


The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statement	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Deferred tax assets				
Provision for long-term employee benefits	13,964	13,846	11,109	11,364
Allowance for doubtful accounts	21,278	25,559	13,967	15,031
Reduce cost of inventories to				
net realisable value	1,887	521	656	417
Allowance for asset impairment	63,018	63,018	19,414	19,414
Fair value of price hedging contracts	23,963	2,542	23,963	2,542
Others	8,880	10,723	6,789	4,795
Total	<u>132,990</u>	<u>116,209</u>	<u>75,898</u>	<u>53,563</u>
Deferred tax liabilities				
Fair value of price hedging contracts	(26,919)	(5,472)	(26,919)	(5,472)
Difference depreciation for tax purpose	(3,338)	(2,331)	(2,795)	(1,984)
Fair value of forward exchange contracts	(325)	(1,560)	(312)	(1,330)
Total	<u>(30,582)</u>	<u>(9,363)</u>	<u>(30,026)</u>	<u>(8,786)</u>
Deferred tax assets - net	<u>102,408</u>	<u>106,846</u>	<u>45,872</u>	<u>44,777</u>

The Company and its subsidiaries in Thailand calculated deferred tax assets and liabilities based on a reduction in the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent in 2013 and 2014, in compliance with Royal Decree dated December 2011 governing corporate income tax reduction.

As at 31 December 2013 the two subsidiaries have deductible temporary differences and unused tax losses totaling Baht USD 74 million and 5 million ringgit (2012: USD 80 million and 5 million ringgit), on which deferred tax assets have not been recognised as these subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.



27. Promotional privileges

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

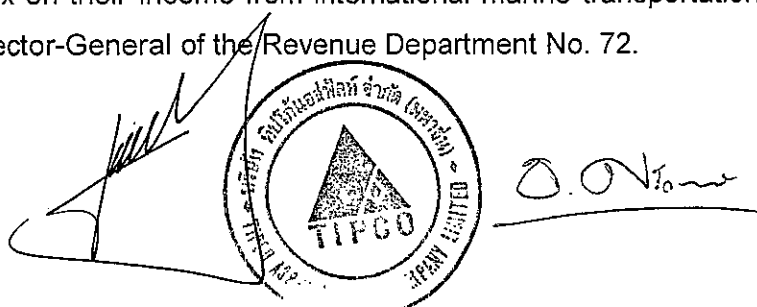
	Exemption from corporate income tax for 8 years commencing from	50% reduction of corporate income tax rate for 5 years commencing from
Tipco Asphalt Public Company Limited		
Manufacture of asphalt	1 December 2000	2 December 2008
Raycol Asphalt Company Limited		
Manufacture of asphalt	2 May 2001	3 May 2009
Bitumen Marine Company Limited		
Marine transportation	9 February 2006*	-
Tasco Shipping Company Limited		
Marine transportation	24 May 2011*	-
	19 December 2012*	-
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.

28. Tax privileges for maritime commerce

The Company and two subsidiaries, Delta Shipping 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.



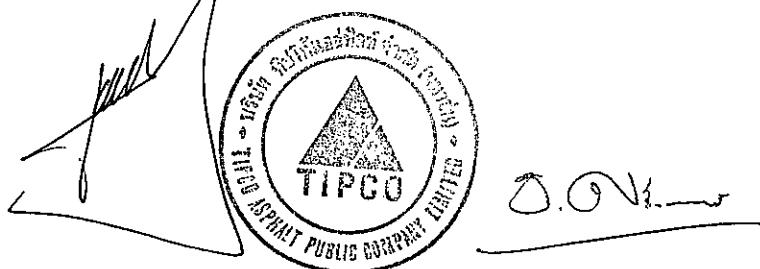
29. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued. However, TASCO-W3 was not included in calculation of diluted earnings per share for the year ended 31 December 2013 and there is no calculation of diluted earnings per share for the year ended 31 December 2012 since the exercise prices to purchase ordinary shares of the Company were higher than the average market price of the Company's shares for the years.

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

Consolidated financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2013 (Thousand Baht)	2012 (Thousand Baht)	2013 (Thousand shares)	2012 (Thousand shares)	2013 (Baht)	2012 (Baht)
Basic earnings per share	831,449	642,274	152,565	152,548	5.45	4.21
Profit attributable to equity holders of the Company						
Effect of potential ordinary shares						
ESOP-W1	-	-	18	-		
ESOP-W2	-	-	246	-		
ESOP-W3	-	-	129	-		
	-	-	393	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	831,449	642,274	152,958	152,548	5.44	4.21



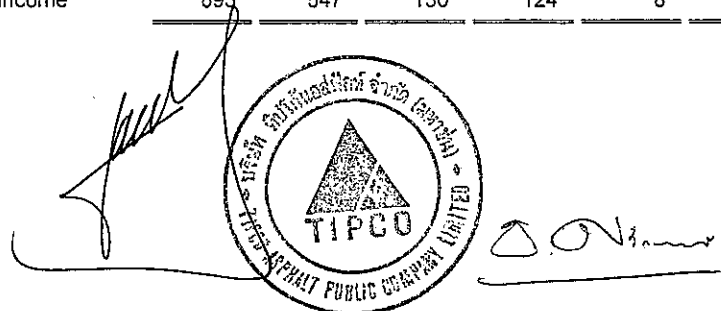
Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share	430,255	453,906	152,565	152,548	2.82	2.98
Profit attributable to equity holders of the Company						
Effect of potential ordinary shares						
ESOP-W1	-	-	18	-		
ESOP-W2	-	-	246	-		
ESOP-W3	-	-	129	-		
	-	-	393	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>430,255</u>	<u>453,906</u>	<u>152,958</u>	<u>152,548</u>	2.81	2.98

30. Segment information

The Company and its subsidiaries are engaged in single operating segment which is manufacturing and trading of asphalt and petroleum oil products. Whereas, the marine logistic business complements the manufacturing and trading of asphalt and petroleum oil products. The Board of Directors of the group is the chief operating decision makers of the Company and its subsidiaries. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment. Therefore, financial information by segment has been presented only by geographical based on locations of each company, as follows:

(Unit: Million Baht)

	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenue from external customers	28,629	33,542	5,306	4,121	-	-	33,935	37,663
Inter segment revenues	4,567	4,057	766	1,118	(5,333)	(5,175)	-	-
Total revenue	<u>33,196</u>	<u>37,599</u>	<u>6,072</u>	<u>5,239</u>	<u>(5,333)</u>	<u>(5,175)</u>	<u>33,935</u>	<u>37,663</u>
Segment operating income	<u>693</u>	<u>547</u>	<u>130</u>	<u>124</u>	<u>8</u>	<u>(29)</u>	<u>831</u>	<u>642</u>



Non-current assets (other than deferred tax assets-net)

(Unit: Million Baht)

	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Non-current assets	2,708	2,550	3,245	2,691	-	-	5,953	5,241

Transfer prices between the segments are as set out in Note 7 to the financial statements.

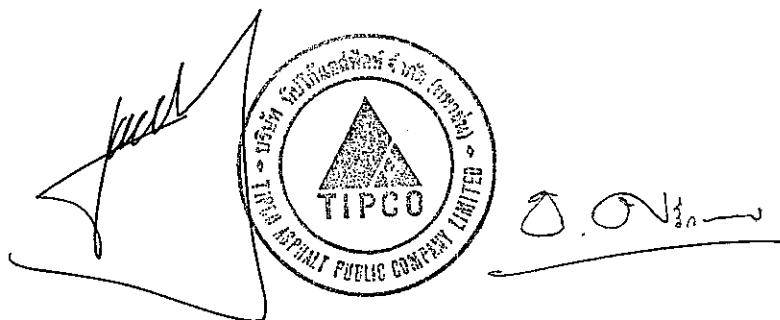
31. Provident fund

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 2013, the Company and its subsidiaries contributed Baht 9 million (2012: Baht 8 million) to the fund (Separate financial statements: Baht 8 million, 2012: Baht 7 million).

32. Dividend

(Unit: Million Baht)

Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2011	Annual General Meeting of the shareholders on 27 April 2012	191	1.25
Total for 2012		191	1.25
Interim dividends for 2013	Board of Directors' meeting on 14 August 2013	153	1.00
Total for 2013		153	1.00



33. Commitments and contingent liabilities

33.1 Capital commitment

As at 31 December 2013 and 2012, the Company and its subsidiaries had outstanding capital commitments relating to the purchase of land, machinery, equipment, computer software and vessel, as follows:

Foreign currency	Consolidated financial statements		Separate financial statements	
	<u>2013</u> (Million)	<u>2012</u> (Million)	<u>2013</u> (Million)	<u>2012</u> (Million)
Baht	6	6	1	5
Ringgit	87	18	-	-
US Dollar	6	12	-	-

33.2 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. The terms of the agreements are generally between 1 and 4 years.

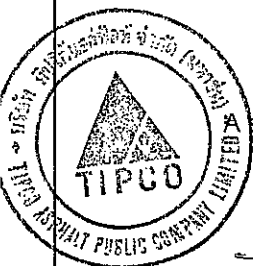
Future minimum rental and service fees payable under these agreements were as follows:

	Consolidated financial statements				Separate financial statements	
	Million Baht		Million ringgit		Million Baht	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Payable within:						
1 year	32	31	1	1	34	32
2 to 5 years	28	45	-	-	26	39

33.3 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 2017	Annual lump sum administrative fee of Euro 145,000 plus a technical assistance fee equivalent to 0.75 percent of the consolidated revenues of the Company generated from the stipulated products
Subsidiary	5 years	30 September 2017	Annual fee of at least Baht 8 million



[Handwritten signature]
[Handwritten signature]

33.4 Crude oil purchase commitments

As at 31 December 2013, the Company had outstanding commitment in respect of the purchase of crude oil approximately 0.8 million barrels (2012: 0.8 million barrels).

33.5 Bank guarantees

As at 31 December 2013 and 2012, there were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business which are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)
Baht	3	3	2	2
Ringgit	5	5	-	-
Renminbi	5	5	5	5

34. Financial instruments

34.1 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, liabilities under finance lease agreements and loans. The financial risks associated with these financial instruments and how they are managed are 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, liabilities under finance lease agreements 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.

D. N. N.

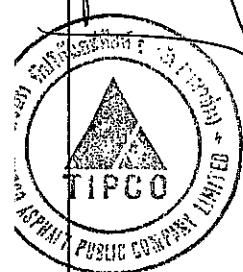
Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2013					
	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	-	-	62	433	495	0.3 - 2.4
Trade and other receivables	-	-	-	3,967	3,967	-
Financial liabilities						
Short-term loans from financial institutions	9,416	-	-	-	9,416	0.9 - 7.2
Trade and other payables	-	-	-	1,612	1,612	-
Liabilities under finance lease agreements	7	8	-	-	15	2.7 - 75.9
Long-term loans from financial institutions	-	-	2,869	-	2,869	2.1 - 4.1
Long-term loans from related party	-	-	-	8	8	-

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2012						
	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	-	-	59	681	740	0.2 - 2.4
Trade and other receivables	-	-	-	5,348	5,348	-
Financial liabilities						
Short-term loans from financial institutions	8,237	-	-	-	8,237	0.9 - 7.9
Trade and other payables	-	-	-	2,203	2,203	-
Liabilities under finance lease agreements	9	13	-	-	22	2.7 - 75.9
Long-term loans from financial institutions	4	1	2,956	-	2,961	2.2 - 4.6
Long-term loans from related party	-	-	-	7	7	-



(Unit: Million Baht)

Separate financial statements

As at 31 December 2013

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

Financial Assets

Cash and cash equivalents	-	-	6	84	90	0.6
Trade and other receivables	-	-	-	3,663	3,663	-
Short-term loans to related parties	35	-	-	6	41	2.8

Financial liabilities

Short-term loans from financial institutions	9,165	-	-	-	9,165	0.9
Trade and other payables	-	-	-	1,682	1,682	-
Liabilities under finance lease agreements	5	8	-	-	13	4.8 - 75.9
Long-term loans from financial institutions	-	-	1,125	-	1,125	3.5 - 4.1

(Unit: Million Baht)

Separate financial statements

As at 31 December 2012

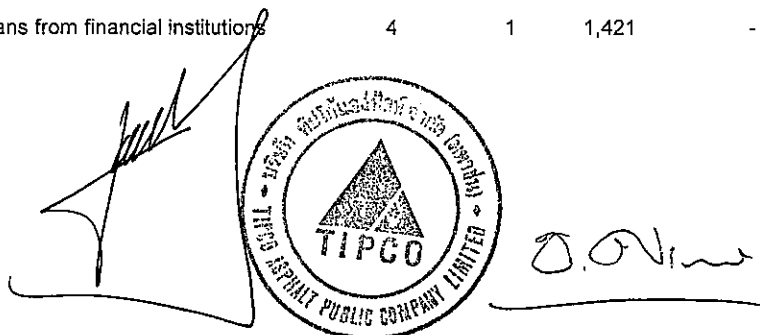
Fixed interest rates		Floating	Non-	Total	Interest rate (% p.a.)
Within		interest	interest		
1 year	1-5 years	rate	bearing		

Financial Assets

Cash and cash equivalents	-	-	7	37	44	0.7 - 0.8
Trade and other receivables	-	-	-	5,442	5,442	-
Short-term loans to related parties	40	-	-	-	40	2.8

Financial liabilities

Short-term loans from financial institutions	8,159	-	-	-	8,159	0.9 - 1.2
Trade and other payables	-	-	-	2,212	2,212	-
Liabilities under finance lease agreements	5	10	-	-	15	4.8 - 75.9
Long-term loans from financial institutions	4	1	1,421	-	1,426	3.7 - 4.6



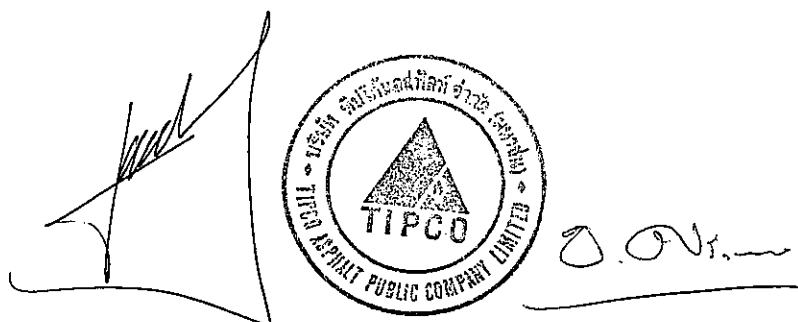
Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce risk 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 are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	45	87	309	306	32.8	30.6
Renminbi	-	1	-	-	5.4	4.9
Yen	-	-	7	7	0.3	0.4
Ringgit	-	26	-	7	10.0	10.0
Vietnam Dong	7	-	-	-	0.0016	0.0015
Indonesia Rupiah	3	-	-	-	0.0027	0.0032

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	77	118	303	288	32.8	30.6
Renminbi	-	1	-	-	5.4	4.9
HK Dollar	-	1	-	-	4.2	4.0
Ringgit	-	-	2	1	10.0	10.0



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

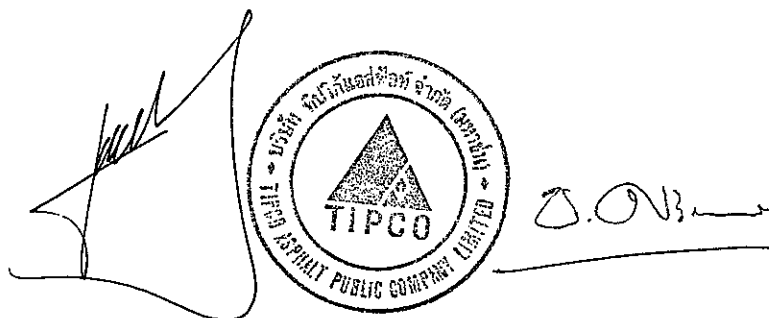
As at 31 December 2013						
Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought	Sold	Bought
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)		
US Dollar	14	6	12	6	31.4 - 32.9	31.7 - 32.8
					Baht per 1	Baht per 1
					US Dollar	US Dollar

As at 31 December 2012						
Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought	Sold	Bought
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)		
US Dollar	30.6	18.6	29.1	18.6	30.6 - 32.1	30.6 - 30.9
					Baht per 1	Baht per 1
					US Dollar	US Dollar

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

Risk from fluctuation in raw materials and finished goods prices

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



As at 31 December 2013 and 2012, the outstanding price hedging contracts which maturity date within one year are summarised below.

	(Unit: Million Baht)	
	Consolidated/Separate	
	financial statement	
	<u>2013</u>	<u>2012</u>
<u>Contracts presented as assets</u>		
Contracts to sell finished goods	-	13
Four-ways collar options to purchase raw materials	135	14
Total price hedging contracts presented as assets	135	27
<u>Contracts presented as liabilities</u>		
Contracts to sell raw materials	9	-
Contracts to sell finished goods	111	13
Total price hedging contracts presented as liabilities	120	13

34.2 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 statement of financial position. 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.

35. 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 2013, the Group's debt-to-equity ratio was 2.44:1 (2012: 2.70:1) and the Company's was 2.50:1 (2012: 2.60:1).

36. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 12 February 2014.

