

Tipco Asphalt Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2014

## **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 2014, 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.



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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 2014, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

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Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 11 February 2015

Tipco Asphalt Public Company Limited and its subsidiaries

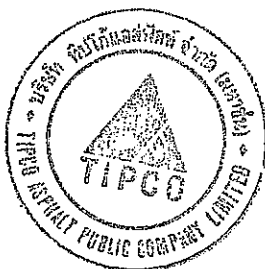
Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		276,968,052	495,434,890	24,641,443	89,695,844
Trade and other receivables	6, 7	4,017,943,397	3,966,572,674	4,090,248,102	3,663,366,890
Short-term loans to related parties	7	-	-	5,643,802	40,620,582
Inventories	8	3,817,828,985	9,349,415,454	3,443,866,389	8,651,623,150
Price hedging contracts	32	199,321,453	134,593,745	199,321,453	134,593,745
Forward exchange contracts	32	1,520,238	1,625,030	1,517,059	1,562,772
Other current assets		95,864,518	270,943,416	39,001,783	40,638,530
<b>Total current assets</b>		<b>8,409,466,643</b>	<b>14,218,585,209</b>	<b>7,804,240,031</b>	<b>12,622,101,513</b>
<b>Non-current assets</b>					
Investments in subsidiaries	9	-	-	3,707,426,930	3,829,060,794
Investment in associate	10	124,002,346	110,520,585	18,403,580	18,403,580
Investment properties	11	199,432,500	199,432,500	100,105,794	100,651,528
Property, plant and equipment	12	5,652,535,869	5,246,623,305	460,265,659	455,783,574
Goodwill	9	146,293,504	146,293,504	-	-
Other intangible assets - Computer software		28,932,785	21,790,227	28,316,587	21,223,020
Leasehold rights	13	382,414,570	217,812,961	3,646,435	3,874,337
Deferred tax assets - net	24	192,921,996	102,407,897	144,106,644	45,871,803
Other non-current assets		9,117,436	10,052,516	4,085,620	4,931,288
<b>Total non-current assets</b>		<b>6,735,651,006</b>	<b>6,054,933,495</b>	<b>4,466,357,249</b>	<b>4,479,799,924</b>
<b>Total assets</b>		<b>15,145,117,649</b>	<b>20,273,518,704</b>	<b>12,270,597,280</b>	<b>17,101,901,437</b>

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 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	14	4,094,130,521	9,416,459,737	3,900,734,121	9,164,536,336
Trade and other payables	7, 15	1,314,381,616	1,611,815,321	1,592,759,876	1,682,324,035
Current portion of liabilities under					
finance lease agreements		4,173,305	7,009,538	3,288,117	5,238,513
Current portion of long-term loans from financial institutions	16	783,842,280	688,820,992	352,500,000	352,500,000
Income tax payable		206,816,451	13,735,830	193,233,229	1,457,547
Price hedging contracts	32	242,627,513	119,813,680	242,627,513	119,813,680
Forward exchange contracts	32	1,109,549	7,812,219	1,108,199	6,586,252
Other current liabilities		36,348,408	228,942,475	14,517,785	28,568,012
Total current liabilities		6,683,429,643	12,094,409,792	6,300,768,840	11,361,024,375
Non-current liabilities					
Liabilities under finance lease agreements -					
net of current portion		4,019,905	8,279,000	2,601,077	7,337,095
Long-term loans from financial institutions -					
net of current portion	16	2,214,432,030	2,179,870,256	420,000,000	772,500,000
Long-term loan from related party	7	7,790,706	7,950,789	-	-
Interest rate swap contracts	17	22,794,355	22,250,378	22,541,546	21,111,486
Provision for long-term employee benefits	19	87,634,839	69,821,799	72,800,077	55,544,867
Total non-current liabilities		2,336,671,835	2,288,172,222	517,942,700	856,493,448
Total liabilities		9,020,101,478	14,382,582,014	6,818,711,540	12,217,517,823

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 2014

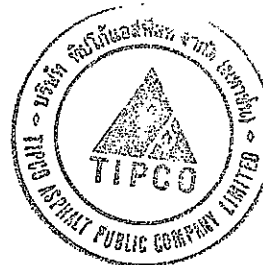
(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Shareholders' equity</b>					
Share capital	20				
Registered					
172,123,329 ordinary shares					
(2013: 171,059,929 ordinary shares) of Baht 10 each		1,721,233,290	1,710,599,290	1,721,233,290	1,710,599,290
Issued and fully paid					
153,277,957 ordinary shares					
(2013: 152,580,868 ordinary shares) of Baht 10 each		1,532,779,570	1,525,808,680	1,532,779,570	1,525,808,680
Premium on share capital		916,250,081	887,824,106	916,250,081	887,824,106
Share subscription	21	7,748,118	-	7,748,118	-
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	9	(308,455,017)	12,904,468	-	-
Capital reserve for share-based payment transactions	21	38,432,931	23,254,939	38,432,931	23,254,939
Retained earnings					
Appropriated - statutory reserve	22	172,123,329	162,053,000	172,123,329	162,053,000
Unappropriated		3,711,758,520	2,682,128,935	2,785,748,064	2,289,092,238
Other components of shareholders' equity		(121,553,723)	(58,505,345)	(1,196,353)	(3,649,349)
Equity attributable to owners of the Company		5,955,321,564	5,241,706,538	5,451,885,740	4,884,383,614
Non-controlling interests of the subsidiaries		169,694,607	649,230,152	-	-
<b>Total shareholders' equity</b>		<b>6,125,016,171</b>	<b>5,890,936,690</b>	<b>5,451,885,740</b>	<b>4,884,383,614</b>
<b>Total liabilities and shareholders' equity</b>		<b>15,145,117,649</b>	<b>20,273,518,704</b>	<b>12,270,597,280</b>	<b>17,101,901,437</b>

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

*[Signature]*

Directors



Tipco Asphalt Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
<b>Revenues</b>					
Sales and service income		45,727,305,483	33,934,919,398	42,956,606,756	31,860,052,018
Other income					
Dividend income from subsidiaries	9	-	-	136,099,760	16,100,000
Dividend income from associate	10	-	-	32,569,417	-
Gain on exchange	32	409,440,044	35,305,530	402,165,795	5,353,351
Others		63,466,000	123,941,836	105,658,732	127,106,669
<b>Total revenues</b>		<u>46,200,211,527</u>	<u>34,094,166,764</u>	<u>43,633,100,460</u>	<u>32,008,612,038</u>
<b>Expenses</b>					
Cost of sales and services		44,816,416,396	32,271,716,606	43,126,625,737	30,975,116,488
Gain from price hedging contracts	32	(1,451,672,684)	(84,606,270)	(1,451,672,684)	(84,606,270)
Reduction of cost of inventory to net realisable value	8	358,042,742	7,831,398	424,365,165	1,196,947
		43,722,786,454	32,194,941,734	42,099,318,218	30,891,707,165
Selling expenses		153,460,863	126,902,787	80,178,357	65,392,144
Administrative expenses		643,827,963	658,427,546	380,079,468	419,021,660
Other expenses					
Allowance for doubtful accounts (reversal)		165,723,156	(19,669,545)	(2,480,400)	(4,991,993)
Loss on disposal of investment in subsidiary	9	-	-	134,547,187	-
Impairment loss of equipment and vessel	12	7,966,784	1,756,500	-	-
<b>Total expenses</b>		<u>44,693,765,220</u>	<u>32,962,359,022</u>	<u>42,691,642,830</u>	<u>31,371,128,976</u>
<b>Profit before share of profit from investment in associate, finance cost and income tax expenses</b>		1,506,446,307	1,131,807,742	941,457,630	637,483,062
Share of profit from investment in associate	10	48,851,296	46,207,339	-	-
<b>Profit before finance cost and income tax expenses</b>		1,555,297,603	1,178,015,081	941,457,630	637,483,062
Finance cost		(221,838,007)	(194,704,205)	(143,791,725)	(131,703,116)
<b>Profit before income tax expenses</b>		1,333,459,596	983,310,876	797,665,905	505,779,946
Income tax expenses	24	(176,350,380)	(121,703,983)	(128,592,499)	(75,525,378)
<b>Profit for the year</b>		<u>1,157,109,216</u>	<u>861,606,893</u>	<u>669,073,406</u>	<u>430,254,568</u>
<b>Other comprehensive income:</b>					
Exchange differences on translation of financial statements in foreign currencies		(73,359,343)	148,818,782	-	-
Change in fair value of interest rate swap contract		3,066,246	1,241,986	3,066,246	1,241,986
Actuarial loss	19	(9,193,583)	-	(11,338,743)	-
Income tax effect	24	1,225,467	(248,397)	1,654,499	(248,397)
<b>Other comprehensive income for the year</b>		<u>(78,261,213)</u>	<u>149,812,371</u>	<u>(6,617,998)</u>	<u>993,589</u>
<b>Total comprehensive income for the year</b>		<u>1,078,848,003</u>	<u>1,011,419,264</u>	<u>662,455,408</u>	<u>431,248,157</u>

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

Tipco Asphalt Public Company Limited and its subsidiaries

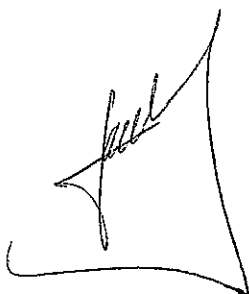
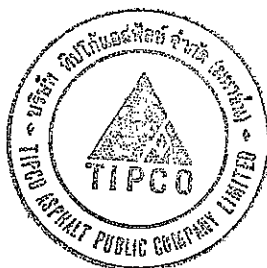
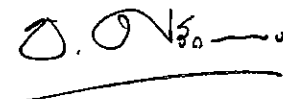
Statement of comprehensive income (continued)

For the year ended 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Profit attributable to:					
Equity holders of the Company		1,200,434,337	831,449,384	669,073,406	430,254,568
Non-controlling interests of the subsidiaries		(43,325,121)	30,157,509		
		1,157,109,216	861,606,893		
Total comprehensive income attributable to:					
Equity holders of the Company		1,129,927,793	957,465,474	662,455,408	431,248,157
Non-controlling interests of the subsidiaries		(51,079,790)	53,953,790		
		1,078,848,003	1,011,419,264		
Earnings per share	27				
Basic earnings per share					
Profit attributable to equity holders of the Company		7.85	5.45	4.37	2.82
Diluted earnings per share					
Profit attributable to equity holders of the Company		7.84	5.44	4.37	2.82

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



(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
	Non-controlling interests of subsidiary acquired by the Company										
	Issued and paid-up share capital	Premium on share capital	Share subscription	Change in the Company's interest in subsidiaries which did not result in a loss of control	Capital reserve for share-based payment transactions	Retained earnings - Appropriated - statutory reserve	Unappropriated reserve	Other comprehensive income	Other components of equity	Equity attributable to non-controlling interests of the subsidiaries	Total
as at 1 January 2013	1,525,480,660	886,112,274	-	12,904,468	13,140,737	140,503,000	2,024,808,519	(179,878,497)	(4,642,938)	618,026,362	5,042,692,360
for the year	-	-	-	-	-	-	831,449,384	-	-	30,157,509	861,606,893
comprehensive income for the year	-	-	-	-	-	-	-	-	-	23,798,281	149,812,371
comprehensive income for the year	-	-	-	-	-	-	-	-	-	53,953,790	1,011,419,264
in share capital	328,000	1,711,832	-	-	-	-	-	-	-	2,039,832	2,039,832
used payment transactions (Note 21)	-	-	-	-	10,114,202	-	-	-	-	-	10,114,202
paid (Note 30)	-	-	-	-	-	-	(152,578,968)	-	-	-	(152,578,968)
paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
shareholders	-	-	-	-	-	-	-	-	-	-	-
of statutory reserve (Note 22)	-	-	-	-	-	21,550,000	(21,550,000)	-	-	(22,750,000)	(22,750,000)
as at 31 December 2013	1,525,808,660	887,824,106	-	12,904,468	23,254,939	162,053,000	2,882,128,935	(54,855,986)	(3,649,349)	649,230,152	5,890,936,690
as at 1 January 2014	1,525,808,660	887,824,106	-	12,904,468	23,254,939	162,053,000	2,882,128,935	(54,855,986)	(3,649,349)	649,230,152	5,890,936,690
for the year	-	-	-	-	-	-	1,200,434,337	-	-	(43,325,121)	1,157,409,216
comprehensive income for the year	-	-	-	-	-	-	(7,458,168)	-	-	(7,754,659)	(7,754,659)
in the Company's interest	-	-	-	-	-	-	-	-	-	-	-
shareholders which does not result	-	-	-	-	-	-	-	-	-	-	-
of control (Note 9)	-	-	-	(321,359,485)	-	-	-	-	-	(405,705,515)	(727,065,000)
in share capital (Note 20)	6,970,890	28,425,975	-	-	-	-	-	-	-	35,396,865	35,396,865
shareholders from share subscription (Note 21)	-	-	7,748,118	-	-	-	-	-	-	7,748,118	7,748,118
used payment transactions (Note 21)	-	-	-	-	15,177,992	-	-	-	-	15,177,992	15,177,992
paid (Note 30)	-	-	-	-	-	-	(153,276,257)	-	-	(153,276,257)	(153,276,257)
paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
shareholders	-	-	-	-	-	-	-	-	-	-	-
of statutory reserve (Note 22)	-	-	-	-	-	10,070,329	(10,070,329)	-	-	(22,750,240)	(22,750,240)
as at 31 December 2014	1,532,779,570	916,250,081	7,748,118	(308,455,017)	38,432,931	172,123,329	3,711,768,520	(120,357,370)	(1,195,353)	169,694,607	6,125,016,171

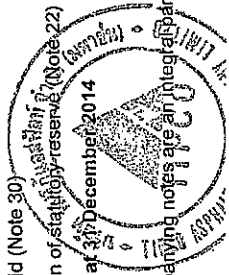
Asphalt Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
for the year ended 31 December 2014

*D. O. V. N. W.*

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

Asphalt Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity (continued)  
For the year ended 31 December 2014

	Separate financial statements										(Unit: Baht)
	Issued and paid-up share capital	Premium on share capital	Shares subscription	Capital reserve for share-based payment transactions	Retained earnings		Other component of equity			Total shareholders' equity	
					Appropriated - statutory reserve	Unappropriated	Other				
							Fair value of interest rate swap contracts	Total other component of shareholders' equity	comprehensive income		
Balance as at 1 January 2013	1,525,480,680	886,112,274	-	13,140,737	140,503,000	2,032,966,638	(4,642,938)		(4,642,938)	4,593,560,391	
For the year	-	-	-	-	-	430,254,568	-	-	-	430,254,568	
Comprehensive income for the year	-	-	-	-	-	-	993,589	993,589	993,589	993,589	
Comprehensive income for the year	-	-	-	-	-	430,254,568	993,589	993,589	993,589	431,248,157	
Share in share capital	328,000	1,711,832	-	-	-	-	-	-	-	2,039,832	
Based payment transactions (Note 21)	-	-	-	10,114,202	-	-	-	-	-	10,114,202	
Dividend paid (Note 30)	-	-	-	-	-	(152,578,968)	-	-	-	(152,578,968)	
Reduction of statutory reserve (Note 22)	-	-	-	-	21,550,000	(21,550,000)	-	-	-	-	
Balance as at 31 December 2013	1,525,808,680	887,824,106	-	23,254,939	162,053,000	2,289,092,238	(3,649,349)	(3,649,349)	(3,649,349)	4,884,383,614	
Balance as at 1 January 2014	1,525,808,680	887,824,106	-	23,254,939	162,053,000	2,289,092,238	(3,649,349)	(3,649,349)	(3,649,349)	4,884,383,614	
For the year	-	-	-	-	-	669,073,406	-	-	-	669,073,406	
Comprehensive income for the year	-	-	-	-	-	(9,070,994)	2,452,996	2,452,996	2,452,996	(6,617,998)	
Comprehensive income for the year	-	-	-	-	-	660,002,412	2,452,996	2,452,996	2,452,996	662,455,408	
Share in share capital (Note 20)	6,970,890	28,425,975	-	-	-	-	-	-	-	35,396,865	
Receipts from shares subscription (Note 21)	-	-	7,748,118	-	-	-	-	-	-	7,748,118	
Based payment transactions (Note 21)	-	-	-	15,177,992	-	-	-	-	-	15,177,992	
Dividend paid (Note 30)	-	-	-	-	-	(153,276,257)	-	-	-	(153,276,257)	
Reduction of statutory reserve (Note 22)	-	-	-	-	10,070,329	(10,070,329)	-	-	-	-	
Balance as at 31 December 2014	1,532,779,570	916,250,081	7,748,118	38,432,931	172,123,329	2,785,748,064	(1,196,353)	(1,196,353)	(1,196,353)	5,451,885,740	



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

*[Signature]*  
D. N. S.

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from operating activities:</b>				
Profit before tax	1,333,459,596	983,310,876	797,665,905	505,779,946
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	493,205,243	434,352,337	74,344,835	74,454,840
Written off withholding tax	352,233	10,751	-	-
Allowance for doubtful accounts (reversal)	165,723,156	(19,669,545)	(2,480,400)	(4,991,993)
Reduction of cost of inventory to net realisable value	358,042,742	7,831,398	424,365,165	1,196,947
Dividend income from subsidiaries	-	-	(136,099,760)	(16,100,000)
Dividend income from associate	-	-	(32,569,417)	-
Loss on disposal of investment in subsidiary	-	-	134,547,187	-
Unrealised loss on exchange rate	26,899,952	249,370,473	3,088,490	188,480,393
Realised gain on exchange from amendment of long-term loan agreement	-	(28,988,684)	-	-
Gain (loss) on sales of equipment and vessel	6,748,277	(8,318,007)	(1,510,455)	(7,773,877)
Impairment loss of equipment and vessel	7,966,784	1,756,500	-	-
Share of profit from investment in associate	(48,851,296)	(46,207,339)	-	-
Share-based payment transactions	15,177,992	10,114,202	12,356,269	8,624,655
Provision for long-term employee benefits	14,092,171	9,397,208	10,397,891	7,361,043
Change in fair value of forward exchange contracts	(6,597,878)	13,485,397	(5,432,339)	11,181,635
Change in fair value of price hedging contracts	58,086,125	(129,263)	58,086,125	(129,263)
Change in fair value of interest rate swap contracts recognised in profit or loss	3,114,567	3,550,518	3,958,756	2,411,626
Interest expenses	203,017,945	179,624,390	132,936,524	122,287,638
Profit from operating activities before changes in operating assets and liabilities	2,630,437,609	1,789,491,212	1,473,654,776	892,783,590
(Increase) decrease in operating assets				
Trade and other receivables	(215,078,259)	1,415,991,486	(407,467,830)	1,834,292,316
Inventories	4,964,282,921	(2,308,969,227)	4,783,391,597	(2,214,733,747)
Other current assets	140,002,398	(210,018,640)	(20,292,238)	(17,507,250)
Other non-current assets	(397,663)	28,338	6,387,548	(8,423,075)
Increase (decrease) in operating liabilities				
Trade and other payables	(271,414,413)	(631,176,805)	32,147,363	(555,965,601)
Other current liabilities	(199,252,309)	194,592,853	(17,994,103)	3,650,270
Cash flows from (use in) operating activities	7,048,580,284	249,939,217	5,849,827,113	(65,903,497)
Cash paid for interest expenses	(211,339,132)	(165,736,319)	(133,122,295)	(105,604,706)
Cash paid for corporate income tax	(73,529,835)	(162,329,515)	(33,397,158)	(113,912,812)
<b>Net cash from (used in) operating activities</b>	<b>6,763,711,317</b>	<b>(78,126,617)</b>	<b>5,683,307,660</b>	<b>(285,421,015)</b>

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

Signature and stamp of the authorized signatory.

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from investing activities:</b>				
Cash receipts from business transfer to subsidiary	-	-	-	61,067,790
Cash paid for investment in subsidiary	-	-	(125,000,000)	-
Cash receipts from disposal of investment in subsidiary	-	-	119,090,813	-
Dividend received from subsidiaries	-	-	16,100,000	16,100,000
Dividend received from associate	32,569,417	-	32,569,417	-
Decrease in short-term loans to related parties	-	-	35,000,000	-
Acquisition of equipment	(852,238,448)	(842,195,847)	(61,672,014)	(63,131,935)
Acquisition of computer software	(9,340,297)	(4,369,546)	(8,268,727)	(4,198,500)
Proceeds from sales of equipment and vessel	14,925,939	57,957,383	1,778,756	4,849,510
<b>Net cash from (used in) investing activities</b>	<b>(814,083,389)</b>	<b>(788,608,010)</b>	<b>9,598,245</b>	<b>14,686,865</b>
<b>Cash flows from financing activities:</b>				
Cash paid to acquisition of non-controlling interests of subsidiaries	(727,065,000)	-	-	-
Increase (decrease) in short-term loans from banks	(5,344,207,626)	937,729,804	(5,289,690,625)	771,972,889
Cash paid under finance lease agreements	(7,816,035)	(8,674,693)	(5,773,719)	(4,465,792)
Cash receipts from long-term loans	826,642,317	488,288,300	-	-
Repayment of long-term loans	(706,974,360)	(622,410,446)	(352,500,000)	(300,791,827)
Cash receipts from increase in share capital	35,396,865	2,039,832	35,396,865	2,039,832
Cash receipts from share subscription	7,748,118	-	7,748,118	-
Dividend paid to shareholders	(153,140,945)	(152,466,060)	(153,140,945)	(152,466,060)
Dividend paid to non-controlling interests of subsidiaries	(22,750,240)	(22,750,000)	-	-
<b>Net cash from (used in) financing activities</b>	<b>(6,092,166,906)</b>	<b>621,756,737</b>	<b>(5,757,960,306)</b>	<b>316,289,042</b>
<b>Exchange differences on translation of</b>				
<b>financial statements in foreign currencies</b>	<b>(75,907,860)</b>	<b>815,738</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(218,446,838)</b>	<b>(244,162,152)</b>	<b>(65,054,401)</b>	<b>45,554,892</b>
Cash and cash equivalents at beginning of year	495,434,890	739,597,042	89,695,844	44,140,952
<b>Cash and cash equivalents at end of year</b>	<b>276,988,052</b>	<b>495,434,890</b>	<b>24,641,443</b>	<b>89,695,844</b>

Supplemental cash flows information

Non-cash transactions

Acquisition of assets through finance lease	1,929,665	3,231,432	-	2,628,700
Accounts payable from purchase of equipment	501,726	17,953,938	-	-
Settlement of dividend received from subsidiary				
with account payable (Note 9)	-	-	119,999,760	-
Settlement of cash receipts from disposal of investment				
with cash paid for investment in subsidiary (Note 9)	-	-	159,436,868	-

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 2014**

### **1. General information**

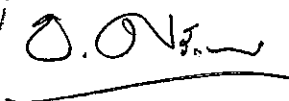
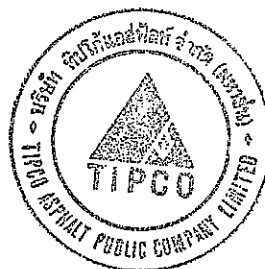
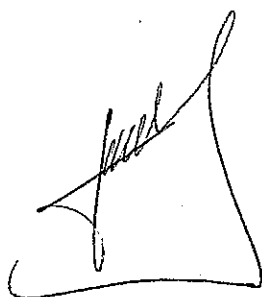
Tipco Asphalt Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The major shareholders of the Company are Supsakorn family and Colas Group, a company incorporated in French Republic. The Company is principally engaged in the manufacture and distribution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

### **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.

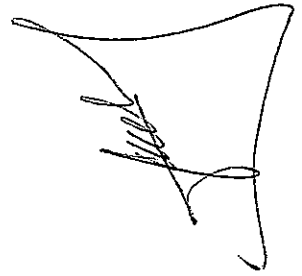
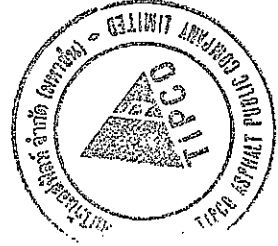
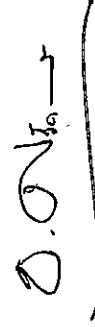
The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.



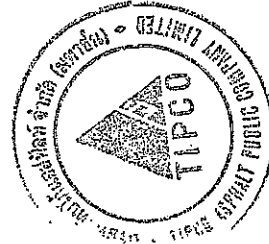
## 2.2 Basis of consolidation

- 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		Shareholding percentage	
		<u>2014</u> (Million Baht)	<u>2013</u> (Million Baht)	<u>2014</u> (%)	<u>2013</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. ("Thai Bitumen")	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	143	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

Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		<u>2014</u> (Million Baht) (Except for other specified currency)	<u>2013</u> (Million Baht)	<u>2014</u> (%)	<u>2013</u> (%)
<b><u>Subsidiaries incorporated in Malaysia</u></b>					
Kemaman Oil Corporation Sdn Bhd ("KOC") (26.11% owned by the Company, 37.01% owned by Thai Bitumen and 36.88% owned by TIHK (2013: 11.30% owned by the Company and 51.82% owned by Thai Bitumen))	Holding company	151.96 Million ringgit	151.96 Million ringgit	100.00	63.12
Kemaman Bitumen Company Sdn Bhd ("KBC") (27.74% owned by the Company, 26.06% owned by Thai Bitumen 44.80% owned by KOC and 1.40% owned by TIHK (2013: 41.98% owned by the Company, 12.52% owned by Thai Bitumen and 44.80% owned by KOC))	Manufacture and distribution of asphalt products	305.55 Million ringgit	305.55 Million ringgit	100.00	82.77
<b><u>Subsidiary incorporated in Singapore</u></b>					
KBC Energy Pte. Ltd. (Owned by KOC)	Dormant	0.01 Million USD	0.01 Million USD	100.00	63.12



*[Handwritten signature]*

Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		2014	2013	2014	2013
		(Million Baht)	(Million Baht)	(%)	(%)
		(Except for other specified currency)			
<b><u>Subsidiary incorporated in Cambodia</u></b>					
Tipco Asphalt (Cambodia) Co., Ltd.	Manufacture and distribution of asphalt products	20.00	20.00	100.00	100.00
		Million riel	Million riel		
<b><u>Subsidiary incorporated in Hong Kong</u></b>					
Tasco International (Hong Kong) Ltd. ("TIHK")	Holding company	30.97	30.97	100.00	100.00
		Million HKD	Million HKD		
<b><u>Subsidiaries incorporated in China (owned by TIHK)</u></b>					
Langfang Tongtai Road Material Co., Ltd.	Manufacture and distribution of asphalt products	2.10	2.10	51.00	51.00
		Million USD	Million USD		
Zhenjiang Tipco Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	20.00	20.00	51.00	51.00
		Million RMB	Million RMB		
Tipco Asphalt (Xinhui) Co., Ltd.	Manufacture and distribution of asphalt products	30.00	2.10	100.00	100.00
		Million RMB	Million USD		





- 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 financial reporting standards

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

#### (a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

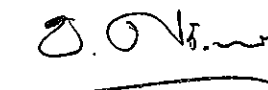
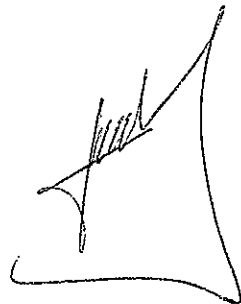
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs



Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

**(b) Financial reporting standards that will become effective in the future**

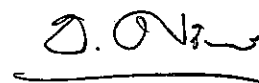
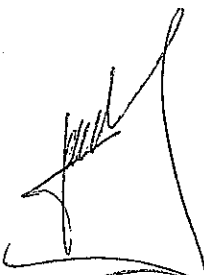
The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company and its subsidiary believes that in most cases they have not resulted in changes in key principles. However, some of these financial reporting standards involve changes to key principles, as follows:

Accounting Standards:

TAS 19 (revised 2014) Employee Benefits

Financial Reporting Standards:

TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement



Based on the preliminary analysis performed, the management of the Company and its subsidiaries believes that these financial reporting standards will not have any significant impact on the Company and its subsidiaries' financial statements, except for the following financial reporting standard.

#### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact to the financial statements in the year when this standard is adopted.

#### **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.

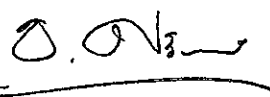
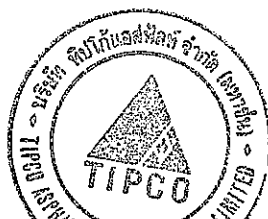
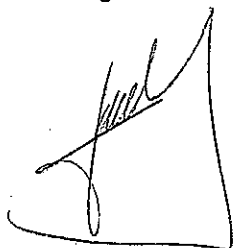
Vessel operating income consists of time charters and voyage charters. Income from time charters is recognised when the right to use a vessel is transferred to a lessee for an agreed period of time, while income from voyage charters is recognised by reference to the stage of completion.

###### *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 and work in process are valued at the lower of cost (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.

#### **4.5 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.

#### **4.6 Investment properties**

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

Depreciation of investment properties 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.



#### 4.7 Property, plant and equipment/Depreciation

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

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

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

Depreciation is included in profit or loss.

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

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

#### 4.8 Borrowing costs

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

#### 4.9 Intangible assets - computer software

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

Computer software with finite 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.



#### 4.10 Goodwill

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's group of cash-generating unit that are expected to benefit from the synergies of the combination. The Company and its subsidiaries 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.

#### 4.11 Leasehold rights

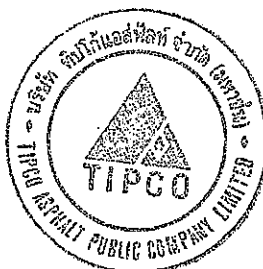

Leasehold rights are stated at cost less accumulated amortisation and less allowance for impairment loss of leasehold rights (if any). Amortisation is calculated by reference to cost on a straight-line basis over the lease periods.

The amortisation is included in profit or loss.

#### 4.12 Related party transactions

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

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



#### 4.13 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases 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.

#### 4.14 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.

#### 4.15 Impairment of assets

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

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.



#### **4.16 Employee benefits**

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits and other long-term employee benefits***

###### ***Defined contribution plans***

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

###### ***Defined benefit plans and other long-term employee benefits***

The Company and its local subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its 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 plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

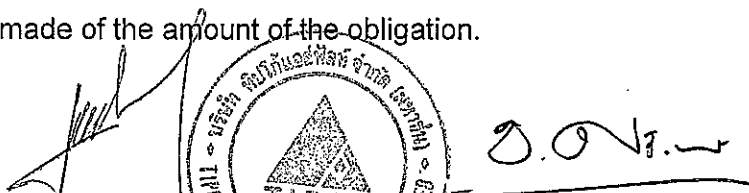
Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

#### **4.17 Equity-settled share-based payment transactions**

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

#### **4.18 Provisions**

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

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#### 4.19 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.

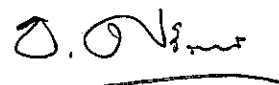
#### 4.20 Derivatives

##### **Forward exchange contracts**

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

##### **Price hedging contracts**

Forward price hedging contracts 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**

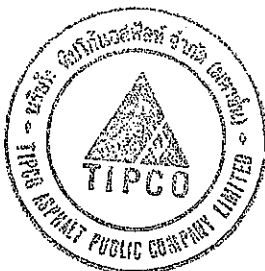

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

#### **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.

#### **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 treat 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.

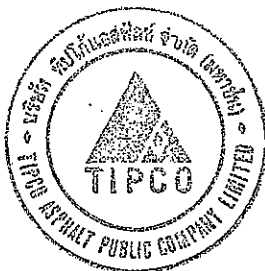
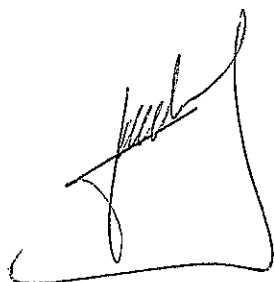
### **Property plant and equipment/Depreciation**

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 its 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 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**

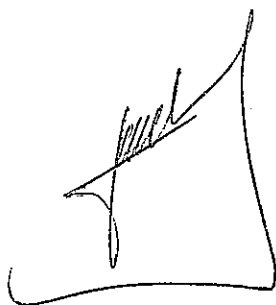
The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### **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.

### **Litigation**

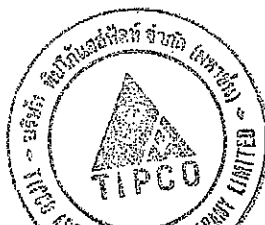
The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.



## 6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b><u>Trade receivables - related parties</u></b> (Note 7)				
Aged on the basis of due dates				
Not yet due	457,926	490,525	1,016,952	1,269,351
Past due				
Up to 3 months	16,687	21,051	662,153	279,848
3 - 6 months	-	-	93,888	56,375
6 - 9 months	-	58	814	-
9 - 12 months	-	61	271,034	3,272
Over 12 months	217	176	6,511	-
Total trade receivables - related parties	474,830	511,871	2,051,352	1,608,846
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	2,795,863	2,749,017	1,922,316	1,827,445
Past due				
Up to 3 months	433,670	454,089	71,757	152,994
3 - 6 months	48,641	120,295	8,126	22,959
6 - 9 months	72,463	39,668	335	669
9 - 12 months	193,491	6,878	-	1,824
Over 12 months	247,769	115,022	78,695	82,325
Total	3,791,897	3,484,969	2,081,229	2,088,216
Less: Allowance for doubtful accounts	(282,978)	(115,833)	(73,552)	(76,033)
Total trade receivables - unrelated parties, net	3,508,919	3,369,136	2,007,677	2,012,183
Total trade receivables - net	3,983,749	3,881,007	4,059,029	3,621,029
<b><u>Other receivables</u></b>				
Amounts due from related parties (Note 7)	9,568	12,224	29,021	26,409
Accounts receivable from price				
hedging contracts	-	5,866	-	5,866
Other receivables	24,626	67,476	2,198	10,063
Total other receivables	34,194	85,566	31,219	42,338
Trade and other receivables - net	4,017,943	3,966,573	4,090,248	3,663,367


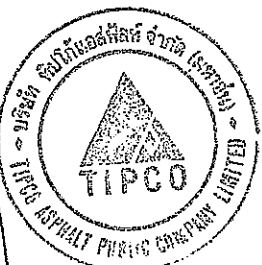



## 7. Related party transactions

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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	5,541	5,602	Cost plus certain margin
Rental and service income	-	-	52	34	Contract price
Technical assistance fee income	-	-	12	12	Contract price
Interest income	-	-	2	1	2.8 percent per annum
Dividend income	-	-	136	16	
Purchases of goods	-	-	28	8	Cost plus certain margin
Rental and service expenses	-	-	1,817	1,438	Contract price
<b><u>Transactions with associate</u></b>					
Dividend income	-	-	33	-	
<b><u>Transactions with related companies</u></b>					
Sales and service income	3,035	3,703	2,897	3,531	Market price / contract price
Rental and service income	5	4	5	4	Contract price
Rental and service expenses	44	45	32	32	Contract price
Technical assistance fee expenses	58	51	37	32	Contract price

The balances of the accounts between the Company and its subsidiaries and those related companies as at 31 December 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b><u>Trade and other receivables- related parties</u> (Note 6)</b>				
Subsidiaries	-	-	1,613,750	1,154,376
Related companies (common shareholders and directors)	484,398	524,095	466,623	480,879
<b>Total trade and other receivables - related parties</b>	<b>484,398</b>	<b>524,095</b>	<b>2,080,373</b>	<b>1,635,255</b>
<b><u>Short-term loans to related parties</u></b>				
Subsidiaries	-	-	5,644	40,621
<b>Total short-term loans to related parties</b>	<b>-</b>	<b>-</b>	<b>5,644</b>	<b>40,621</b>
<b><u>Trade and other payables - related parties</u> (Note 15)</b>				
Subsidiaries	-	-	665,081	449,778
Related companies (common shareholders and directors)	52,168	45,198	42,292	37,879
<b>Total trade and other payables - related parties</b>	<b>52,168</b>	<b>45,198</b>	<b>707,373</b>	<b>487,657</b>
<b><u>Long-term loan from related party</u></b>				
Related company (shareholder of subsidiary)	7,791	7,951	-	-
<b>Total long-term loan from related party</b>	<b>7,791</b>	<b>7,951</b>	<b>-</b>	<b>-</b>

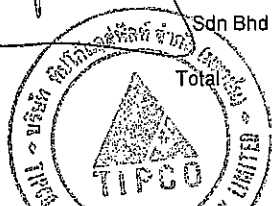
**Loans to related parties and loan from related parties**

As at 31 December 2014 and 2013, the balances of loans between the Company and those related companies and the movement were as follows:

(Unit: Thousand Baht)

		Separate financial statements				
Loans to related parties	Related by	Balance as at	Increase during	Decrease during	Unrealise gain	Balance as at
		31 December 2013	the year	the year	on exchange	31 December 2014
Alpha Maritime Co., Ltd.	Subsidiary	35,000	-	(35,000)	-	-
Thai Bitumen Co., Ltd.	Subsidiary	-	308,000	(308,000)	-	-
Kemaman Oil Corporation						
Sdn Bhd	Subsidiary	5,621	-	-	23	5,644
<b>Total</b>		<b>40,621</b>	<b>308,000</b>	<b>(343,000)</b>	<b>23</b>	<b>5,644</b>

*S. O. N. S.*





(Unit: Thousand Baht)

		Separate financial statements			
Loans from related party	Related by	Balance as at 31 December 2013	Increase during the year	Decrease during the year	Balance as at 31 December 2014
Alpha Maritime Co., Ltd.	Subsidiary	-	18,000	(18,000)	-

(Unit: Thousand Baht)

		Consolidated financial statements			
		Exchange differences on translation of			
Loans from related party	Related by	Balance as at 31 December 2013	financial statements in foreign currency	Balance as at 31 December 2014	
Zhenjiang Highway Materials Company	Shareholder of subsidiary	7,951	(160)	7,791	

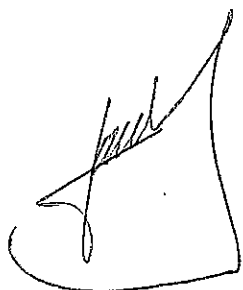
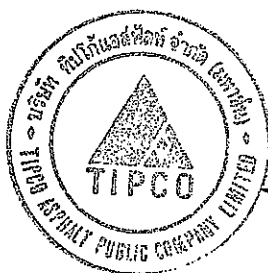
### Directors and management's benefits

During 2014 and 2013, the Company and its subsidiaries had employee benefit expenses of their directors and management as detailed below.

		Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
Short-term employee benefits		109	102	92	86
Post-employment benefits and other long-term benefits (Note 19)		5	4	5	4
Share-based payment transactions (Note 21)		9	6	8	6
Total		123	112	105	96

### 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)

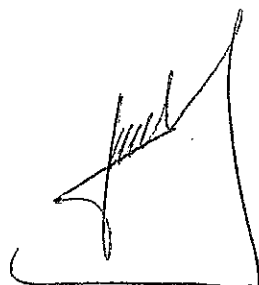
### Consolidated financial statements

	Reduction of cost to net					
	Cost		realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	1,224,096	1,419,466	(101,142)	-	1,122,954	1,419,466
Raw materials	1,182,146	2,406,331	(234,240)	(7,759)	947,906	2,398,572
Packaging materials, spare parts and factory supplies	87,375	101,443	(2,762)	(3,726)	84,613	97,717
Goods in transit	1,693,319	5,433,660	(30,963)	-	1,662,356	5,433,660
Total	4,186,936	9,360,900	(369,107)	(11,485)	3,817,829	9,349,415

(Unit: Thousand Baht)

### Separate financial statements

	Reduction of cost to net					
	Cost		realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	1,142,211	1,287,299	(113,456)	-	1,028,755	1,287,299
Raw materials	1,058,681	1,919,566	(243,589)	-	815,092	1,919,566
Packaging materials, spare parts and factory supplies	12,692	15,035	(2,365)	(3,282)	10,327	11,753
Goods in transit	1,657,859	5,433,005	(68,167)	-	1,589,692	5,433,005
Total	3,871,443	8,654,905	(427,577)	(3,282)	3,443,866	8,651,623




D. O. N. M.

## 9. Investments in subsidiaries

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

Company's name	Investment cost		(Unit: Thousand Baht) Dividend received during the year	
	2014	2013	2014	2013
<b><u>Domestic subsidiaries</u></b>				
Raycol Asphalt Co., Ltd.	193,200	193,200	16,100	16,100
Thai Bitumen Co., Ltd. ("Thai Bitumen")	1,499,917	1,499,917	-	-
Less: Provision for impairment loss of investment	(60,775)	(60,775)		
Tipco Maritime Co., Ltd.	1,999	1,999	-	-
Alpha Maritime Co., Ltd.	142,999	17,999	-	-
Bitumen Marine Co., Ltd.	149,999	149,999	120,000*	-
Delta Shipping Co., Ltd.	79,999	79,999	-	-
Tasco Shipping Co., Ltd.	289,999	289,999	-	-
<b><u>Overseas subsidiaries</u></b>				
Tasco International (Hong Kong) Ltd. ("TIHK")	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")	337,296	173,677	-	-
Kemaman Bitumen Company Sdn Bhd ("KBC")	818,644	1,231,719	-	-
Tipco Asphalt (Cambodia) Co., Ltd.	165	165	-	-
Investments in subsidiaries	3,699,299	3,823,755	136,100	16,100
Cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees (Note 21)	8,128	5,306		
Total investments in subsidiaries	3,707,427	3,829,061		

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

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



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

During 2014, 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 21) amounted to Baht 2.8 million (2013: Baht 1.5 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 ("AJSB") offered to exercise the rights under such agreement on behalf of SHB, the Company and Thai Bitumen have had disputes with AJSB 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 AJSB, which the Company and Thai Bitumen brought to arbitration. The arbitration award denied all the disputed claims by AJSB, except that KOC shall accept the share acquisition payment amounting to MYR 5 million which was made by AJSB to KOC on 3 March 2008. KOC registered additional capital amounting to MYR 5 million belonging to AJSB 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 subsidiaries which did not result in a loss of control" over the consolidated shareholders' equity.

During the year 2014, the Company, Thai Bitumen and TIHK, altogether referred to as "The Group", entered into Settlement Agreement with ARAS Group, which comprised AJSB, Multi Strategies Sdn Bhd ("MSSB") and Specialist Oils & Emulsions Sdn Bhd ("SOE"). The Agreement stipulates that TIHK shall acquire all shares in KOC and KBC held by ARAS Group in the amount of totaling MYR 75 million. Details are as follows:



### Investment in KOC

Shareholders' name	Number of share (Million shares)	Acquire amount (Million ringgit)	Shareholding percentage
AJSB	31.35	40.47	20.63
MSSB	24.70	31.89	16.25
Total	56.05	72.36	36.88

### Investment in KBC

Shareholders' name	Number of share (Million shares)	Acquire amount (Million ringgit)	Shareholding percentage
SOE	4.43	2.64	1.40
Total	4.43	2.64	1.40

TIHK paid for share acquisition of MYR 75 million (approximately Baht 727 million) to ARAS Group and received the share transfer on 17 March 2014.

The Settlement Agreement also stipulates that The Group and ARAS Group irrevocably and unconditionally agree and undertake to release and discharge each other from any and all claims and agree to withdraw and discontinue the current litigation without any claim as to costs and without any rights to file any further claim to each other.

As a result of the Settlement Agreement, the shareholdings of the Company and its subsidiaries in KOC and KBC increased to 100 percent and the Company and its subsidiaries recorded the change in the subsidiaries' interest amounting to Baht 321 million under the caption of "Change in the Company's interest in subsidiaries which does not result in a loss of control" in the consolidated shareholders' equity.

In 2014, there were changes in the percentage of interest in KOC and KBC, as follow:

1. The Company sold 45 million shares of KBC, or 14.24% interest, to Thai Bitumen at a price of MYR 28.8 million (approximately Baht 279 million).
2. The Company acquired 22.5 million shares in KOC, or 14.81% interest, from Thai Bitumen at a price of MYR 16.425 million (approximately Baht 164 million).

The Company and Thai Bitumen transferred the above shares on 26 November 2014.

The Company and Thai Bitumen have entered into the memorandum of understanding to offset cash receipts from disposal of investment in KBC with cash paid for investment in KOC. From this memorandum, the Company shall receive the net amount of MYR 12.375 million (approximately Baht 119 million) from Thai Bitumen. The Company received such amount on 9 December 2014.



From the above sales transaction, the Company recorded loss on disposal of investment in KBC under cost method amounting to Baht 135 million and separate presented the amount under the caption of "Loss on disposal of investment in subsidiary" in profit or loss in the separate financial statements. However, the transactions had no effect to profit or loss in the consolidated financial statements.

The shareholding structures of KOC and KBC before and after the changes in shareholding are as follows:

Shareholders' name	Shareholding percentage of KOC		Shareholding percentage of KBC	
	Before changing	After changing	Before changing	After changing
The Company	11.30	26.11	41.98	27.74
Thai Bitumen	51.82	37.01	11.82	26.06
TIHK	36.88	36.88	1.40	1.40
KOC	-	-	44.80	44.80
Total	100.00	100.00	100.00	100.00

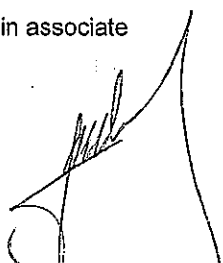
As at 31 December 2014, the value of the Company's investment costs in KOC and KBC accounted for under cost method in the separate financial statements were higher than the Company's attributable equity interests in these subsidiaries by Baht 247 million (2013: Baht 477 million). The Company believed that the recoverable benefits from these investments would exceed their costs. Therefore, no allowance for impairment was made in the account.

## 10. Investment in associate

### 10.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements					
	Shareholding		Cost		Carrying amounts based	
	percentage				on equity method	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(%)	(%)				
Colasie Co., Ltd.	40	40	18,404	18,404	124,002	110,521
(Registered under the law of France)						
(Holding company)						
Total investment in associate			18,404	18,404	124,002	110,521





(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Shareholding		Cost		Carrying amounts	
	percentage				based on cost method	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(%)	(%)				
Colasie Co., Ltd.	40	40	18,404	18,404	18,404	18,404
Total investment in associate			18,404	18,404	18,404	18,404

## 10.2 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Colasie Co., Ltd.	48,851	46,207	32,569	-
Total	48,851	46,207	32,569	-

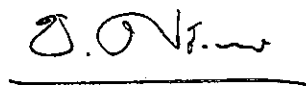
## 10.3 Summarised financial information of associate

Financial information of Colasie Co., Ltd. as at 31 December 2014 and 2013 and for the year then ended are summarised below.

(Unit: Million Euro)

	<u>2014</u>	<u>2013</u>
Paid-up capital	1.04	1.04
Total assets	3.00	3.04
Total liabilities	0.01	0.01
Total revenues	3.09	2.87
Profit for the year	2.99	2.83





## 11. Investment properties

The net book value of investment properties as at 31 December 2014 and 2013 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 2014:			
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 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

(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 2014:			
Cost	268,377	76,960	345,337
<u>Less</u> Accumulated depreciation	(138,692)	(10,654)	(149,346)
<u>Less</u> Allowance for diminution in value	(95,885)	-	(95,885)
Net book value	33,800	66,306	100,106



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(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

A reconciliation of the net book value of investment properties for 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net book value at beginning of year	199,433	199,433	100,652	101,198
Depreciation charged during the year	-	-	(546)	(546)
Net book value at end of year	199,433	199,433	100,106	100,652

The fair values of the investment properties, appraised by an independent professional valuer using the Sales Comparison Approach, as at 31 December 2014 and 2013 are stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</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	-	-



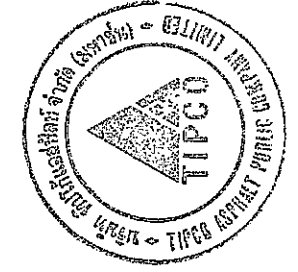
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## 12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	Total
<b>Cost</b>						
As at 1 January 2013	633,720	625,460	775,639	1,765,132	380,884	8,019,949
Additions	-	-	33,569	11,877	748,825	848,553
Disposals/write-off	-	(1,286)	(8,091)	-	-	(66,659)
Transfer in (transfer out)	6,021	4,275	315,868	40,074	(366,238)	-
Interest capitalised	-	-	-	-	4,892	4,892
As at 31 December 2013	639,741	628,449	4,180,460	770,308	1,819,414	8,806,735
Additions	-	-	128,869	30,872	672,764	832,505
Disposals/write-off	-	(2,031)	(136,039)	(31,040)	-	(262,989)
Transfer in (transfer out)	2,218	21,872	602,600	18,424	(932,037)	209,611
Transfer out to leasehold rights (Note 13)	-	-	-	-	(170,387)	(170,387)
Interest capitalised	-	-	-	-	7,043	7,043
As at 31 December 2014	641,959	648,290	4,775,890	788,564	345,746	9,422,518



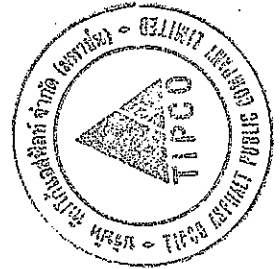
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(Unit: Thousand Baht)

## 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
<b>Accumulated depreciation</b>							
As at 1 January 2013	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 disposals/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
Depreciation for the year	16,132	21,713	264,760	48,100	96,760	-	447,465
Accumulated depreciation on disposals/write-off	-	(1,907)	(98,934)	(28,597)	(76,555)	-	(205,993)
As at 31 December 2014	315,506	415,100	2,062,341	615,151	413,891	-	3,821,989
<b>Allowance for impairment loss</b>							
As at 1 January 2013	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
Increase during the year	-	-	501	-	7,466	-	7,967
Disposals/write-off	-	-	(21,548)	-	(7,466)	-	(29,014)
As at 31 December 2014	1,183	-	1,544	-	-	-	2,727

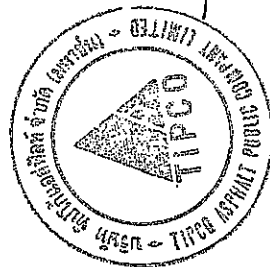


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(Unit: Thousand Baht)

## Consolidated financial statements

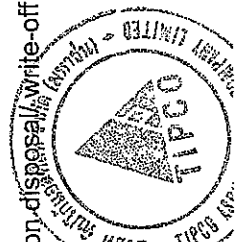
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	Total
<b>Translation adjustments</b>							
As at 1 January 2013	-	3,145	(100,668)	(396)	-	(46,397)	(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
Translation adjustments during the year	-	(1,977)	11,103	144	-	1,285	10,555
As at 31 December 2014	-	17,767	38,572	2,075	-	(3,680)	54,734
<b>Net book value</b>							
As at 31 December 2013	339,184	252,899	2,288,823	176,591	1,425,728	763,398	5,246,623
As at 31 December 2014	325,270	250,957	2,750,577	175,488	1,808,178	342,066	5,652,536
<b>Depreciation for the year</b>							
2013 (Baht 306 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							385,138
2014 (Baht 376 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							447,465



(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
<b>Cost</b>							
As at 1 January 2013	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	-	-	(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
Additions	-	-	6,753	7,056	-	49,155	62,964
Disposals/write-off	-	(2,017)	(16,572)	(15,374)	-	-	(33,963)
Transfer in (transfer out)	1,405	21,102	10,838	14,040	-	(47,385)	-
As at 31 December 2014	445,204	235,710	509,259	577,801	-	20,951	1,788,925
<b>Accumulated depreciation</b>							
As at 1 January 2013	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	-	-	(1,429)	(322)	(46,754)	-	(48,505)
As at 31 December 2013	198,458	170,056	482,495	451,948	-	-	1,302,957
Depreciation for the year	10,969	7,188	9,711	29,054	-	-	56,922
Accumulated depreciation on disposal/ write-off	-	(1,894)	(16,572)	(13,937)	-	-	(32,403)
As at 31 December 2014	209,427	175,350	475,634	467,065	-	-	1,327,476



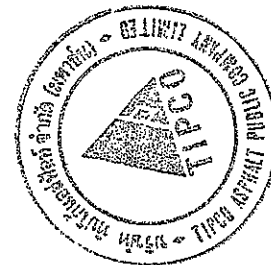
(Unit: Thousand Baht)

## Separate financial statements

	Land improvement and land	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	Total
<b>Allowance for impairment loss</b>							
As at 31 December 2013	1,183	-	-	-	-	-	1,183
As at 31 December 2014	1,183	-	-	-	-	-	1,183
<b>Net book value</b>							
As at 31 December 2013	244,158	46,569	25,745	120,131	-	19,181	455,784
As at 31 December 2014	234,594	60,360	33,625	110,736	-	20,951	460,266
<b>Depreciation for the year</b>							
2013 (Baht 25 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							54,137
2014 (Baht 25 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							56,922

During the year 2014, borrowing costs totaling approximately Baht 7 million were capitalised as cost of the vessel (2013: Baht 5 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 2% (2013: 3%).

As at 31 December 2014, certain items of plant and equipment items were fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 1,422 million (2013: Baht 1,426 million) (The Company Only: Baht 998 million, 2013: Baht 961 million).



### 13. Leasehold rights

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

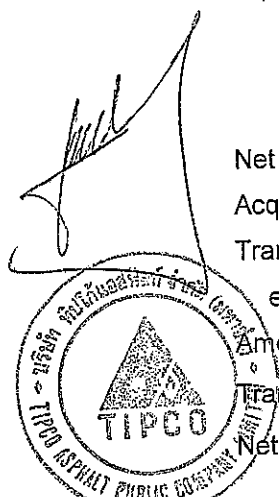
Leasee	Country the leased asset located in	Lease period (year)	Lease agreement ending year	Prepaid lease amount at inception of the lease
1. The Company	China	30	2031	1.4 million renminbi
2. A subsidiary in China	China	30	2029	5.7 million renminbi
3. A subsidiary in China	China	50	2050	6.9 million renminbi
4. A subsidiary in China	China	45	2055	2.5 million renminbi
5. A subsidiary in Malaysia	Malaysia	50	2055	19.8 million ringgit
6. A subsidiary in Malaysia	Malaysia	50	2063	10.7 million ringgit

The book value of the leasehold rights as at 31 December 2014 and 2013 can be summarised below.

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost	425,530	254,299	6,837	6,837
Less Accumulated amortisation	(51,011)	(44,859)	(3,191)	(2,963)
Translation adjustment	7,896	8,373	-	-
Net book value	382,415	217,813	3,646	3,874

A reconciliation of the net book value of leasehold rights for the years 2014 and 2013 is presented below.

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	217,813	207,872	3,874	4,102
Acquisition during the year	844	-	-	-
Transferred from property, plant and equipment (Note 12)	170,387	-	-	-
Amortisation	(6,152)	(5,737)	(228)	(228)
Translation adjustments	(477)	15,678	-	-
Net book value at end of year	382,415	217,813	3,646	3,874



#### 14. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trust receipts	3,998,734	9,164,536	3,900,734	9,164,536
Loans in renminbi	95,397	140,626	-	-
Loans in US Dollars	-	111,298	-	-
Total	<u>4,094,131</u>	<u>9,416,460</u>	<u>3,900,734</u>	<u>9,164,536</u>

The Trust Receipts is revolving in nature and used to fund the working capital of crude inventory and receivables which have less than four months cash conversion cycle.

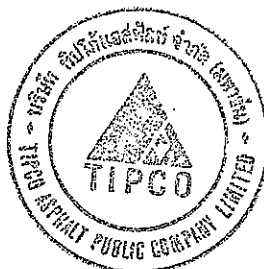
As at 31 December 2014, the Company had short-term loans from local banks, which carry interest at the rates from 0.83 to 0.85 percent per annum (2013: 0.85 percent per annum).

In addition, overseas subsidiaries had short-term loans from overseas financial institutions, which carry interest at the rates ranging from 6.9 to 7.2 percent per annum (2013: 2.1 to 7.2 percent per annum).

#### 15. Trade and other payables

(Unit: Thousand Baht)

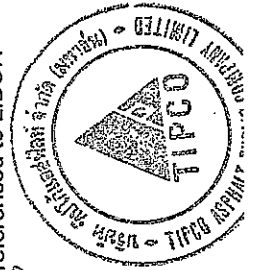
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade payables - related parties (Note 7)	5,303	4,735	658,224	444,577
Trade payables - unrelated parties	905,926	1,233,559	739,265	1,031,012
Amounts due to related parties (Note 7)	46,865	40,463	49,149	43,080
Accounts payable from price hedging contracts	-	60,952	-	60,952
Accrued expenses	272,999	214,271	120,526	92,299
Other payables	83,289	57,835	25,596	10,404
Total trade and other payables	<u>1,314,382</u>	<u>1,611,815</u>	<u>1,592,760</u>	<u>1,682,324</u>





# 16. Long-term loans from financial institutions

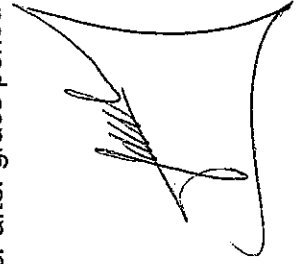
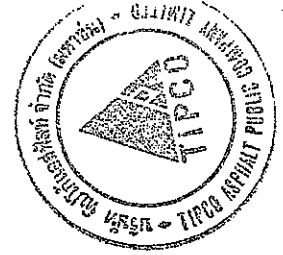
Loan	Borrower	Interest rate	Repayment schedule	Consolidated financial statements		Separate financial statements	
				2014	2013	2014	2013
(Unit: Thousand Baht)							
Long-term loans in Baht from Bank in Thailand							
(1)	The Company	Rate referenced to THBFX	Quarterly installments, as stipulated in the agreement, commencing from February 2009	240,000	480,000	240,000	480,000
(2)	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 from June 2012	532,500	645,000	532,500	645,000
(3)	Thai Bitumen Company Limited ("Thai Bitumen")	Fixed rate	Quarterly installments, as stipulated in the agreement, commencing from November 2014	383,000	-	-	-
(4)	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 from April 2012	26,300	37,800	-	-
(5)	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 from May 2012	148,900	168,400	-	-
(6)	Tasco Shipping Company Limited	Rate referenced to THBFX	Quarterly installments as stipulated in the agreements, commencing from October 2012	372,615	424,615	-	-
Long-term loans in USD from bank in Thailand							
(7)	Alpha Maritime Company Limited	Rate referenced to LIBOR	Quarterly installments as stipulated in the agreements, commencing from July 2015	401,332	199,673	-	-



Loan	Borrower	Interest rate	Repayment schedule	(Unit: Thousand Baht)		
				Consolidated financial statements	Separate financial statements	
				2014	2013	2014 2013
<b>Long-term loans in USD from bank in Malaysia</b>						
(8)	Kemaman Bitumen Company Sdn Bhd ("KBC")	Rate referenced to USD LIBOR	Quarterly installments as stipulated in the agreements, commencing from November 2011	191,515	299,588	-
(9)	Kemaman Bitumen Company Sdn Bhd	Rate referenced to USD LIBOR	Quarterly installments as stipulated in the agreements, commencing from November 2012	471,371	613,615	-
(10)	Kemaman Bitumen Company Sdn Bhd	Rate referenced to USD LIBOR	Quarterly installments as stipulated in the agreements, commencing from December 2016	230,741	-	-
Total				2,998,274	2,868,691	1,125,000
Less: Current portion				(783,842)	(688,821)	(352,500)
Long-term loans from financial institutions - net of current portion				2,214,432	2,179,870	772,500

Loan No. (3) of Thai Bitumen : In September 2014, Thai Bitumen received a long-term loan from a local commercial bank amounting to Baht 400 million, for Tasco International (Hong Kong) Limited to acquire shares of KOC and KBC. The loan bears the fixed interest at the rate of 4.40 percent per annum and the repayment term is due in each quarter, starting from November 2014.

Loan No. (10) of KBC : In December 2014, KBC received long-term credit facilities amounting to USD 25 million from a bank in Malaysia for the purpose of funding the purchase or improvement of plant equipment. The loan is subject to interest at a rate referenced to USD LIBOR and the repayment term is due in each quarter after grace period of 27 months and repayable within 30 September 2019.


As at 31 December 2014, the long-term credit facilities of a subsidiary which has not yet been drawn down amounted to USD 18 million (2013: USD 6 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 corporate guarantees from the Company and its subsidiaries, 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.

### 17. Interest rate swap contracts

The Company and a subsidiary have entered into interest rate swap contracts to change interest rate from a floating rate to a fixed rate. Details are as follows:

Counterparty	Agreements start	Fixed	Agreements expire	Notional amount balance	
		interest rate as per agreement		31 December 2014	31 December 2013
		(%)			
<u>For short-term loan</u>					
The Company	September 2014	1.20 to 1.26	December 2017	USD 25 million	-
The Company	October 2014	1.15 to 1.26	December 2017	USD 25 million	-
<u>For long-term loan</u>					
The Company	May 2009	4.365	November 2015	Baht 240 million	Baht 480 million
The Company	May 2012	5.21	March 2018	Baht 533 million	Baht 645 million
KBC	December 2013	0.54	August 2016	USD 6 million	USD 9 million
KBC	December 2013	0.93	April 2018	USD 15 million	USD 20 million

### 18. Credit facilities

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

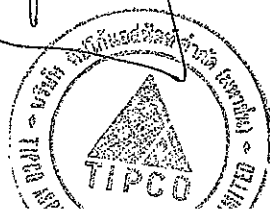
- The guarantees by the Company, its subsidiaries and a shareholder of a subsidiary.
- The pledges/mortgages by the assets of subsidiaries of which the net book value as at 31 December 2014 and 2013 of the assets are summarised below.

(Unit: Million Baht)

  
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#### Consolidated financial statements

	2014	2013
Leasehold rights - net	352	201
Property, plant and equipment - net	4,414	3,524



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

#### 19. Provision for long-term employee benefits

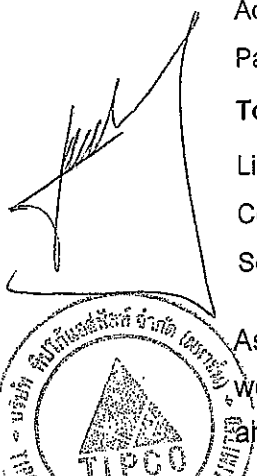
Provision for long-term employee benefits, which is compensations on employees' retirement and long service awards, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Provision for long-term employee</b>				
<b>benefits at beginning of year</b>	69,822	69,231	55,545	56,822
Defined benefit plans:				
Current service cost	9,860	6,604	7,805	5,148
Interest cost	3,694	2,494	3,079	2,004
Benefits paid during the year	(4,862)	(8,135)	(3,952)	(8,135)
Actuarial loss	9,194	-	11,339	-
Long service award	(73)	(372)	(1,016)	(294)
<b>Provision for long-term employee</b>				
<b>benefits at end of year</b>	87,635	69,822	72,800	55,545

Long-term employee benefit expenses included in the profit or loss consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current service cost	10,238	6,826	8,094	5,303
Interest cost	3,868	2,571	3,212	2,058
Actuarial gain recognised during the year	(942)	-	(1,635)	-
Past service costs recognised during the year	928	-	727	-
<b>Total expense recognised in profit or loss</b>	<u>14,092</u>	<u>9,397</u>	<u>10,398</u>	<u>7,361</u>
Line items under which such expenses are included in profit or loss				
Cost of sales	3,575	944	2,545	331
Selling and administrative expenses	10,517	8,453	7,853	7,030

As at 31 December 2014, cumulative amount of actuarial loss (net of actuarial gain), which were recognised in other comprehensive income of the Company and its subsidiaries amounted to Baht 9 million (The Company only: Baht 11 million).



Key actuarial assumptions used for the valuation are as follows:

	Consolidated/Separate financial statements	
	2014	2013
	(% per annum)	(% per annum)
Discount rate	4.4	3.9
Future salary increase rate (depending on age of employee)	5.0	3.0 - 8.0
Staff turnover rate (depending on age of employee)	0.0 - 23.0	0.0 - 14.0

Amounts of defined benefit obligation and experience adjustments on the obligation for the years 2014 and 2013 were as follows:

	(Unit: Thousand Baht)			
	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	87,635	72,800	19,870	18,901
Year 2013	69,822	55,545	-	-

## 20. Share capital

The Annual General Meeting of the shareholders held on 4 April 2014 approved the following resolutions.

### Decrease of share capital

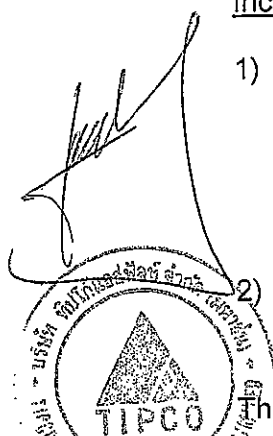
Decrease the Company's registered capital by Baht 1,366,000 from Baht 1,710,599,290 (171,059,929 ordinary shares of Baht 10 each) to Baht 1,709,233,290 (170,923,329 ordinary shares of Baht 10 each), by decreasing the ordinary shares reserved for the exercise of ESOP-W1, ESOP-W2 and ESOP-W3 of 136,600 shares at the par value of Baht 10 each.

The Company registered the capital decrease on 17 April 2014.

### Increase of share capital

- 1) Increase the Company's registered capital by Baht 12,000,000 from Baht 1,709,233,290 (170,923,329 ordinary shares of Baht 10 each) to Baht 1,721,233,290 (172,123,329 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-W4 warrants (Note 21).

The Company registered the capital increase on 18 April 2014.



Below is the summarisation of the exercise of TASCO-W3, ESOP-W1 and ESOP-W2 warrants during the year 2014.

	Second quarter	Third quarter	Fourth quarter
Number of warrants exercised (warrants)	589	652,200	44,300
Number of ordinary shares issued (shares)	589	652,200	44,300
Amount of cash received (Baht)	40,293	33,180,112	2,176,459
Share registration date	6 May 2014	9 July 2014	13 October 2014
Paid-up capital after share registration	Baht 1,525,814,570	Baht 1,532,336,570	Baht 1,532,779,570
	(152,581,457	(153,233,657	(153,277,957
	ordinary shares of	ordinary shares of	ordinary shares of
	Baht 10 each)	Baht 10 each)	Baht 10 each)

**21. 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>	<u>ESOP-W4</u>
Annual General Meeting				
of the shareholders date	5 April 2011	27 April 2012	5 April 2013	4 April 2014
Exercise price (Baht per share)	62.19	49.13	53.06	49.41
Issuance date	18 April 2011	18 May 2012	30 April 2013	30 May 2014
Number of warrants subscribed	1,088,100	1,128,700	1,182,600	1,178,300
Number of warrants unsubscribed	111,900	71,300	17,400	21,700
Vesting period from issuance date	2 years	2 years	3 years	3 years
Warrants maturity from issuance date	5 years	5 years	5 years	5 years

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. Moreover, the holders must still be executive directors and/or employees of the Company or its subsidiaries on the date the warrants are exercised.

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

The expenses recognised for employee services received during 2014 of the Company and its subsidiaries were totaled Baht 15 million (2013: Baht 10 million) (the Company only : Baht 12 million (2013: Baht 9 million)).



As at 31 December 2014, the Company received advance subscription from the exercise of the warrants as follows:

	<u>ESOP-W1</u>	<u>ESOP-W2</u>	<u>Total</u>
Number of warrants exercised (warrants)	32,000	117,200	149,200
Number of ordinary shares issued (shares)	32,000	117,200	149,200
Amount of cash received (Baht)	1,990,080	5,758,038	7,748,118

The Company registered the capital increase from exercise of ESOP with the Ministry of Commerce on 12 January 2015.

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>	<u>ESOP-W4</u>
Fair value of options granted	Baht 12.10 per share	Baht 5.41 per share	Baht 27.63 per share	Baht 17.78 per share
Dividend yield	3.75%	2.58%	1.79%	1.77%
Expected stock volatility*	40.00%	45.40%	43.30%	40.40%
Risk-free interest rate	2.82%	3.30%	3.03%	2.46%
Expected life of share options	2 years	2 years	3 years	3 years
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

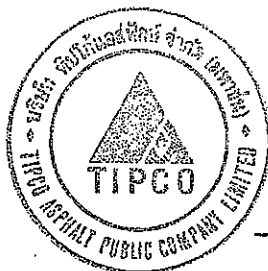
\*The expected volatility of the share options is based on historical data of the Company's stock price.

As at 31 December 2014 and 2013, the remain unexercised of ESOP are summarised below.

	<u>2014</u>	<u>2013</u>
ESOP-W1	813,200 units	932,300 units
ESOP-W2	283,200 units	1,009,800 units
ESOP-W3	1,111,100 units	1,128,600 units
ESOP-W4	1,178,300 units	-

## 22. 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.


## 23. Expenses by nature

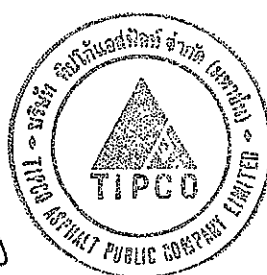
Significant expenses by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Salary and wages and other employee benefits	799	725	301	326
Depreciation and maintenance expenses	589	514	45	103
Costs related to production of goods and services (excluding of staff cost, depreciation and maintenance expenses)	43,913	31,857	42,269	30,854

## 24. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Current income tax:</b>				
Current income tax charge	(265,554)	(117,446)	(225,173)	(76,868)
Adjustment in respect of income tax of previous year	(85)	(68)	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	89,289	(3,573)	96,581	1,343
Utilisation of tax loss carried forward during the year	-	(617)	-	-
<b>Income tax expense reported in the statement of comprehensive income</b>	<u>(176,350)</u>	<u>(121,704)</u>	<u>(128,592)</u>	<u>(75,525)</u>



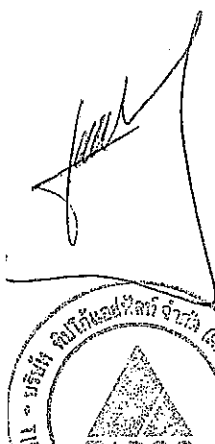


The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax relating to change in fair value of interest rate swap contract	(613)	(248)	(613)	(248)
Deferred tax relating to actuarial loss	1,838	-	2,267	-
	<u>1,225</u>	<u>(248)</u>	<u>1,654</u>	<u>(248)</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Accounting profit before tax	1,333,460	983,311	797,666	505,780
Income tax at Thai corporate income tax rate of 20%	(266,692)	(196,662)	(159,533)	(101,156)
Adjustment in respect of income tax of previous year	(85)	(68)	-	-
Utilisation of previously unrecognised tax losses and capital allowance	92,604	27,782	-	-
Difference in tax rate in group companies	(7,976)	(13,068)	-	-
Effects of:				
Non-deductible expenses	(48,384)	(15,831)	(2,897)	(2,902)
Additional expenses deductions allowed	160	297	104	297
Exemption of income	22,056	12,371	33,734	3,220
Promotional privileges (Note 25)	26,797	54,600	-	25,016
Share of profit from investment in associate	9,770	9,241	-	-
Unused tax loss in the current year	(39,899)	(375)	-	-
Loss on disposal of investment in subsidiaries	37,261	-	-	-
Others	(1,962)	9	-	-
Total	5,799	60,312	30,941	25,631
Income tax expenses reported in the statement of comprehensive income	<u>(176,350)</u>	<u>(121,704)</u>	<u>(128,592)</u>	<u>(75,525)</u>



The tax rates enacted at the end of the reporting period of the Company and its subsidiaries is 0% to 25% (2013: 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	15,688	13,964	12,292	11,109
Allowance for doubtful accounts	26,079	21,278	14,710	13,967
Reduce cost of inventories to				
net realisable value	72,828	1,887	85,515	656
Allowance for asset impairment	63,018	63,018	19,414	19,414
Fair value of price hedging contracts	48,526	23,963	48,526	23,963
Others	10,880	8,880	6,998	6,789
<b>Total</b>	<u>237,019</u>	<u>132,990</u>	<u>187,455</u>	<u>75,898</u>
<b>Deferred tax liabilities</b>				
Fair value of price hedging contracts	(39,864)	(26,919)	(39,864)	(26,919)
Difference depreciation for tax purpose	(3,927)	(3,338)	(3,181)	(2,795)
Fair value of forward exchange contracts	(306)	(325)	(303)	(312)
<b>Total</b>	<u>(44,097)</u>	<u>(30,582)</u>	<u>(43,348)</u>	<u>(30,026)</u>
<b>Deferred tax assets - net</b>	<u>192,922</u>	<u>102,408</u>	<u>144,107</u>	<u>45,872</u>

As at 31 December 2014 and 2013, the overseas subsidiaries have deductible temporary differences and unused tax losses 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, as follows:

	<u>2014</u>	<u>2013</u>
	(Million)	(Million)
USD	59	74
Ringgit	4	5
Renminbi	18	9

The image shows a handwritten signature in black ink. Below the signature is a circular official stamp of the Thai Public Company Administration (TPCA). The stamp contains the text 'กรมการทะเบียนบริษัท' (Department of Business Registration) around the top and 'T.P.C.A.' around the bottom. In the center of the stamp is a triangular logo with the letters 'T.P.C.A.' inside it.

## 25. 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.

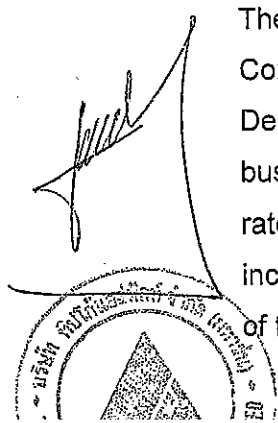
	Exemption from corporate income tax for 8 years commencing from	50% reduction of corporate income tax rate for 5 years commencing from
<b>Tipco Asphalt Public Company Limited</b>		
Manufacture of asphalt	1 December 2000	2 December 2008
<b>Raycol Asphalt Company Limited</b>		
Manufacture of asphalt	2 May 2001	3 May 2009
<b>Bitumen Marine Company Limited</b>		
Marine transportation	9 February 2006*	-
<b>Tasco Shipping Company Limited</b>		
Marine transportation	24 May 2011*	-
	19 December 2012*	-
<b>Alpha Maritime Company Limited</b>		
Marine transportation	28 June 2011*	-
	9 October 2014*	-

\*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.

## 26. 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.



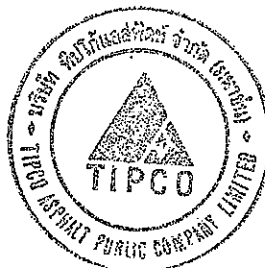
## 27. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year 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 without consideration of exercising period. However, warrants of which the exercise prices and the balance of fair value to purchase ordinary shares of the Company were higher than the average market price of the Company's shares for the year were not included in the calculation of diluted earnings per share for the years 2014 and 2013.

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		
<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders						
of the Company	1,200,434	831,449	152,933	152,565	7.85	5.45
<b>Effect of potential ordinary shares</b>						
ESOP-W1	-	-	-	18		
ESOP-W2	-	-	103	228		
	-	-	103	246		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders						
assuming the conversion of warrants to ordinary shares	1,200,434	831,449	153,036	152,811	7.84	5.44



Separate financial statements

	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	669,073	430,255	152,933	152,565	4.37	2.82
<b>Effect of potential ordinary shares</b>						
ESOP-W1	-	-	-	18		
ESOP-W2	-	-	103	228		
	-	-	103	246		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>669,073</u>	<u>430,255</u>	<u>153,036</u>	<u>152,811</u>	4.37	2.82

## 28. 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenue from external customers	39,860	28,629	5,867	5,306	-	-	45,727	33,935
Inter segment revenues	4,543	4,567	1,039	766	(5,582)	(5,333)	-	-
Total revenue	<u>44,403</u>	<u>33,196</u>	<u>6,906</u>	<u>6,072</u>	<u>(5,582)</u>	<u>(5,333)</u>	<u>45,727</u>	<u>33,935</u>
Segment operating income	<u>986</u>	<u>693</u>	<u>229</u>	<u>130</u>	<u>(15)</u>	<u>8</u>	<u>1,200</u>	<u>831</u>

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

(Unit: Million Baht)

	Geographic segment located in Thailand		Geographic segment located in overseas		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Non-current assets	2,807	2,708	3,736	3,245	6,543	5,953

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

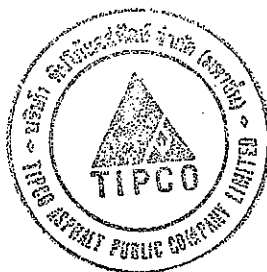
**29. Provident fund**

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 2014, the Company and its subsidiaries contributed Baht 10 million (2013: Baht 9 million) to the fund (the Company only Baht 8 million, 2013: Baht 8 million).

**30. Dividend**

(Unit: Million Baht)

Dividends	Approved by	Total dividends	Dividend per share
Interim dividends for 2013	Board of Directors' meeting on 14 August 2013	153	1.00
Total for 2013		153	1.00
Interim dividends for 2014	Board of Directors' meeting on 13 November 2014	153	1.00
Total for 2014		153	1.00



### 31. Commitments and contingent liabilities

#### 31.1 Capital commitment

As at 31 December 2014 and 2013, the Company and its subsidiaries had outstanding capital commitments relating to the purchase of leasehold rights, machinery, equipment, computer software and vessel, as follows:

Foreign currency	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(Million)	(Million)	(Million)	(Million)
Baht	1	6	1	1
Ringgit	55	87	55	-
US Dollar	-	6	-	-

#### 31.2 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 5 years.

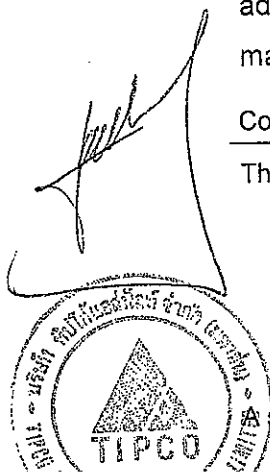
Future minimum rental and service fees payable under these agreements were as follows:

	Consolidated financial statements				Separate financial statements	
	Million Baht		Million ringgit		Million Baht	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Payable within:						
1 year	37	32	1	1	32	34
2 to 5 years	5	28	-	-	5	26

#### 31.3 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:

Counterparty	Agreement term	Expiry date	Fee
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
A subsidiary	5 years	30 September 2017	Annual fee of at least Baht 8 million



### 31.4 Crude oil purchase commitments

During the year 2014, the Company entered into an agreement with a company in Venezuela to purchase crude oil amounting to 44 million barrels. The term of the agreement is 4 years and ends in December 2017.

As at 31 December 2014, the Company had outstanding commitment in respect of the purchase of crude oil for such agreement approximately 34 million barrels.

### 31.5 Bank guarantees

As at 31 December 2014 and 2013, 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	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(Million)	(Million)	(Million)	(Million)
Baht	4	3	2	2
Ringgit	9	5	-	-
Renminbi	5	5	5	5

## 32. Financial instruments

### 32.1 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.



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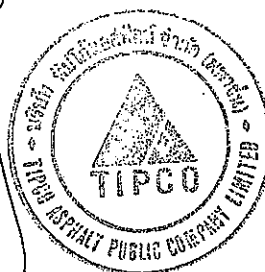
### Interest rate risk

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.

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 2014						
Fixed interest rates		Floating	Non-	Total	Interest rate	
Within		interest	interest			
1 year	1-5 years	rate	bearing			(% p.a.)
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	55	222	277	0.1 - 2.6
Trade and other receivables	-	-	-	4,018	4,018	-
<b>Financial liabilities</b>						
Short-term loans from financial institutions	4,094	-	-	-	4,094	0.8 - 7.2
Trade and other payables	-	-	-	1,314	1,314	-
Liabilities under finance lease agreements	4	4	-	-	8	2.6 - 48.9
Long-term loans from financial institutions	68	315	2,615	-	2,998	1.8 - 4.7
Long-term loans from related party	-	-	-	8	8	-



(Unit: Million Baht)

## Consolidated financial statements

As at 31 December 2013

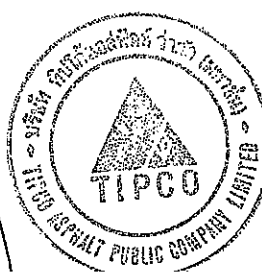
	Fixed interest rates		Floating	Non-		
	Within		interest	interest		
	1 year	1-5 years	rate	bearing	Total	Interest rate
						(% p.a.)
Financial Assets						
Cash and cash equivalents	-	-	62	433	495	0.3 - 2.4
Trade and other receivables	-	-	-	3,967	3,967	-
Financial liabilities						
Short-term loans from 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)

## Separate financial statements

As at 31 December 2014

	Fixed interest rates		Floating	Non-	Total	Interest rate  (% p.a.)
	Within		interest	interest		
	1 year	1-5 years	rate	bearing		
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	11	13	24	0.1 - 1.6
Trade and other receivables	-	-	-	4,090	4,090	-
Short-term loans to related parties	-	-	-	6	6	-
<b>Financial liabilities</b>						
Short-term loans from financial institutions	3,901	-	-	-	3,901	0.8 - 0.9
Trade and other payables	-	-	-	1,593	1,593	-
Liabilities under finance lease agreements	3	3	-	-	6	4.8 - 48.9
Long-term loans from financial institutions	-	-	773	-	773	2.9 - 3.6


(Unit: Million Baht)

## Separate financial statements

As at 31 December 2013

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years				
<b>Financial Assets</b>						
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
<b>Financial liabilities</b>						
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


**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	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	49	45	145	309	33.0	32.8
Yen	-	-	14	7	0.3	0.3
Ringgit	33	-	21	-	9.4	10.0
Vietnam Dong	13	7	-	-	0.0016	0.0016
Indonesia Rupiah	5	3	-	-	0.0027	0.0027



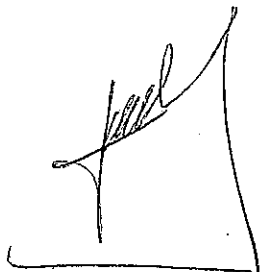

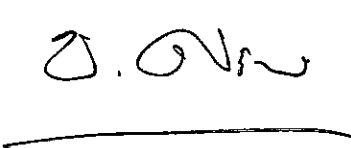
Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	87	77	136	303	33.0	32.8
Ringgit	-	-	1	2	9.4	10.0

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

As at 31 December 2014						
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	6	4	6	3	32.7 - 33.2	32.3 - 33.0
					Baht per 1	Baht per 1
					US Dollar	US Dollar

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

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.

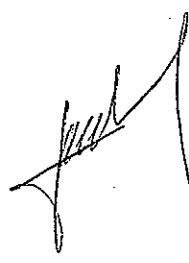

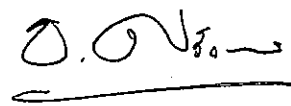
As at 31 December 2014 and 2013, the outstanding price hedging contracts which maturity date within one year are summarised below.

	(Unit: Million Baht)	
	Consolidated/Separate financial statement	
	<u>2014</u>	<u>2013</u>
<u>Contracts presented as assets</u>		
Contracts to sell raw materials	199	-
Four-ways collar options to purchase raw materials	-	135
Total price hedging contracts presented as assets	<u>199</u>	<u>135</u>
<u>Contracts presented as liabilities</u>		
Contracts to sell raw materials	-	9
Contracts to sell finished goods	-	111
Four-ways collar options to purchase raw materials	243	-
Total price hedging contracts presented as liabilities	<u>243</u>	<u>120</u>

### **32.2 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.

### 33. 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 financial ratio. As at 31 December 2014 and 2013, these financial ratios were as follow:

Financial Ratio	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Interest Bearing Short-term Debt-to-Equity Ratio	0.80 : 1	1.72 : 1	0.78 : 1	1.95 : 1
Interest Bearing Long-term Debt-to-Equity Ratio	0.36 : 1	0.37 : 1	0.08 : 1	0.16 : 1

The Trust Receipts (in Note 14) is revolving in nature and used to fund the working capital of crude inventory and receivables which have less than four-month cash conversion cycle.

### 34. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 11 February 2015.

