

Tipco Asphalt Public Company Limited and its subsidiaries
Report and interim consolidated financial statements
For the three-month and six-month periods ended 30 June 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Tipco Asphalt Public Company Limited

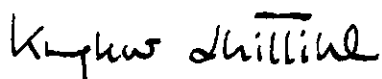
I have reviewed the accompanying consolidated statement of financial position of Tipco Asphalt Public Company Limited and its subsidiaries as at 30 June 2018, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2018, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Tipco Asphalt Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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



Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 7 August 2018

Tipco Asphalt Public Company Limited and its subsidiaries

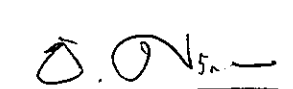
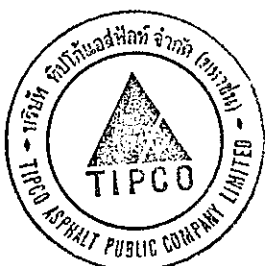
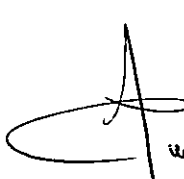
Statement of financial position

As at 30 June 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		674,846	1,025,410	143,063	153,903
Trade and other receivables	3, 4	3,946,755	3,667,897	3,576,724	3,138,407
Short-term loans to related parties	4	-	-	33,007	32,515
Inventories	5	4,827,405	3,892,145	3,458,641	3,072,991
Forward contract	19	4,520	2,637	4,520	1,987
Price hedging contracts	20	154,760	344,889	154,760	344,889
Other current assets		457,850	320,988	134,468	59,741
Total current assets		10,066,136	9,253,966	7,505,183	6,804,433
Non-current assets					
Investments in subsidiaries	6	-	-	7,688,753	7,631,132
Investments in joint ventures	7	75,890	42,048	28,180	-
Investments in associates		577,176	526,642	243,447	243,447
Long-term loans to related parties	4	-	-	1,309,677	1,290,159
Investment properties		256,933	256,933	94,342	94,342
Property, plant and equipment	8	8,491,538	8,558,655	857,054	865,068
Goodwill		146,294	146,294	-	-
Other intangible assets		248,559	260,995	99,812	103,482
Leasehold rights		331,908	331,791	2,849	2,963
Deferred tax assets - net	13	82,600	88,750	85,170	92,629
Other non-current assets		19,189	46,624	1,961	2,208
Total non-current assets		10,230,087	10,258,732	10,411,245	10,325,430
Total assets		20,296,223	19,512,698	17,916,428	17,129,863

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

Tipco Asphalt Public Company Limited and its subsidiaries

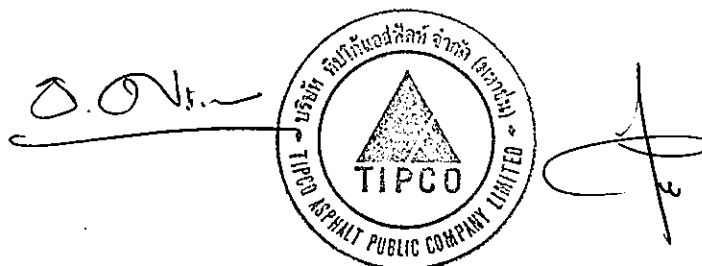
Statement of financial position (continued)

As at 30 June 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		4,163,094	2,026,717	3,634,362	1,677,196
Trade and other payables	4, 9	3,023,052	2,982,456	3,660,313	3,346,870
Short-term loans from related parties	4	-	-	-	256,000
Current portion of long-term loans from financial institutions	10	219,943	324,863	-	-
Income tax payable		79,801	48,817	53,428	10,238
Forward contract	19	20,829	3,690	20,078	3,569
Price hedging contracts	20	258,701	774,517	258,701	774,517
Other current liabilities		148,204	64,061	110,970	153,007
Total current liabilities		7,913,624	6,225,121	7,737,852	6,221,397
Non-current liabilities					
Long-term loans from financial institutions -					
net of current portion	10	161,317	212,323	-	-
Long-term loan from related party	4	7,352	7,371	-	-
Provision for long-term employee benefits		147,336	137,624	92,003	87,540
Other non-current liabilities		-	1,019	-	890
Total non-current liabilities		316,005	358,337	92,003	88,430
Total liabilities		8,229,629	6,583,458	7,829,855	6,309,827

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



Tipco Asphalt Public Company Limited and its subsidiaries

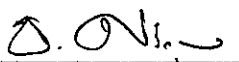

Statement of financial position (continued)

As at 30 June 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	15				
Registered					
1,579,883,570 ordinary shares (31 December 2017:		1,579,884	1,579,344	1,579,884	1,579,344
1,579,343,570 ordinary shares) of Baht 1 each					
Issued and fully paid					
1,564,860,570 ordinary shares (31 December 2017:					
1,562,464,570 ordinary shares) of Baht 1 each		1,564,861	1,562,465	1,564,861	1,562,465
Premium on share capital		1,056,540	1,046,879	1,056,540	1,046,879
Share subscription	15	38,920	8,639	38,920	8,639
Non-controlling interests of subsidiary acquired					
by the Company at price lower than book value		6,238	6,238	-	-
Change in the Company's interest in subsidiaries					
which did not result in a loss of control		(570,311)	(570,311)	-	-
Capital reserve for share-based payment transactions		169,250	155,756	169,250	155,756
Retained earnings					
Appropriated - statutory reserve		172,123	172,123	172,123	172,123
Unappropriated		10,026,448	11,008,948	7,112,469	7,874,174
Other components of shareholders' equity		(549,034)	(589,750)	(27,590)	-
Equity attributable to owners of the Company		11,915,035	12,800,987	10,086,573	10,820,036
Non-controlling interests of the subsidiaries		151,559	128,253	-	-
Total shareholders' equity		12,066,594	12,929,240	10,086,573	10,820,036
Total liabilities and shareholders' equity		20,296,223	19,512,698	17,916,428	17,129,863

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

Directors



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2018

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

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues					
Sales and service income		5,766,292	8,211,323	5,374,974	6,756,502
Other income					
Dividend income from subsidiaries	6	-	-	362,181	-
Dividend income from associate		-	-	12,433	38,448
Gain on exchange		509	49,428	10,523	44,677
Others		25,638	56,275	32,873	68,006
Total revenues		5,792,439	8,317,026	5,792,984	6,907,633
Expenses					
Cost of sales and services		5,058,637	7,404,622	4,951,698	6,340,234
Loss from price hedging contracts	20	188,107	260,723	180,367	281,953
Reduction of cost of inventories to net realisable value	5	1,004	5,057	1,542	10,750
		5,247,748	7,670,402	5,133,607	6,632,937
Selling expenses		43,800	38,515	23,992	24,076
Administrative expenses		304,849	251,756	154,926	125,634
Other expenses					
Bad debt and allowance for doubtful accounts (reversal)		1,201	(36,272)	1,350	(10,174)
Total expenses		5,597,598	7,924,401	5,313,875	6,772,473
Profit before share of profit from investment in joint ventures, associates, finance cost and income tax		194,841	392,625	479,109	135,160
Share of profit from investments in joint ventures		1,504	6,010	-	-
Share of profit from investments in associates		23,625	34,598	-	-
Profit before finance cost and income tax		219,970	433,233	479,109	135,160
Finance cost		(37,258)	(29,061)	(21,655)	(14,075)
Profit before income tax		182,712	404,172	457,454	121,085
Income tax	13	(57,378)	(54,860)	(42,597)	(14,858)
Profit for the period		125,334	349,312	414,857	106,227
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		332,684	17,805	-	-
Change in fair value of hedging instruments of cash flow hedges - net of income tax	13, 20	10,041	-	10,041	-
Other comprehensive income for the period		342,725	17,805	10,041	-
Total comprehensive income for the period		468,059	367,117	424,898	106,227

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

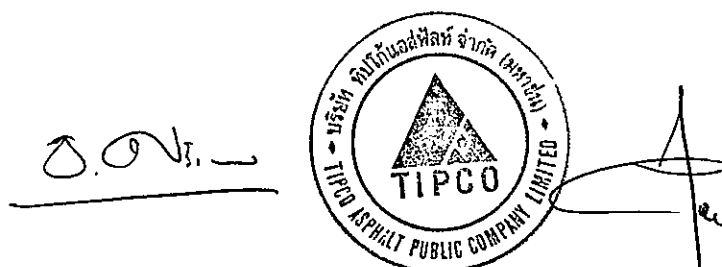
Statement of comprehensive income (continued)

For the three-month period ended 30 June 2018

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit attributable to:					
Equity holders of the Company		121,188	344,049	<u>414,857</u>	<u>106,227</u>
Non-controlling interests of the subsidiaries		<u>4,146</u>	<u>5,263</u>		
		<u>125,334</u>	<u>349,312</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		461,981	362,311	<u>424,898</u>	<u>106,227</u>
Non-controlling interests of the subsidiaries		<u>6,078</u>	<u>4,806</u>		
		<u>468,059</u>	<u>367,117</u>		
Earnings per share (Baht)					
	14				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.08</u>	<u>0.22</u>	<u>0.27</u>	<u>0.07</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.08</u>	<u>0.22</u>	<u>0.26</u>	<u>0.07</u>

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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

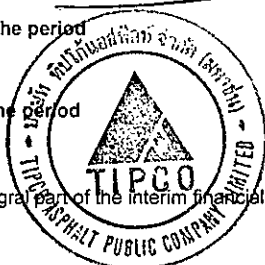
Statement of comprehensive income

For the six-month period ended 30 June 2018

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

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues					
Sales and service income		11,029,406	16,561,804	9,907,083	14,104,902
Other income					
Dividend income from subsidiaries	6	-	-	362,181	205,000
Dividend income from associate		-	-	12,433	38,448
Gain on exchange		31,284	183,484	33,100	166,884
Others		44,817	127,814	68,488	156,485
Total revenues		11,105,507	16,873,102	10,383,285	14,671,719
Expenses					
Cost of sales and services		9,703,530	14,068,542	9,071,076	12,576,127
Loss from price hedging contracts	20	217,577	453,122	212,477	483,215
Reduction of cost of inventories to net realisable value (reversal)	5	(17,456)	(71,630)	1,542	(162,000)
		9,903,651	14,450,034	9,285,095	12,897,342
Selling expenses		80,668	73,726	44,097	42,744
Administrative expenses		590,322	537,158	307,751	266,619
Other expenses					
Bad debt and allowance for doubtful accounts (reversal)		1,998	(54,116)	258	(18,366)
Total expenses		10,576,639	15,006,802	9,637,201	13,188,339
Profit before share of profit from investment in joint ventures, associates, finance cost and income tax		528,868	1,866,300	746,084	1,483,380
Share of profit (loss) from investments in joint ventures		(368)	7,773	-	-
Share of profit from investments in associates		64,359	84,361	-	-
Profit before finance cost and income tax		592,859	1,958,434	746,084	1,483,380
Finance cost		(64,966)	(54,803)	(35,003)	(25,549)
Profit before income tax		527,893	1,903,631	711,081	1,457,831
Income tax	13	(98,299)	(313,622)	(65,020)	(250,750)
Profit for the period		429,594	1,590,009	646,061	1,207,081
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		68,984	(205,759)	-	-
Change in fair value of hedging instruments of cash flow hedges - net of income tax	13, 20	(27,590)	-	(27,590)	-
Other comprehensive income for the period		41,394	(205,759)	(27,590)	-
Total comprehensive income for the period		470,988	1,384,250	618,471	1,207,081

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

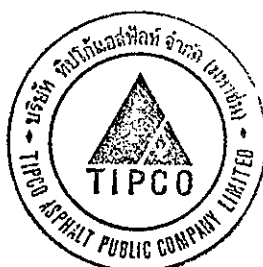
Statement of comprehensive income (continued)

For the six-month period ended 30 June 2018

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit attributable to:				
Equity holders of the Company	425,266	1,581,448	<u>646,061</u>	<u>1,207,081</u>
Non-controlling interests of the subsidiaries	<u>4,328</u>	<u>8,561</u>		
	<u>429,594</u>	<u>1,590,009</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	465,982	1,378,970	<u>618,471</u>	<u>1,207,081</u>
Non-controlling interests of the subsidiaries	<u>5,006</u>	<u>5,280</u>		
	<u>470,988</u>	<u>1,384,250</u>		
Earnings per share (Baht)	14			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.27</u>	<u>1.02</u>	<u>0.41</u>	<u>0.78</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.27</u>	<u>1.01</u>	<u>0.41</u>	<u>0.77</u>

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



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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1
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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

	Separate financial statements									
	Issued and paid-up share capital	Premium on share capital	Share subscription	Capital reserve for share-based payment transactions	Retained earnings		Other components of equity			Total shareholders' equity
					Appropriated statutory reserve	Unappropriated	Other comprehensive		Total other components of shareholders' equity	
							Income	Change in fair value of hedging instruments of cash flow hedges		
Balance as at 1 January 2017	1,552,998	1,008,954	4,826	119,382	172,123	7,268,327	-	-	-	10,126,610
Profit for the period	-	-	-	-	-	1,207,081	-	-	-	1,207,081
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,207,081	-	-	-	1,207,081
The warrant holders exercised warrants	1,332	5,734	(4,826)	-	-	-	-	-	-	2,240
Cash receipts from share subscription	-	-	31,556	-	-	-	-	-	-	31,556
Share-based payment transactions	-	-	-	19,484	-	-	-	-	-	19,484
Dividend paid (Note 16)	-	-	-	-	-	(932,276)	-	-	-	(932,276)
Balance as at 30 June 2017	1,554,330	1,014,688	31,556	138,866	172,123	7,543,132	-	-	-	10,454,695
Balance as at 1 January 2018	1,562,465	1,046,879	8,639	155,756	172,123	7,874,174	-	-	-	10,820,036
Profit for the period	-	-	-	-	-	646,061	-	-	-	646,061
Other comprehensive income for the period	-	-	-	-	-	-	(27,590)	(27,590)	(27,590)	(27,590)
Total comprehensive income for the period	-	-	-	-	-	646,061	(27,590)	(27,590)	(27,590)	618,471
The warrant holders exercised warrants (Note 15)	2,396	9,661	(8,639)	-	-	-	-	-	-	3,418
Cash receipts from share subscription (Note 15)	-	-	38,920	-	-	-	-	-	-	38,920
Share-based payment transactions	-	-	-	13,494	-	-	-	-	-	13,494
Dividend paid (Note 16)	-	-	-	-	-	(1,407,766)	-	-	-	(1,407,766)
Balance as at 30 June 2018	1,564,861	1,056,540	38,920	169,250	172,123	7,112,469	(27,590)	(27,590)	(27,590)	10,086,573

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

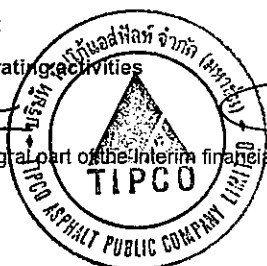
Cash flow statement

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities:				
Profit before income tax	527,893	1,903,631	711,081	1,457,831
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	488,776	490,848	131,201	84,494
Bad debt and allowance for doubtful accounts (reversal)	1,998	(54,116)	258	(18,366)
Reduction of cost of inventories to net realisable value (reversal)	(17,456)	(71,630)	1,542	(162,000)
Dividend income from subsidiaries	-	-	(362,181)	(205,000)
Dividend income from associate	-	-	(12,433)	(38,448)
Unrealised (gain) loss on exchange	73,834	(23,186)	57,791	50,800
Gain on sales of investment properties	-	-	-	(45,504)
Gain on sales of land and equipment	(753)	(49,398)	(2,126)	(5,122)
Share of (profit) loss from investments in joint ventures	368	(7,773)	-	-
Share of profit from investments in associates	(64,359)	(84,361)	-	-
Share-based payment transactions	13,494	19,484	10,774	15,554
Provision for long-term employee benefits	8,245	8,191	4,589	4,480
Change in fair value of forward exchange contracts	15,256	2,685	13,976	2,513
Change in fair value of price hedging contracts	(354,668)	480,308	(354,668)	480,308
Change in fair value of interest rate swap contracts	(736)	(8,355)	(890)	(8,394)
Interest expenses	58,299	54,677	33,812	31,354
Profit from operating activities before changes in operating assets and liabilities	750,191	2,661,005	232,726	1,644,500
(Increase) decrease in operating assets				
Trade and other receivables	(217,290)	(119,298)	(375,528)	231,866
Inventories	(918,428)	126,165	(387,192)	149,616
Other current assets	(136,155)	(108,198)	(133,639)	(20,006)
Other non-current assets	(28,523)	(4,037)	247	(13,526)
Increase (decrease) in operating liabilities				
Trade and other payables	(9,190)	(1,336,846)	328,566	(983,473)
Other current liabilities	84,139	(44,146)	(126,173)	2,012
Other non-current liabilities	(139)	-	(127)	-
Cash flows from (used in) operating activities	(475,395)	1,174,645	(461,120)	1,010,989
Cash paid for interest expenses	(32,000)	(44,587)	(34,502)	(39,401)
Cash paid for corporate income tax	(78,917)	(244,767)	(12,980)	(152,038)
Net cash flows from (used in) operating activities	(586,312)	885,291	(508,602)	819,550

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

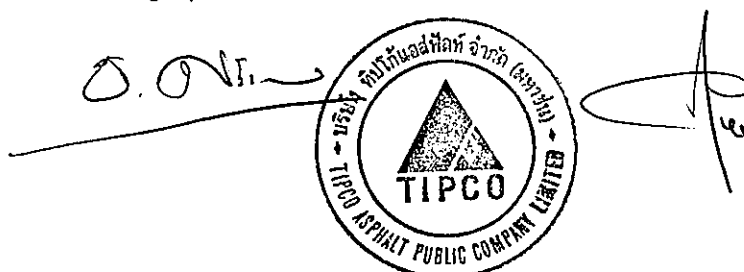
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities:				
Cash paid for investment in newly corporated subsidiary	-	-	(23,892)	-
Cash paid for investment in corporated joint ventures	(32,180)	-	(28,180)	-
Cash receipts from shares subscription from related party	7,969	-	-	-
Dividend income from subsidiaries	-	-	362,181	-
Dividend income from associate	12,433	-	12,433	-
Increase in short-term loans to related party	-	-	-	(86,306)
Increase in long-term loans to related party	-	-	-	(188,753)
Cash paid for acquisition of equipment	(221,286)	(415,942)	(52,853)	(39,889)
Cash paid for acquisition of computer software	(10,400)	(22,897)	(9,686)	(22,371)
Proceeds from sales of investment properties	-	-	-	60,000
Proceeds from sales of land and equipment	4,343	70,662	2,217	8,680
Net cash flows from (used in) investing activities	(239,121)	(368,177)	262,220	(268,639)
Cash flows from financing activities:				
Increase in short-term loans from financial institutions	2,045,992	396,302	1,854,983	233,880
Increase (decrease) in short-term loans from related parties	-	-	(256,000)	25,000
Cash paid under finance lease agreements	(126)	(513)	-	(380)
Repayment of long-term loans	(157,540)	(396,250)	-	-
Cash receipt from capital increase	3,418	2,240	3,418	2,240
Cash receipts from shares subscription	38,920	31,556	38,920	31,556
Dividend paid to shareholders	(1,405,779)	(931,944)	(1,405,779)	(931,944)
Net cash flows from (used in) financing activities	524,885	(898,609)	235,542	(639,648)
Exchange differences on translation of				
financial statements in foreign currencies	(50,016)	(47,605)	-	-
Net decrease in cash and cash equivalents	(350,564)	(429,100)	(10,840)	(88,737)
Cash and cash equivalents at beginning of period	1,025,410	1,333,229	153,903	234,078
Cash and cash equivalents at end of period	674,846	904,129	143,063	145,341

Supplemental cash flows information

Non-cash transactions:

Purchase of equipment for which cash has not been paid	11,452	413	-	-
Purchase of investment in subsidiary for which cash has not been paid	-	-	31,010	-
Settlement of dividend received from subsidiaries				
with account payable (Note 6)	-	-	-	205,000
Dividend income from associate which cash has not been received	-	38,448	-	38,448

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



Tipco Asphalt Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2018

1. General information

1.1 Basis for the preparation of interim financial statements

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

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

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

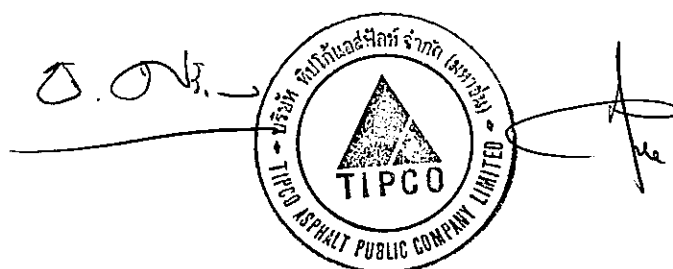
1.2 Basis of consolidation

The consolidated interim financial statements include the financial statements of Tipco Asphalt Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017 except investment in the new subsidiary as described in Note 6 to the interim financial statements.

1.3 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.



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

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

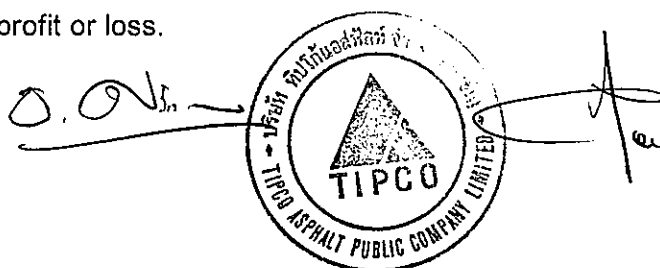
At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017 except for the adoption of accounting policies relating to hedge accounting as follow.

Hedge accounting - Cash flow hedges of forecasted sales

The Company applies cash flow hedging to mitigate the risk exposures relating to price fluctuations on the Company's forecasted sales. The Company designated the forecasted sales as hedged items in a cash flow hedge using forward contracts as hedging instruments. Such accounting method is applied only when the Company has clearly identified the risks to be hedged, when economic relationship has been established and when the hedge effectiveness can be reliably assessed. Gains or losses arising from changes in the fair value of hedging instruments that effectively hedge the identified risk exposures are recognised directly in other comprehensive income and are subsequently reclassified in profit or loss when the forecasted transaction occurs. Any ineffectiveness measured shall be recognised immediately in profit or loss. In the event that the hedged item is no longer expected to occur, any gains or losses from changes in the fair value of the hedging instrument are recognised immediately to profit or loss.

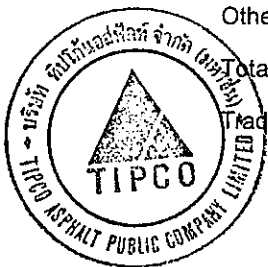


(Unaudited but reviewed)

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade receivables - related parties</u> (Note 4)				
Aged on the basis of due dates				
Not yet due	478,093	347,626	1,183,009	1,094,424
Past due				
Up to 3 months	29,749	7,791	202,827	775
3 - 6 months	20,510	-	17,590	44,300
6 - 9 months	-	-	496	3,558
9 - 12 months	-	-	44,229	54
Over 12 months	-	-	247,268	244,360
Total	528,352	355,417	1,695,419	1,387,471
Less: Allowance for doubtful accounts	-	-	(244,806)	(245,207)
Total trade receivables - related parties, net	528,352	355,417	1,450,613	1,142,264
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	2,432,029	2,577,871	1,608,886	1,728,593
Past due				
Up to 3 months	647,748	513,027	233,954	46,430
3 - 6 months	208,842	109,450	57,607	6,961
6 - 9 months	41,341	24,111	2,604	7,450
9 - 12 months	20,456	15,832	2,153	4
Over 12 months	327,148	329,728	62,333	63,567
Total	3,677,564	3,570,019	1,967,537	1,853,005
Less: Allowance for doubtful accounts	(319,571)	(324,274)	(63,816)	(63,158)
Total trade receivables - unrelated parties, net	3,357,993	3,245,745	1,903,721	1,789,847
Total trade receivables - net	3,886,345	3,601,162	3,354,334	2,932,111
<u>Other receivables</u>				
Amounts due from related parties (Note 4)	27,690	16,614	195,374	153,380
Accounts receivable from price				
hedging contracts	21,901	44,298	21,901	44,298
Other receivables	10,819	5,823	5,115	8,618
Total other receivables	60,410	66,735	222,390	206,296
Trade and other receivables - net	3,946,755	3,667,897	3,576,724	3,138,407


4. Related party transactions

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

(Unit: Million Baht)

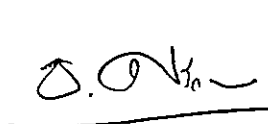
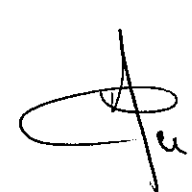

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policies
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiaries companies</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	1,697	723	Cost plus certain margin
Rental and service income	-	-	3	4	Contract price
Technical and administrative assistance income	-	-	20	19	Contract price
Interest income	-	-	8	3	At rate of 1.40 - 2.25 percent and LIBOR plus 1.50 percent per annum
Dividend income	-	-	362	-	
Purchase of goods	-	-	1	25	Cost plus certain margin
Rental and service expenses	-	-	485	550	Contract price
<u>Transactions with joint venture</u>					
Sales and service income	136	416	135	383	Market price / Contract price
Purchase of goods	56	-	-	-	Market price / Contract price
<u>Transactions with associates</u>					
Sales and service income	40	74	39	56	Market price / Contract price
Rental and service income	1	1	1	1	Contract price
Dividend income	-	-	12	38	
<u>Transactions with related companies</u>					
Sales and service income	482	346	482	346	Market price / Contract price
Rental and service income	1	-	1	-	Contract price
Rental and service expenses	10	11	9	9	Contract price
Technical and administrative assistance expenses	18	8	18	8	Contract price



(Unaudited but reviewed)

(Unit: Million Baht)

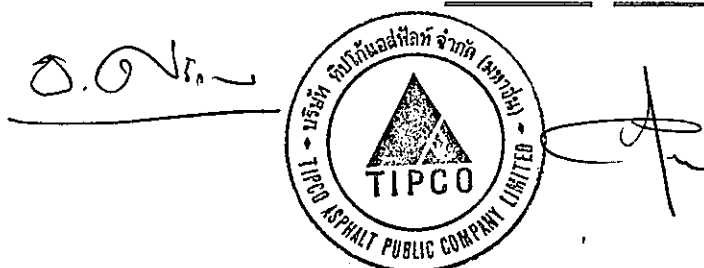
	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policies
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiaries companies</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	2,877	1,754	Cost plus certain margin
Rental and service income	-	-	3	9	Contract price
Technical and administrative assistance income	-	-	36	38	Contract price
Interest income	-	-	17	5	At rate of 1.40 - 2.25 percent and LIBOR plus 1.50 percent per annum
Dividend income	-	-	362	205	
Purchase of goods	-	-	18	59	Cost plus certain margin
Rental and service expenses	-	-	864	1,183	Contract price
<u>Transactions with joint venture</u>					
Sales and service income	149	641	146	566	Market price / Contract price
Purchase of goods	111	-	-	-	Market price / Contract price
<u>Transactions with associates</u>					
Sales and service income	100	192	90	151	Market price / Contract price
Rental and service income	1	1	1	1	Contract price
Dividend income	-	-	12	38	
<u>Transactions with related companies</u>					
Sales and service income	1,023	557	1,023	555	Market price / Contract price
Rental and service income	1	2	1	2	Contract price
Rental and service expenses	19	22	17	18	Contract price
Technical and administrative assistance expenses	36	21	36	21	Contract price

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2018 and 31 December 2017 between the Company and its subsidiaries and those related parties are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade and other receivables - related parties</u> (Note 3)				
Subsidiaries	-	-	1,379,444	1,197,418
Joint ventures	130,342	115,089	128,754	115,086
Associates	102,332	114,379	71,970	86,253
Related companies (common shareholders and directors)	323,368	142,563	310,625	142,094
Total trade and other receivables - related parties	556,042	372,031	1,890,793	1,540,851
Less : Allowance for doubtful accounts	-	-	(244,806)	(245,207)
Total trade and other receivables - related parties, net	556,042	372,031	1,645,987	1,295,644
<u>Short-term loan to related party</u>				
Subsidiary	-	-	33,007	32,515
Total short-term loan to related party	-	-	33,007	32,515
<u>Long-term loans to related parties</u>				
Subsidiaries	-	-	1,309,677	1,290,159
Total long-term loans to related parties	-	-	1,309,677	1,290,159
<u>Trade and other payables - related parties</u> (Note 9)				
Subsidiaries	-	-	1,123,528	985,643
Joint ventures	153	-	-	-
Associates	190	270	-	20
Related companies (common shareholders and directors)	156,753	126,017	155,770	124,626
Total trade and other payables - related parties	157,096	126,287	1,279,298	1,110,289
<u>Advance received from customer - related parties</u>				
Subsidiary	-	-	84,136	130,600
Related company (common shareholder and directors)	359	-	359	-
Total advance received from customer - related parties	359	-	84,495	130,600



(Unaudited but reviewed)

(Unit: Thousand Baht)

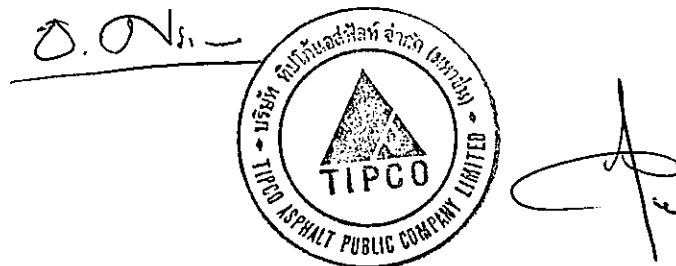
	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017 (Audited)	30 June 2018	31 December 2017 (Audited)
<u>Short-term loans from related parties</u>				
Subsidiaries	-	-	-	256,000
Total short-term loans from related parties	-	-	-	256,000
<u>Long-term loan from related party</u>				
Related company (shareholder of subsidiary)	7,352	7,371	-	-
Total long-term loan from related party	7,352	7,371	-	-

Loans to related parties and loan from related parties

As at 30 June 2018 and 31 December 2017, the balances of loans between the Company and those related companies and the movements were as follows:

(Unit: Thousand Baht)

Company's name	Related by	Consolidated financial statements		
		Balance as at 31 December 2017 (Audited)	Exchange differences on translation of financial statements in foreign currencies	Balance as at 30 June 2018
<u>Long-term loan from related party</u>				
Zhenjiang Highway Materials Company	Shareholder of subsidiary	7,371	(19)	7,352



(Unaudited but reviewed)

(Unit: Thousand Baht)

		Separate financial statements			
Company's name	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	30 June
		2017	the period	the period	2018
		(Audited)			
<u>Short-term loan to related party</u>					
Highway Resources Pte. Ltd.	Subsidiary	32,515	-	-	492
					33,007
<u>Long-term loans to related parties</u>					
AD Shipping Pte. Ltd.	Subsidiary	260,117	-	-	3,935
					264,052
Reta Link Pte. Ltd.	Subsidiary	146,316	-	-	2,213
					148,529
Pacific Bitumen Shipping Pte. Ltd.	Subsidiary	883,726	-	-	13,370
					897,096
Total		1,290,159	-	-	19,518
					1,309,677

Short-term loans from related parties

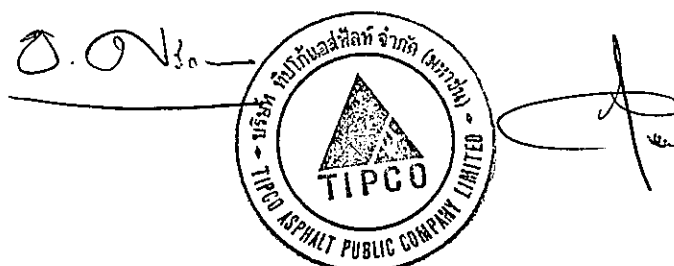
Raycol Asphalt Co., Ltd.	Subsidiary	55,000	20,000	(75,000)	-	-
Thai Bitumen Co., Ltd.	Subsidiary	201,000	-	(201,000)	-	-
Total		256,000	20,000	(276,000)	-	-

Directors and management's benefits

For the three-month and six-month periods ended 30 June 2018 and 2017, the Company and its subsidiaries had employee benefit expenses of their directors and management as detailed below.

(Unit: Million Baht)

		For the three-month periods ended 30 June			
		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
Short-term employee benefits		33	33	36	29
Post-employment benefits		2	1	1	1
Share-based payment transactions		3	5	3	4
Total		38	39	40	34



(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	74	69	71	60
Post-employment benefits	3	2	2	2
Share-based payment transactions	8	11	7	9
Total	<u>85</u>	<u>82</u>	<u>80</u>	<u>71</u>

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 12 to the interim financial statements.

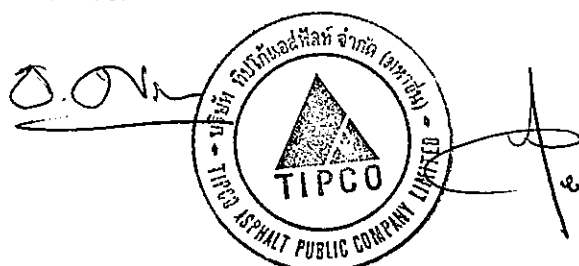
5. Inventories

Movements in the reduction of cost to net realisable value of inventory account during the six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2018	28,294	2,935
Reduction of cost to net realisable value		
of inventory account during the period (reversal)	(17,456)	1,542
Exchange differences on translation of		
financial statements in foreign currencies	624	-
Balance as at 30 June 2018	<u>11,462</u>	<u>4,477</u>

6. Investments in subsidiaries

During the three-month and six-month periods ended 30 June 2018, the Company recorded cost of share-based payment transactions with respect to warrants for the purchase of new ordinary shares of the Company issued to the subsidiaries' employees amounting to Baht 1.0 million and Baht 2.7 million (2017: Baht 1.9 million and Baht 3.9 million), as a cost of investments in subsidiaries.



(Unaudited but reviewed)

For the three-month and six-month periods ended 30 June 2018 and 2017, the Company received dividend income from its subsidiaries as detailed below.

(Unit: Million Baht)

Company's name	For the three-month period ended 30 June	
	2018	2017
<u>Domestic subsidiaries</u>		
Raycol Asphalt Co., Ltd.	111	-
Thai Bitumen Co., Ltd.	187	-
<u>Overseas subsidiary</u>		
Tipco Asphalt (Cambodia) Co., Ltd.	64	-
Total dividend income for the three-month period	362	-

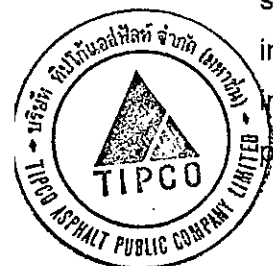
(Unit: Million Baht)

Company's name	For the six-month period ended 30 June	
	2018	2017
<u>Domestic subsidiaries</u>		
Raycol Asphalt Co., Ltd.	111	-
Thai Bitumen Co., Ltd.	187	-
Bitumen Marine Co., Ltd.	-	165*
Delta Shipping Co., Ltd.	-	40*
<u>Overseas subsidiary</u>		
Tipco Asphalt (Cambodia) Co., Ltd.	64	-
Total dividend income for the six-month period	362	205

*During the first quarter of 2017, Bitumen Marine Co., Ltd. and Delta Shipping Co., Ltd. declared the dividend payments of Baht 165 million and Baht 40 million, respectively. When making the dividend payments, such subsidiaries offset the dividend against the amount due from the Company.

Investment in Tipco Asphalt Lao Company Limited ("TAL")

On 9 August 2017, the Board of Directors Meeting No.5/2017 of the Company passed a resolution to approve the investment in a new company incorporated in Lao People's Democratic Republic. This company will be engaged in the manufacture and distribution of asphalt emulsion and other asphalt products. The Company will have 75 percent of shareholding in such company. Subsequently, on 24 October 2017, the Company entered into a Joint Venture Agreement with Seneoudom Company Limited, a company incorporated in Lao People's Democratic Republic, to establish TAL. TAL completed the incorporation process on 12 January 2018 with the registered share capital of LAK 26,675 million.



In March 2018, TAL called for a payment for shares at 70 percent of the registered share capital from shareholders or amounting to LAK 18,672.5 million. The Company needs to pay for such shares at 75 percent or amounting to LAK 14,004 million (approximately Baht 54.9 million). During the first quarter of the current year, the Company already paid for such share capital amounting to LAK 6,133 million (approximately Baht 23.9 million).

As at 30 June 2018, the investment in share capital of TAL which the Company has not yet been paid amounted to LAK 7,871 million (approximately Baht 31.0 million).

7. Investments in joint ventures

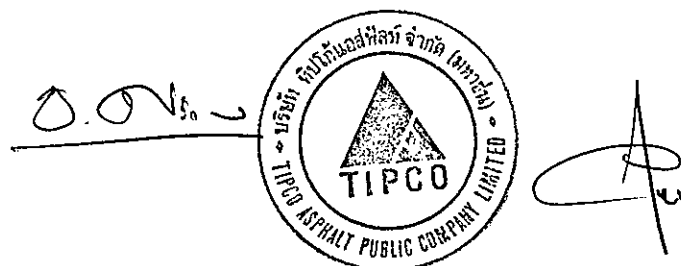
Investment in Phoenix Asphalt Philippines Inc. ("PAP")

On 11 January 2018, the Board of Directors Meeting No.1/2018 of the Company passed a resolution to approve the investment in a new company incorporated in the Philippines. This company will be engaged in the manufacture and distribution of asphalt and petroleum products. The Company will have 40 percent of shareholding in this company. Subsequently, on 16 January 2018, the Company entered into a Joint Venture Agreement with P-H-O-E-N-I-X Petroleum Philippines, Inc., a company incorporated in the Philippines, and Mr. Carlito B. Castrillo, a Filipino citizen, to establish PAP. In February 2018, PAP called for a partial payment for shares of PHP 20 million from shareholders to use as minimum amount of capital registration. The Company has paid for the share of PHP 8 million (approximately Baht 4.8 million) or 40 percent from the paid-up share capital. PAP completed the incorporation process, with registered capital of PHP 275 million, in March 2018.

In May 2018, PAP called for an additional payment for shares of PHP 95 million from shareholders. In June 2018, the Company has paid for the share of PHP 38 million (approximately Baht 23.3 million) or 40 percent from such paid-up share capital.

Investment in Borneo Asphalt Sdn Bhd ("BA")

During the first quarter of the current year, BA increased its registered capital by MYR 1.0 million from MYR 1.2 million to MYR 2.2 million and KBC invested 50 percent in such capital or equivalent to MYR 0.5 million (approximately Baht 3.9 million). BA registered the paid-up capital increase on 16 March 2018.



(Unaudited but reviewed)

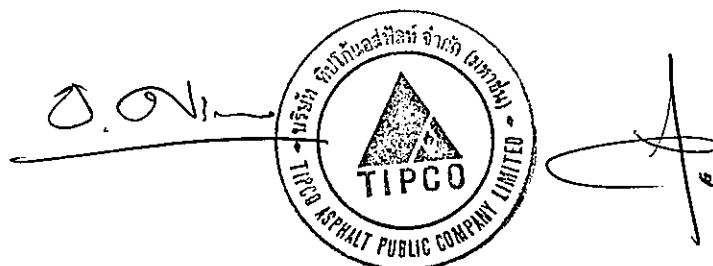
8. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	8,558,655	865,068
Acquisitions during the period - at cost	227,377	52,853
Disposals/written-off during the period - net book value at disposal/written-off date	(3,590)	(91)
Depreciation for the period	(393,795)	(60,776)
Exchange differences on translation of financial statements in foreign currencies	102,891	-
Net book value as at 30 June 2018	8,491,538	857,054

9. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Audited)		(Audited)
Trade payables - related parties (Note 4)	2,275	1,647	931,001	986,885
Trade payables - unrelated parties	2,286,472	1,987,392	2,095,418	1,792,820
Amounts due to related parties (Note 4)	154,821	124,640	348,297	123,404
Accounts payable from price hedging contracts	34,462	27,102	34,462	27,102
Accrued expenses	410,415	836,314	192,467	416,659
Other payables	134,607	5,361	58,668	-
Total trade and other payables	3,023,052	2,982,456	3,660,313	3,346,870



10. Long-term loans

Movements in the long-term loan account during the six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2018	537,186
Repayments	(157,540)
Unrealised loss on exchange	1,614
Balance as at 30 June 2018	381,260
Less: Current portion	(219,943)
Long-term loans - net of current portion	161,317

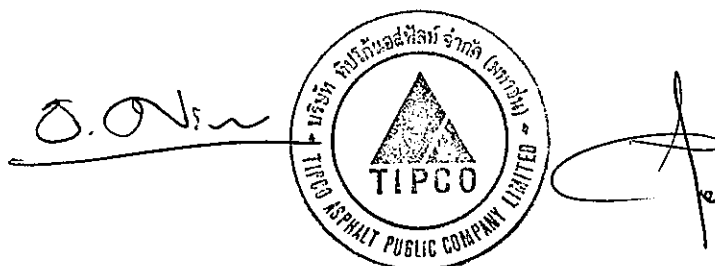
Loan covenants

The loan agreements of subsidiaries contain certain restrictive covenants as were disclosed in the consolidated financial statements for the year ended 31 December 2017.

11. Interest rate swap contracts

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

Counterparty	Agreements start	Fixed interest rate as per agreement (%)	Agreements expire	Notional amount balance	
				30 June 2018	31 December 2017
					(Audited)
The Company	May 2012	5.21	March 2018	-	Baht 53 million
KBC	December 2013	0.93	April 2018	-	USD 2 million



12. Credit facilities

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

- a) The guarantees of the Company, its subsidiaries and a shareholder of a subsidiary;
- b) The pledges/mortgages of the assets of subsidiaries which the net book value as at 30 June 2018 and 31 December 2017 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	
	30 June 2018	31 December 2017
		(Audited)
Leasehold rights - net	142	165
Property, plant and equipment - net	3,485	3,518

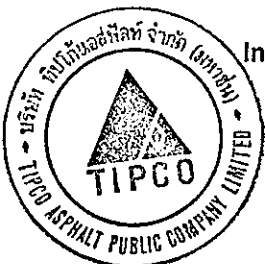
- c) The prohibition from creating lien over assets of the Company and its subsidiaries;
- d) Financial support letters provided by the Company and its subsidiaries to banks;
- e) The Company allows its subsidiaries to use its facilities obtained from banks, with the Company responsible to the banks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

13. Income tax

Income tax for the three-month and six-month periods ended 30 June 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Current income tax charge	(56,949)	(82,176)	(43,004)	(50,331)
Adjustment in respect of income tax of previous year	-	563	-	563
Deferred tax:				
Relating to origination and reversal of temporary differences	(429)	26,753	407	34,910
Income tax reported in the statement of comprehensive income	<u>(57,378)</u>	<u>(54,860)</u>	<u>(42,597)</u>	<u>(14,858)</u>



(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Current income tax charge	(88,378)	(383,840)	(56,170)	(295,945)
Adjustment in respect of income tax of previous year	-	563	-	563
Deferred tax:				
Relating to origination and reversal of temporary differences	(9,921)	69,655	(8,850)	44,632
Income tax reported in the statement of comprehensive income	<u>(98,299)</u>	<u>(313,622)</u>	<u>(65,020)</u>	<u>(250,750)</u>

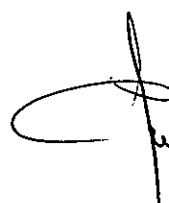
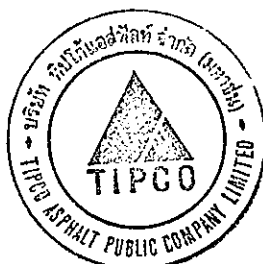
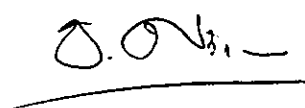
The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June	
	Consolidated / Separate financial statements	
	<u>2018</u>	<u>2017</u>
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	(1,175)	-

(Unit: Thousand Baht)

	For the six-month periods ended 30 June	
	Consolidated / Separate financial statements	
	<u>2018</u>	<u>2017</u>
Deferred tax relating to change in fair value of hedging instruments of cash flow hedges	1,391	-



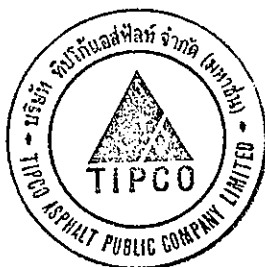
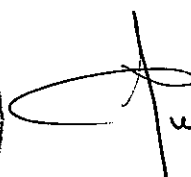
14. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued without consideration of exercising period.

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

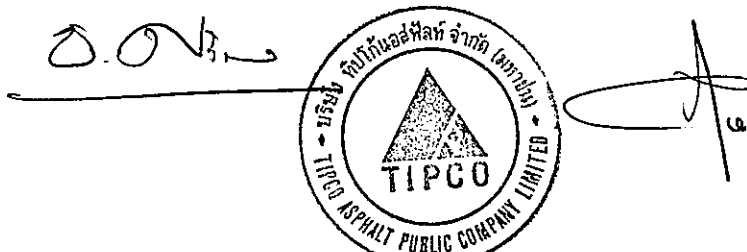
Consolidated financial statements						
For the three-month periods ended 30 June						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	121,188	344,049	1,564,825	1,554,469	0.08	0.22
Effect of potential ordinary shares						
ESOP-W2	-	-	-	120		
ESOP-W3	-	-	99	742		
ESOP-W4	-	-	1,572	9,259		
ESOP-W5	-	-	5,614	5,910		
	-	-	7,285	16,031		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	121,188	344,049	1,572,110	1,570,500	0.08	0.22

(Unaudited but reviewed)

Separate financial statements						
For the three-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
414,858	106,227	1,564,825	1,554,469	0.27	0.07	
Effect of potential ordinary shares						
ESOP-W2	-	-	120			
ESOP-W3	-	99	742			
ESOP-W4	-	1,572	9,259			
ESOP-W5	-	5,614	5,910			
-	-	7,285	16,031			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>414,858</u>	<u>106,227</u>	<u>1,572,110</u>	<u>1,570,500</u>	0.26	0.07	

Consolidated financial statements						
For the six-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
425,266	1,581,448	1,564,519	1,554,192	0.27	1.02	
Effect of potential ordinary shares						
ESOP-W2	-	-	120			
ESOP-W3	-	237	909			
ESOP-W4	-	1,728	9,328			
ESOP-W5	-	6,443	5,947			
-	-	8,408	16,304			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>425,266</u>	<u>1,581,448</u>	<u>1,572,927</u>	<u>1,570,496</u>	0.27	1.01	



(Unaudited but reviewed)

Separate financial statements						
For the six-month periods ended 30 June						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	646,061	1,207,081	1,564,519	1,554,192	0.41	0.78
Effect of potential ordinary shares						
ESOP-W2	-	-	-	120		
ESOP-W3	-	-	237	909		
ESOP-W4	-	-	1,728	9,328		
ESOP-W5	-	-	6,443	5,947		
	-	-	8,408	16,304		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>646,061</u>	<u>1,207,081</u>	<u>1,572,927</u>	<u>1,570,496</u>	0.41	0.77

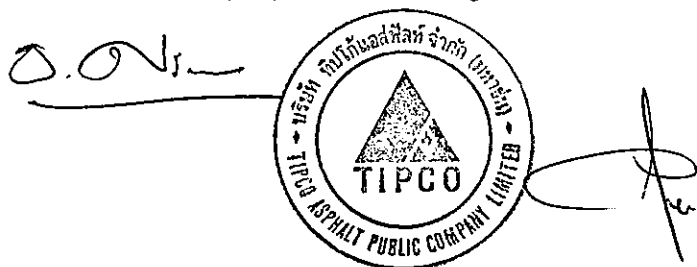
15. Share capital

Share capital increase

The Annual General Meeting of shareholders No.1/2018 held on 5 April 2018 passed a resolution approving the Company's registered capital of Baht 540,000 from the current registered capital of Baht 1,579,343,570 (1,579,343,570 ordinary shares of Baht 1 each) to the new registered capital of Baht 1,579,883,570 (1,579,883,570 ordinary shares of Baht 1 each), with the new shares to be set aside for the exercise of the Long Term Incentive Program grant#3 (ESOP-W3). The Company registered the capital increased with the Ministry of Commerce on 10 April 2018.

Below is the summary of the share registration from exercise of ESOP-W3 and ESOP-W4 warrants during the current period.

	First quarter	Second quarter	Total
Number of warrants exercised (units)	174,100	65,500	239,600
Number of ordinary shares issued (shares)	1,741,000	655,000	2,396,000
Amount of cash received (Baht)	8,638,781	3,418,855	12,057,636
Share registration date	10 January 2018	7 May 2018	
Paid-up capital after share registration	Baht 1,564,205,570	Baht 1,564,860,570	
	(1,564,205,570	(1,564,860,570	
	ordinary shares of	ordinary shares of	
	Baht 1 each)	Baht 1 each)	



(Unaudited but reviewed)

As at 30 June 2018, the Company received advance subscription from the exercise of ESOP-W4 and ESOP-W5 warrants as follows:

	ESOP-W4	ESOP-W5	Total
Number of warrants exercised (units)	77,600	4,094,000	4,171,600
Number of ordinary shares issued (shares)	776,000	4,094,000	4,870,000
Amount of cash received (Baht)	3,834,216	35,085,580	38,919,796

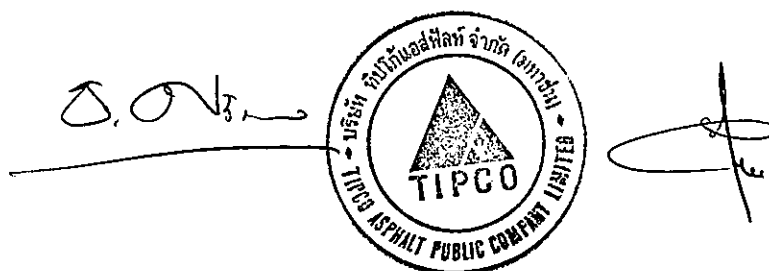
The Company registered the paid-up capital increase from exercise of such warrants with the Ministry of Commerce on 10 July 2018. The paid-up capital after share registration is Baht 1,569,730,570 (1,569,730,570 ordinary shares of Baht 1 each).

As at 30 June 2018 and 31 December 2017, the remaining unexercised of warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Company and its subsidiaries ("ESOP") are summarised below.

	30 June 2018	31 December 2017
		(Audited)
ESOP-W3	-	50,000 units
ESOP-W4	143,600 units	236,700 units
ESOP-W5	7,046,000 units	11,140,000 units

16. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2016	Annual General Meeting of the shareholders on 5 April 2017	932.3	0.6
Total for the six-month period ended 30 June 2017		932.3	0.6
Final dividends for 2017	Annual General Meeting of the shareholders on 5 April 2018	1,407.8	0.9
Total for the six-month period ended 30 June 2018		1,407.8	0.9



(Unaudited but reviewed)

17. Segment information

The Company and its subsidiaries are engaged in single operating segment which is manufacturing and trading of asphalt and petroleum oil products. Whereas, the marine logistic business complements the manufacturing and trading of asphalt and petroleum oil products. The Board of Directors of the group is the chief operating decision makers of the Company and its subsidiaries. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment. Therefore, financial information by segment for the three-month and six-month periods ended 30 June 2018 and 2017 have been presented only by geographical area, as follows:

(Unit: Million Baht)

	For three-month periods ended 30 June							
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues from external customers	4,093	6,606	1,673	1,605	-	-	5,766	8,211
Inter-segment revenues	1,613	639	9	348	(1,622)	(987)	-	-
Total revenues	5,706	7,245	1,682	1,953	(1,622)	(987)	5,766	8,211
Segment operating profit attributable to equity holders of the company	62	173	63	154	(4)	17	121	344



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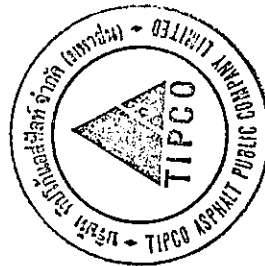
(Unaudited but reviewed)

(Unit: Million Baht)

For six-month periods ended 30 June

	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	8,097	13,946	2,932	2,616	-	-	11,029	16,562
Inter-segment revenues	2,522	1,303	117	801	(2,639)	(2,104)	-	-
Total revenues	10,619	15,249	3,049	3,417	(2,639)	(2,104)	11,029	16,562
Segment operating profit attributable to equity holders of the company	377	1,198	60	382	(12)	1	425	1,581

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

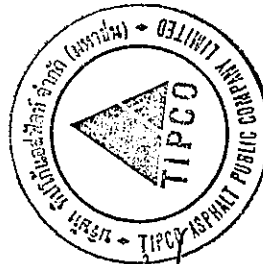


18. Commitments and contingent liabilities

18.1 Capital commitments

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

Foreign currency	Consolidated financial statements		Separate financial statements		(Unit: Million)
	30 June 2018	31 December 2017	30 June 2018	31 December 2017	
		(Audited)		(Audited)	
Baht	69	40	58	25	
Malaysia Ringgit	19	10	-	-	
Vietnam Dong	14,722	23,972	-	-	



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18.2 Operating lease commitments

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

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

(Unit: Million)


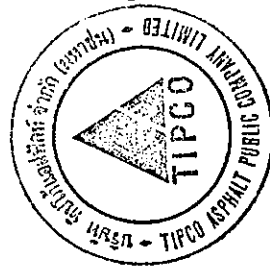
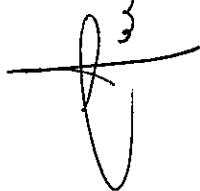
As at 30 June 2018

Payable within:	Consolidated financial statements					Separate financial statements		
	Baht	US Dollar	Vietnam Dong	Indonesia Rupiah	Malaysia Ringgit	Renminbi	Baht	US Dollar
1 year	45	2	3,359	1,540	2	1	39	2
2 to 5 years	36	1	7,289	2,889	-	1	31	-
Over 5 years	-	1	28,441	3,778	-	1	-	-

(Unit: Million)

As at 31 December 2017 (Audited)

Payable within:	Consolidated financial statements					Separate financial statements		
	Baht	US Dollar	Vietnam Dong	Indonesia Rupiah	Malaysia Ringgit	Renminbi	Baht	US Dollar
1 year	65	8	3,366	2,095	2	-	57	7
2 to 5 years	24	-	7,977	3,055	-	-	20	-
Over 5 years	-	-	29,295	4,111	-	-	-	-

18.3 Long-term service commitments

The Company has entered into a service agreement with Colas S.A. under which it receives management and marketing services and advice on methods and systems of management and technical assistance in the manufacture of Asphalt Emulsion and Modified Asphalt. Under this agreement, the Company agrees to pay an annual lump sum administrative fee of Euro 145,000 plus a technical assistance fee equivalent to 0.75 percent of the consolidated revenues of the Company and its subsidiaries generated from the stipulated products. The fees for the six-month period ended 30 June 2018 and 2017 amounted to approximately Baht 35.1 million and Baht 20.9 million, respectively.

18.4 Crude oil purchase commitments

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

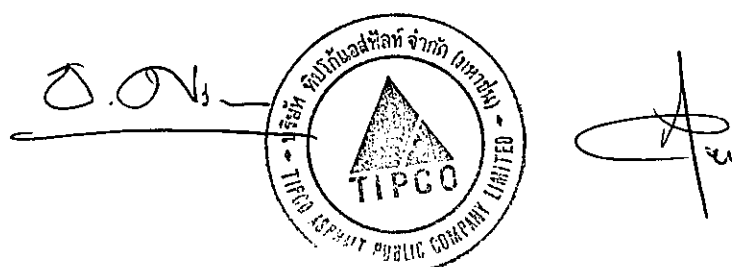
As at 30 June 2018, the Company had outstanding commitment in respect of receiving crude oil under such purchase agreement of approximately 34 million barrels.

18.5 Bank guarantees

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

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017 (Audited)	30 June 2018	31 December 2017 (Audited)
Baht	3	3	2	2
Malaysia Ringgit	10	10	-	-

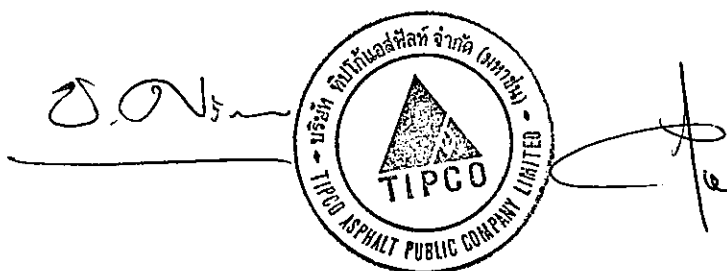


19. Foreign currency risk

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	
	30 June	31 December	30 June	31 December	30 June	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit) (Audited)	
US Dollar	42	28	78	60	33.2	32.7
Euro	-	-	4	33	38.5	39.0
Japan Yen	-	-	17	3	0.3	0.3
Malaysia Ringgit	-	7	-	33	8.2	8.1
Indonesia Rupiah	-	-	4	-	0.0023	0.0024
Vietnam Dong	-	5	-	-	0.0014	0.0014

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit) (Audited)	
US Dollar	106	86	91	62	33.2	32.7
Euro	-	-	4	32	38.5	39.0
Renminbi	77	58	5	-	5.0	5.0
Indonesia Rupiah	-	-	1	11	0.0023	0.0024
Vietnam Dong	-	-	-	-	0.0014	0.0014



(Unaudited but reviewed)

The Company and its subsidiaries had the following outstanding foreign exchange contracts of which maturity dates are within one year.

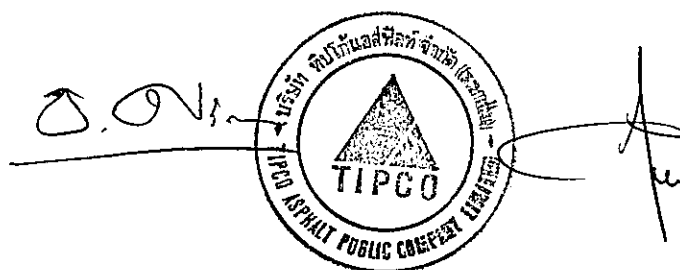
As at 30 June 2018

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)	(Per 1 US Dollar)	
US Dollar	18	8	18	8	31.1 - 32.7 Baht	31.2 - 33.0 Baht
US Dollar	-	4	-	-	-	22,816 - 22,956 Vietnam Dong
US Dollar	-	5	-	-	-	14,111 - 14,483 Indonesia Rupiah

As at 31 December 2017 (Audited)

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought		
	amount	amount	amount	amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Per 1 US Dollar)	
US Dollar	9	13	8	12	32.5 - 33.2 Baht	32.5 - 33.2 Baht
US Dollar	-	1	-	-	-	22,721
						Vietnam Dong
US Dollar	-	8	-	-	-	13,588 - 13,664
						Indonesia Rupiah

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



20. Raw materials and finished goods price risk

As at 30 June 2018 and 31 December 2017, the Company had outstanding price hedging contracts which are presented in the statements of financial position at fair value and were summarised below.

		(Unit: Million Baht)	
		Consolidated/Separate financial statements	
Contract type	Type of product	30 June 2018	31 December 2017
		(Audited)	
<u>Contracts presented as assets</u>			
Bought forward contract	Crude oil	56	195
Four-way collar options	Crude oil	99	150
Total price hedging contracts presented as assets		155	345
<u>Contracts presented as liabilities</u>			
Sold forward contract	Crude oil	128	697
Sold forward contract	Petroleum product	38	-
Two-way collar options	Crude oil	93	78
Total price hedging contracts presented as liabilities		259	775

From the adoption of hedge accounting for cash flow hedges of forecasted sales as described in Note 2 to the interim financial statements. For the three-month and six-month periods ended 30 June 2018, the Company recognised gain arising from changes in fair value of the forward contract of USD 0.4 million (approximately Baht 11.2 million) in other comprehensive income and loss arising from changes in fair value of the forward contract of USD 0.9 million (approximately Baht 29.0 million) in other comprehensive income, respectively.

21. Events after the reporting period

A fire broke out on 5 July 2018 at a subsidiary in Malaysia, damaging 3 crude oil storage tanks with a total carrying value of approximately USD 9.5 million, equivalent to Baht 315.5 million as at 30 June 2018. The management of the Company and its subsidiary believe that there will be no substantial loss resulting from the incident as there is insurance covers on its assets and business interruptions. At present, the insurance company is in the process of investigating the incident.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 7 August 2018.

