

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

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Tipco Asphalt Public Company Limited

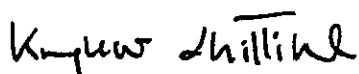
I have reviewed the accompanying consolidated statement of financial position of Tipco Asphalt Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018, and the related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

Scope of review

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

Conclusion

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



Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 5 November 2018

Tipco Asphalt Public Company Limited and its subsidiaries

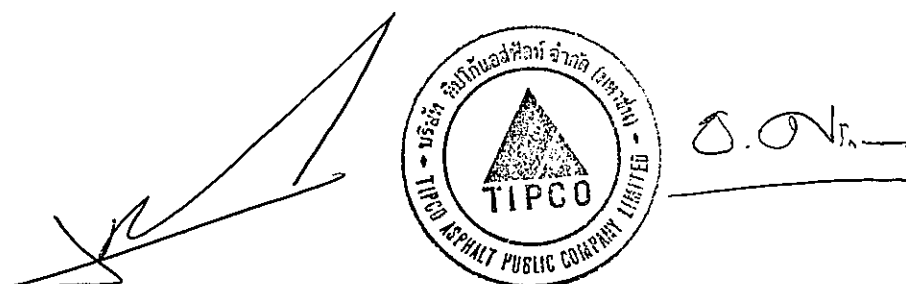
Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		847,008	1,025,410	159,488	153,903
Trade and other receivables	3, 4	4,567,578	3,667,897	4,300,625	3,138,407
Short-term loan to related party	4	-	-	32,236	32,515
Inventories	5	6,833,768	3,892,145	5,795,415	3,072,991
Price hedging contracts	20	128,196	344,889	128,196	344,889
Other current assets		312,345	323,625	49,694	61,728
Total current assets		12,688,895	9,253,966	10,465,654	6,804,433
Non-current assets					
Investments in subsidiaries	6	-	-	7,688,753	7,631,132
Investments in joint ventures	7	128,830	42,048	67,553	-
Investments in associates		517,314	526,642	243,447	243,447
Long-term loans to related parties	4	-	-	1,279,120	1,290,159
Investment properties		256,933	256,933	94,342	94,342
Property, plant and equipment	8	8,135,782	8,558,655	876,725	865,068
Goodwill		146,294	146,294	-	-
Other intangible assets		239,227	260,995	93,307	103,482
Leasehold rights		320,157	331,791	2,792	2,963
Deferred tax assets - net	13	96,012	88,750	88,140	92,629
Other non-current assets		17,866	46,624	3,924	2,208
Total non-current assets		9,858,415	10,258,732	10,438,103	10,325,430
Total assets		22,547,310	19,512,698	20,903,757	17,129,863

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



Tipco Asphalt Public Company Limited and its subsidiaries

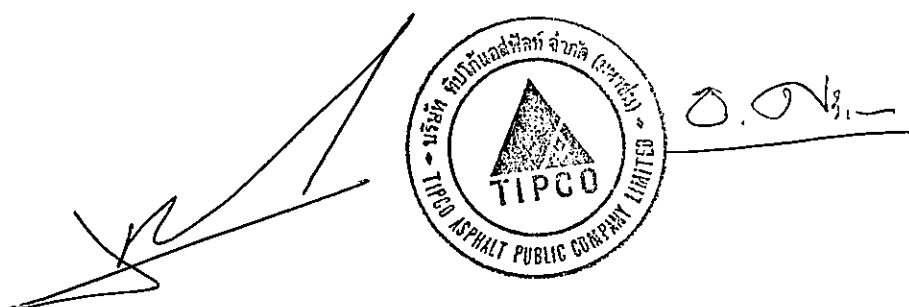
Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		6,362,014	2,026,717	5,904,378	1,677,196
Trade and other payables	4, 9	3,422,544	2,982,456	3,928,243	3,346,870
Short-term loans from related parties	4	-	-	55,000	256,000
Current portion of long-term loans from financial institutions	10	149,577	324,863	-	-
Income tax payable		63,978	48,817	38,832	10,238
Price hedging contracts	20	390,497	774,517	390,497	774,517
Other current liabilities		127,717	67,751	115,898	156,576
Total current liabilities		10,516,327	6,225,121	10,432,848	6,221,397
Non-current liabilities					
Long-term loans from financial institutions -					
net of current portion	10	87,957	212,323	-	-
Long-term loan from related party	4	6,920	7,371	-	-
Provision for long-term employee benefits		150,345	137,624	94,297	87,540
Other non-current liabilities		-	1,019	-	890
Total non-current liabilities		245,222	358,337	94,297	88,430
Total liabilities		10,761,549	6,583,458	10,527,145	6,309,827

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



Tipco Asphalt Public Company Limited and its subsidiaries

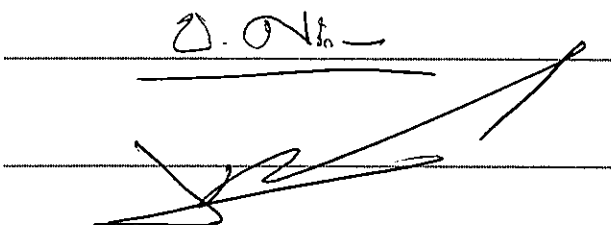
Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018	31 December 2017	30 September 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					
1,569,730,570 ordinary shares (31 December 2017:					
1,562,464,570 ordinary shares) of Baht 1 each		1,569,731	1,562,465	1,569,731	1,562,465
Premium on share capital		1,090,590	1,046,879	1,090,590	1,046,879
Share subscription	15	31,975	8,639	31,975	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		10,032,716	11,008,948	7,512,088	7,874,174
Other components of shareholders' equity		(866,113)	(589,750)	(169,145)	-
Equity attributable to owners of the Company		11,636,199	12,800,987	10,376,612	10,820,036
Non-controlling interests of the subsidiaries		149,562	128,253	-	-
Total shareholders' equity		11,785,761	12,929,240	10,376,612	10,820,036
Total liabilities and shareholders' equity		22,547,310	19,512,698	20,903,757	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

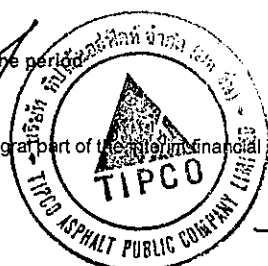
Statement of comprehensive income

For the three-month period ended 30 September 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		7,031,604	5,163,565	6,212,679	4,220,758
Other income					
Dividend income from associate		-	-	67,779	-
Gain on exchange		917	29,742	27,803	26,187
Others		14,203	108,455	38,536	102,913
Total revenues		7,046,724	5,301,762	6,346,797	4,349,858
Expenses					
Cost of sales and services		6,160,176	4,542,626	5,622,281	3,908,849
Loss from price hedging contracts	20	64,994	10,601	65,645	15,241
Reversal of reduction of cost of inventory to net realisable value	5	(689)	(9,177)	-	(12,657)
		6,224,481	4,544,050	5,687,926	3,911,433
Selling expenses		46,397	35,670	24,163	22,449
Administrative expenses		317,392	291,262	159,480	120,760
Other expenses					
Allowance for doubtful accounts (reversal)		8,492	(53,931)	4,663	(52,441)
Damages from a fire at a subsidiary	21	345,035	-	-	-
Total expenses		6,941,797	4,817,051	5,876,232	4,002,201
Profit before share of profit from investments in joint ventures, associates, finance cost and income tax					
		104,927	484,711	470,565	347,657
Share of profit from investments in joint ventures		2,259	6,196	-	-
Share of profit from investments in associates		7,751	10,910	-	-
Profit before finance cost and income tax		114,937	501,817	470,565	347,657
Finance cost		(43,869)	(25,918)	(28,521)	(9,071)
Profit before income tax		71,068	475,899	442,044	338,586
Income tax	13	(58,178)	(69,999)	(42,425)	(66,431)
Profit for the period		12,890	405,900	399,619	272,155
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		(184,143)	(59,875)	-	-
Change in fair value of hedging instruments of cash flow hedges - net of income tax	13, 20	(141,555)	-	(141,555)	-
Other comprehensive income for the period		(325,698)	(59,875)	(141,555)	-
Total comprehensive income for the period		(312,808)	346,025	258,064	272,155

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

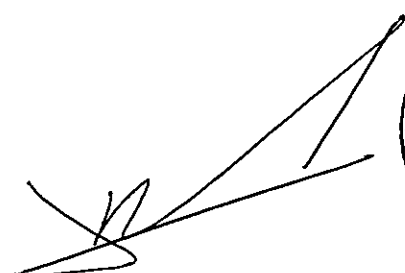
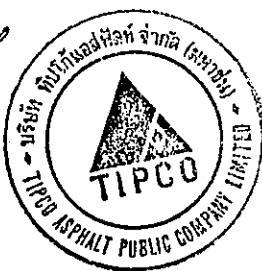
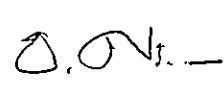
Statement of comprehensive income (continued)

For the three-month period ended 30 September 2018

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

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Profit attributable to:					
Equity holders of the Company		6,268	401,192	399,619	272,155
Non-controlling interests of the subsidiaries		6,622	4,708		
		12,890	405,900		
Total comprehensive income attributable to:					
Equity holders of the Company		(310,811)	341,077	258,064	272,155
Non-controlling interests of the subsidiaries		(1,997)	4,948		
		(312,808)	346,025		
Earnings per share (Baht)					
	14				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.004	0.257	0.255	0.174
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.004	0.255	0.254	0.173

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(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

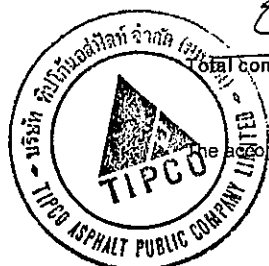
Statement of comprehensive income

For the nine-month period ended 30 September 2018

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Sales and service income		18,061,010	21,725,369	16,119,762	18,325,660
Other income					
Dividend income from subsidiaries	6	-	-	362,181	205,000
Dividend income from associates		-	-	80,212	38,448
Gain on exchange		32,201	213,226	60,903	193,071
Others		59,020	236,269	107,024	259,398
Total revenues		18,152,231	22,174,864	16,730,082	19,021,577
Expenses					
Cost of sales and services		15,863,706	18,611,168	14,693,357	16,484,976
Loss from price hedging contracts	20	282,571	463,723	278,122	498,456
Reduction of cost of inventories to net realisable value (reversal)	5	(18,145)	(80,807)	1,542	(174,657)
		16,128,132	18,994,084	14,973,021	16,808,775
Selling expenses		127,065	109,396	68,260	65,193
Administrative expenses		907,714	828,420	467,231	387,379
Other expenses					
Bad debt and allowance for doubtful accounts (reversal)		10,490	(108,047)	4,921	(70,807)
Damages from a fire at a subsidiary	21	345,035	-	-	-
Total expenses		17,518,436	19,823,853	15,513,433	17,190,540
Profit before share of profit from investments in joint ventures, associates, finance cost and income tax		633,795	2,351,011	1,216,649	1,831,037
Share of profit from investments in joint ventures		1,891	13,969	-	-
Share of profit from investments in associates		72,110	95,271	-	-
Profit before finance cost and income tax		707,796	2,460,251	1,216,649	1,831,037
Finance cost		(108,835)	(80,721)	(63,524)	(34,620)
Profit before income tax		598,961	2,379,530	1,153,125	1,796,417
Income tax	13	(156,477)	(383,621)	(107,445)	(317,181)
Profit for the period		442,484	1,995,909	1,045,680	1,479,236
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currencies		(115,159)	(265,634)	-	-
Change in fair value of hedging instruments of cash flow hedges - net of income tax	13, 20	(169,145)	-	(169,145)	-
Other comprehensive income for the period		(284,304)	(265,634)	(169,145)	-
Total comprehensive income for the period		158,180	1,730,275	876,535	1,479,236

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

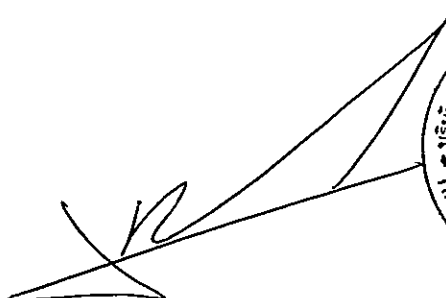
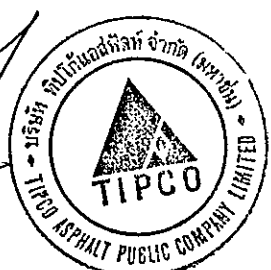
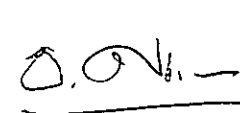
Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2018

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

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Profit attributable to:					
Equity holders of the Company		431,534	1,982,640	1,045,680	1,479,236
Non-controlling interests of the subsidiaries		10,950	13,269		
		442,484	1,995,909		
Total comprehensive income attributable to:					
Equity holders of the Company		155,171	1,720,047	876,535	1,479,236
Non-controlling interests of the subsidiaries		3,009	10,228		
		158,180	1,730,275		
Earnings per share (Baht)					
	14				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.276	1.274	0.668	0.950
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.274	1.262	0.665	0.941

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


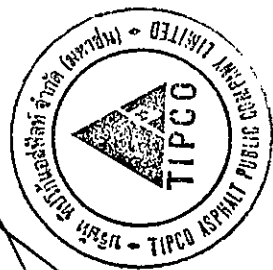
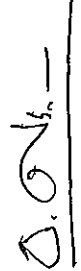
(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements																
Equity attributable to owners of the Company																
	Issued and paid-up share capital	Premium on share capital	Share subscription	Non-controlling interests of subsidiary acquired by the Company	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		Change in fair value of hedging instruments of cash flow hedges	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity			
							book value	statutory reserve						Unappropriated		
															Appropriated	foreign currencies
Other comprehensive income																
Balance as at 1 January 2017	1,552,998	1,008,954	4,826	6,238	(570,311)	119,382	172,123	9,873,734	(13,504)	-	12,154,440	110,631	12,265,071			
Profit for the period	-	-	-	-	-	-	-	1,982,640	-	-	1,982,640	13,269	1,995,909			
Other comprehensive income for the period	-	-	-	-	-	-	-	-	(262,593)	-	(262,593)	(3,041)	(265,634)			
Total comprehensive income for the period	-	-	-	-	-	-	-	1,982,640	(262,593)	-	1,720,047	10,228	1,730,275			
Warrant holders exercised warrants	7,692	30,929	(4,826)	-	-	-	-	-	-	-	33,795	-	33,795			
Cash receipts from share subscription	-	-	8,770	-	-	-	-	-	-	-	8,770	-	8,770			
Share-based payment transactions	-	-	-	-	-	27,929	-	-	-	-	27,929	-	27,929			
Dividend paid (Note 16)	-	-	-	-	-	-	-	(1,400,476)	-	-	(1,400,476)	-	(1,400,476)			
Balance as at 30 September 2017	1,560,690	1,039,883	8,770	6,238	(570,311)	147,311	172,123	10,455,898	(276,097)	-	12,544,505	120,859	12,665,364			
Balance as at 1 January 2018	1,562,465	1,046,879	8,639	6,238	(570,311)	155,756	172,123	11,008,948	(589,750)	-	12,800,987	128,253	12,929,240			
Profit for the period	-	-	-	-	-	-	-	431,534	-	-	431,534	10,950	442,484			
Other comprehensive income for the period	-	-	-	-	-	-	-	-	(107,218)	(169,145)	(276,363)	(7,941)	(284,304)			
Total comprehensive income for the period	-	-	-	-	-	-	-	431,534	(107,218)	(169,145)	155,171	3,009	158,180			
Warrant holders exercised warrants (Note 15)	7,266	43,711	(8,639)	-	-	-	-	-	-	-	42,338	-	42,338			
Cash receipts from share subscription (Note 15)	-	-	31,975	-	-	-	-	-	-	-	31,975	-	31,975			
Increase in share capital in new subsidiary (Note 6)	-	-	-	-	-	-	-	-	-	-	-	-	-			
Share-based payment transactions	-	-	-	-	-	13,494	-	-	-	-	13,494	18,300	18,300			
Dividend paid (Note 16)	-	-	-	-	-	-	-	(1,407,766)	-	-	(1,407,766)	-	(1,407,766)			
Balance as at 30 September 2018	1,569,731	1,090,590	31,975	6,238	(570,311)	169,250	172,123	10,032,716	(696,968)	(169,145)	11,636,199	149,562	11,785,761			

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

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Separate financial statements									
	Other components of equity									
	Other comprehensive income									
	Issued and paid-up share capital	Premium on share capital	Share subscription	Capital reserve for share-based payment transactions	Retained earnings	Change in fair value of hedging instruments of cash flow hedges	Total other components of shareholders' equity	Total shareholders' equity		
					Appropriated statutory reserve	Unappropriated				
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	-	-	-	-	-	1,479,236	-	1,479,236		
Other comprehensive income for the period	-	-	-	-	-	-	-	-		
Total comprehensive income for the period	-	-	-	-	-	-	-	-		
Warrant holders exercised warrants	7,692	30,929	(4,826)	-	-	-	-	33,795		
Cash receipts from share subscription	-	-	8,770	-	-	-	-	8,770		
Share-based payment transactions	-	-	-	27,929	-	-	-	27,929		
Dividend paid (Note 16)	-	-	-	-	-	(1,400,476)	-	(1,400,476)		
Balance as at 30 September 2017	1,560,690	1,039,883	8,770	147,311	172,123	7,347,087	-	10,275,864		
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	-	-	-	-	-	1,045,680	-	1,045,680		
Other comprehensive income for the period	-	-	-	-	-	-	(169,145)	(169,145)		
Total comprehensive income for the period	-	-	-	-	-	1,045,680	(169,145)	876,535		
Warrant holders exercised warrants (Note 15)	7,266	43,711	(8,639)	-	-	-	-	42,338		
Cash receipts from share subscription (Note 15)	-	-	31,975	-	-	-	-	31,975		
Share-based payment transactions	-	-	-	13,494	-	-	-	13,494		
Dividend paid (Note 16)	-	-	-	-	-	(1,407,766)	-	(1,407,766)		
Balance as at 30 September 2018	1,569,731	1,090,590	31,975	169,250	172,123	7,512,088	(169,145)	10,376,612		

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



D. ONI

(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities:				
Profit before income tax	598,961	2,379,530	1,153,125	1,796,417
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	756,258	732,082	206,631	128,229
Bad debt and allowance for doubtful accounts (reversal)	10,490	(108,047)	4,921	(70,807)
Reduction of cost of inventories to net realisable value (reversal)	(18,145)	(80,807)	1,542	(174,657)
Allowance for loss on impairment from fire at a subsidiary	288,741	-	-	-
Dividend income from subsidiaries	-	-	(362,181)	(205,000)
Dividend income from associate	-	-	(80,212)	(38,448)
Unrealised (gain) loss on exchange	(67,231)	(3,656)	(26,982)	87,377
Gain on sales of investment properties	-	-	-	(45,504)
(Gain) Loss on sales of land, equipment and software	14,120	(58,550)	(3,283)	(8,452)
Share of profit from investments in joint ventures	(1,891)	(13,969)	-	-
Share of profit from investments in associates	(72,110)	(95,271)	-	-
Share-based payment transactions	13,494	27,929	10,774	22,297
Provision for long-term employee benefits	12,358	12,254	6,884	6,720
Change in fair value of forward exchange contracts	(739)	481	(1,269)	(148)
Change in fair value of price hedging contracts	(343,939)	529,552	(343,939)	529,552
Change in fair value of interest rate swap contracts	(736)	(7,915)	(890)	(8,057)
Interest expenses	98,217	76,993	61,053	38,980
Profit from operating activities before changes in operating assets and liabilities	1,287,848	3,390,606	626,174	2,058,499
(Increase) decrease in operating assets				
Trade and other receivables	(897,396)	(36,252)	(1,217,677)	143,236
Inventories	(3,094,302)	101,308	(2,723,966)	300,305
Other current assets	(99,126)	(116,550)	(81,857)	(63,666)
Other non-current assets	36,423	(4,502)	(1,715)	61
Increase (decrease) in operating liabilities				
Trade and other payables	373,526	(1,875,826)	591,325	(1,423,135)
Other current liabilities	61,248	(57,554)	(110,082)	(20,128)
Other non-current liabilities	(139)	(2,565)	(126)	(1,553)
Cash flows from (used in) operating activities	(2,331,918)	1,398,665	(2,917,924)	993,619
Cash paid for interest expenses	(61,550)	(77,423)	(60,477)	(46,590)
Cash paid for corporate income tax	(159,370)	(610,094)	(66,896)	(446,365)
Net cash flows from (used in) operating activities	(2,552,838)	711,148	(3,045,297)	500,664

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



(Unaudited but reviewed)

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

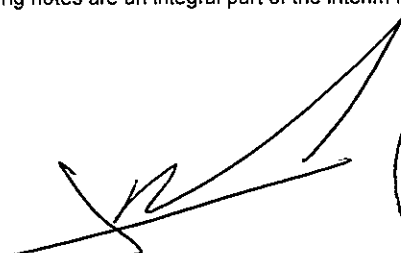

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities:				
Cash paid for investment in newly incorporated subsidiary	-	-	(23,892)	-
Cash paid for investment in incorporated joint ventures	(46,552)	-	(28,180)	-
Dividend received from subsidiaries	-	-	362,181	-
Dividend received from associates	80,212	38,448	80,212	38,448
Increase in short-term loan to related party	-	-	-	(86,306)
Increase in long-term loans to related party	-	-	-	(280,228)
Cash paid for acquisition of equipment	(378,320)	(635,961)	(104,204)	(62,887)
Cash paid for acquisition of computer software	(14,004)	(29,423)	(10,122)	(28,222)
Proceeds from sales of investment properties	-	-	-	60,000
Proceeds from sales of land and equipment	28,487	80,051	3,738	13,359
Net cash flows from (used in) investing activities	(330,177)	(546,885)	279,733	(345,836)
Cash flows from financing activities:				
Cash receipts from shares subscription from related party	7,969	-	-	-
Increase in short-term loans from financial institutions	4,442,863	1,545,058	4,303,616	1,218,020
Increase (decrease) in short-term loans from related parties	-	-	(201,000)	55,000
Cash paid under finance lease agreements	(202)	(583)	-	(380)
Repayment of long-term loans	(298,309)	(548,544)	-	-
Cash receipt from capital increase	42,338	33,795	42,338	33,795
Cash receipts from shares subscription	31,975	8,770	31,975	8,770
Dividend paid to shareholders	(1,405,780)	(1,396,084)	(1,405,780)	(1,396,084)
Net cash flows from (used in) financing activities	2,820,854	(357,588)	2,771,149	(80,879)
Exchange differences on translation of				
financial statements in foreign currencies	(116,241)	(52,567)	-	-
Net increase (decrease) in cash and cash equivalents	(178,402)	(245,892)	5,585	73,949
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	847,008	1,087,337	159,488	308,027

Supplemental cash flows information

Non-cash transactions:

Purchase of equipment for which cash has not been paid	4,006	7,480	-	-
Settlement of dividend received from subsidiary with account payable (Note 6)	-	-	-	205,000
Investment in subsidiary for which cash has not been paid (Note 6)	-	-	31,010	-
Investment in joint venture for which cash has not been paid (Note 7)	39,373	-	39,373	-

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


Tipco Asphalt Public Company Limited and its subsidiaries

Notes to the interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 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 adopted the revised financial reporting standards and interpretations (revised 2017) which were 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 did not have any significant impact on the financial statements of the Company and its subsidiaries.

(b) Financial reporting standards 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 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards 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.

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

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

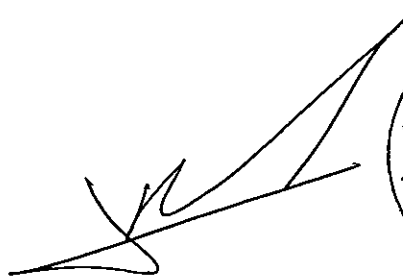

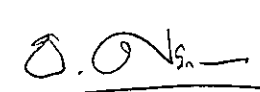
TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

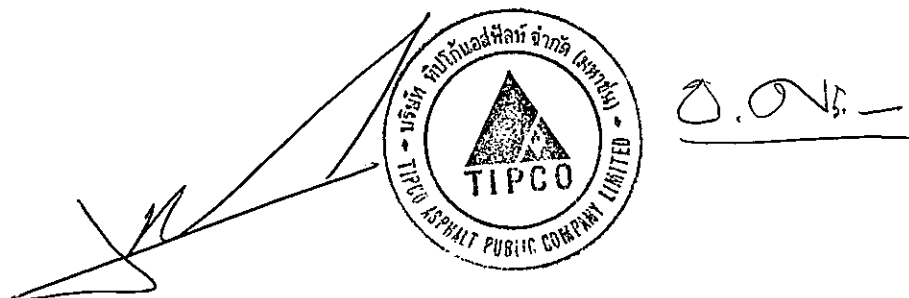
The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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 follows:-

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.



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(Unaudited but reviewed)

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017 (Audited)	30 September 2018	31 December 2017 (Audited)
<u>Trade receivables - related parties</u> (Note 4)				
Aged on the basis of due dates				
Not yet due	404,542	347,626	1,161,149	1,094,424
Past due				
Up to 3 months	36,249	7,791	411,985	775
3 - 6 months	26,204	-	38,145	44,300
6 - 9 months	-	-	7,433	3,558
9 - 12 months	-	-	294	54
Over 12 months	-	-	233,461	244,360
Total	466,995	355,417	1,852,467	1,387,471
Less: Allowance for doubtful accounts	-	-	(230,040)	(245,207)
Total trade receivables - related parties, net	466,995	355,417	1,622,427	1,142,264
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	3,112,885	2,577,871	2,166,027	1,728,593
Past due				
Up to 3 months	603,029	513,027	155,715	46,430
3 - 6 months	234,305	109,450	86,195	6,961
6 - 9 months	61,582	24,111	17,437	7,450
9 - 12 months	16,303	15,832	2,346	4
Over 12 months	321,375	329,728	68,498	63,567
Total	4,349,479	3,570,019	2,496,218	1,853,005
Less: Allowance for doubtful accounts	(314,718)	(324,274)	(68,079)	(63,158)
Total trade receivables - unrelated parties, net	4,034,761	3,245,745	2,428,139	1,789,847
Total trade receivables - net	4,501,756	3,601,162	4,050,566	2,932,111
<u>Other receivables</u>				
Amounts due from related parties (Note 4)	27,821	16,614	217,007	153,380
Accounts receivable from price				
hedging contracts	29,915	44,298	29,915	44,298
Other receivables	8,086	5,823	3,137	8,618
Total other receivables	65,822	66,735	250,059	206,296
Trade and other receivables - net	4,567,578	3,667,897	4,300,625	3,138,407

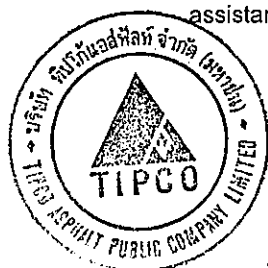


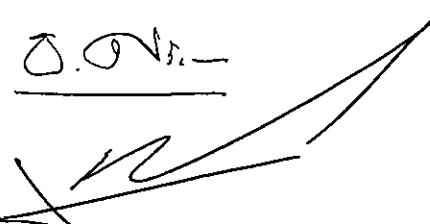
4. Related party transactions

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 September				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policies
	2018	2017	2018	2017	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	1,678	928	Cost plus certain margin
Rental and service income	-	-	2	4	Contract price
Technical and administrative assistance income	-	-	17	19	Contract price
Interest income	-	-	10	3	At rate of 1.4 - 2.5 percent and LIBOR plus 1.5 percent per annum
Purchase of goods	-	-	-	24	Cost plus certain margin
Rental and service expenses	-	-	472	528	Contract price
Interest expense	-	-	1	-	At rate of 1.0 percent per annum
<u>Transactions with joint venture</u>					
Sales and services	214	374	214	359	Market price/Contract price
<u>Transactions with associated companies</u>					
Sales and services	65	49	57	40	Market price/Contract price
Rental and service income	-	1	-	1	Contract price
Dividend income	-	-	68	-	
<u>Transactions with related companies</u>					
Sales and services	487	210	469	207	Market price/Contract price
Rental and service income	-	1	-	1	Contract price
Rental and service expenses	10	11	8	9	Contract price
Technical and administrative assistance expenses	19	6	19	6	Contract price



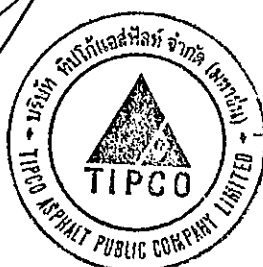
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(Unaudited but reviewed)

(Unit : Million Baht)

For the nine-month periods ended 30 September

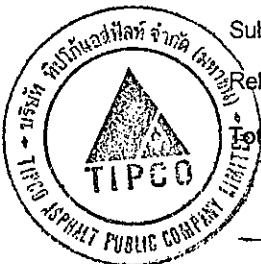
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policies
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales and services	-	-	4,555	2,682	Cost plus certain margin
Rental and service income	-	-	5	13	Contract price
Technical and administrative assistance income	-	-	53	57	Contract price
Interest income	-	-	27	8	At rate of 1.4 - 2.5 percent and LIBOR plus 1.5 percent per annum
Dividend income	-	-	362	205	
Purchase of goods	-	-	18	83	Cost plus certain margin
Rental and service expenses	-	-	1,336	1,711	Contract price
Interest expense	-	-	1	-	At rate of 1.0 percent per annum
<u>Transactions with joint venture</u>					
Sales and services	363	1,015	360	925	Market price/Contract price
Purchase of goods	111	-	-	-	Market price/Contract price
<u>Transactions with associated companies</u>					
Sales and services	165	241	147	191	Market price/Contract price
Rental and service income	1	2	1	2	Contract price
Dividend income	-	-	80	38	
<u>Transactions with related companies</u>					
Sales and services	1,510	767	1,492	762	Market price/Contract price
Rental and service income	1	3	1	3	Contract price
Rental and service expenses	29	33	25	27	Contract price
Technical and administrative assistance expenses	54	27	54	27	Contract price



(Unaudited but reviewed)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
<u>Trade and other receivables - related parties</u> (Note 3)				
Subsidiaries	-	-	1,616,152	1,197,418
Joint ventures	162,182	115,089	160,356	115,086
Associates	139,104	114,379	116,233	86,253
Related companies (common shareholders and directors)	193,530	142,563	176,733	142,094
Total trade and other receivables - related parties	494,816	372,031	2,069,474	1,540,851
Less : Allowance for doubtful accounts	-	-	(230,040)	(245,207)
Total trade and other receivables - related parties, net	494,816	372,031	1,839,434	1,295,644
<u>Short-term loan to related party</u>				
Subsidiary	-	-	32,236	32,515
Total short-term loan to related party	-	-	32,236	32,515
<u>Long-term loans to related parties</u>				
Subsidiaries	-	-	1,279,120	1,290,159
Total long-term loans to related parties	-	-	1,279,120	1,290,159
<u>Trade and other payables - related parties</u> (Note 9)				
Subsidiaries	-	-	1,017,877	985,643
Joint ventures	39,520	-	39,373	-
Associates	561	270	-	20
Related companies (common shareholders and directors)	170,182	126,017	169,621	124,626
Total trade and other payables - related parties	210,263	126,287	1,226,871	1,110,289
<u>Advance received from customer - related parties</u>				
Subsidiary	-	-	70,495	130,600
Related company (common shareholder and directors)	292	-	292	-
Total advance received from customer - related parties	292	-	70,787	130,600



(Unaudited but reviewed)

(Unit: Thousand Baht)

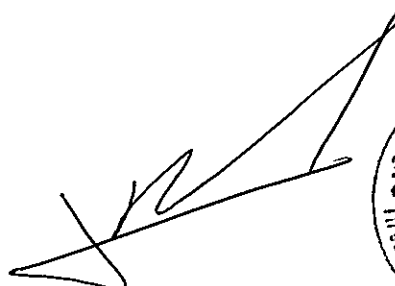

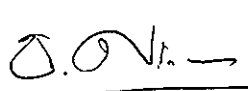
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Short-term loans from related parties</u>				
Subsidiaries	-	-	55,000	256,000
Total short-term loans from related parties	-	-	55,000	256,000
<u>Long-term loan from related party</u>				
Related company (shareholder of subsidiary)	6,920	7,371	-	-
Total long-term loan from related party	6,920	7,371	-	-

Loans to related parties and loans from related parties

As at 30 September 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)

		Consolidated financial statements		
		Balance as at	Exchange differences on translation of financial statements in foreign currencies	Balance as at 30 September 2018
Company's name	Related by	31 December 2017		
(Audited)				
<u>Long-term loan from related party</u>				
Zhenjiang Highway Materials Company	Shareholder of subsidiary	7,371	(451)	6,920

(Unaudited but reviewed)

(Unit: Thousand Baht)

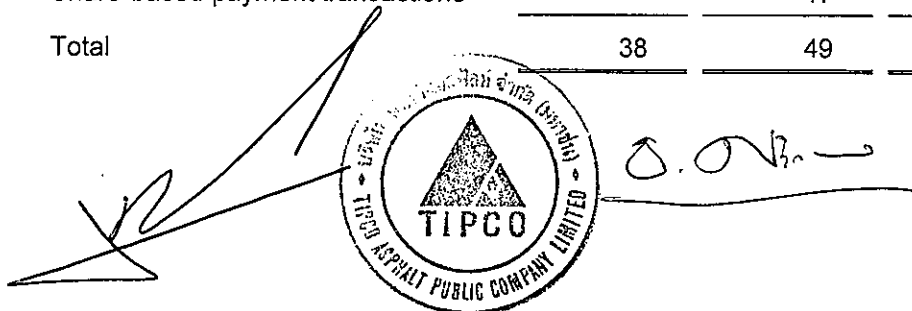
		Separate financial statements				
Company's name	Related by	Balance as at	Increase	Decrease		Balance as at
		31 December	during	during	Loss on	30 September
		2017	the period	the period	exchange	2018
		(Audited)				
<u>Short-term loan to related party</u>						
Highway Resources Pte. Ltd.	Subsidiary	32,515	-	-	(279)	32,236
<u>Long-term loans to related parties</u>						
AD Shipping Pte. Ltd.	Subsidiary	260,117	-	-	(2,226)	257,891
Reta Link Pte. Ltd.	Subsidiary	146,316	-	-	(1,252)	145,064
Pacific Bitumen Shipping Pte. Ltd.	Subsidiary	883,726	-	-	(7,561)	876,165
Total		1,290,159	-	-	(11,039)	1,279,120
<u>Short-term loans from related parties</u>						
Raycol Asphalt Co., Ltd.	Subsidiary	55,000	75,000	(75,000)	-	55,000
Thai Bitumen Co., Ltd.	Subsidiary	201,000	-	(201,000)	-	-
Total		256,000	75,000	(276,000)	-	55,000

Directors and management's benefits

For the three-month and nine-month periods ended 30 September 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	37	30	34	26
Post-employment benefits	1	2	1	2
Share-based payment transactions	-	17	-	16
Total	38	49	35	44



(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	115	99	104	86
Post-employment benefits	3	4	3	4
Share-based payment transactions	8	28	7	25
Total	<u>126</u>	<u>131</u>	<u>114</u>	<u>115</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.

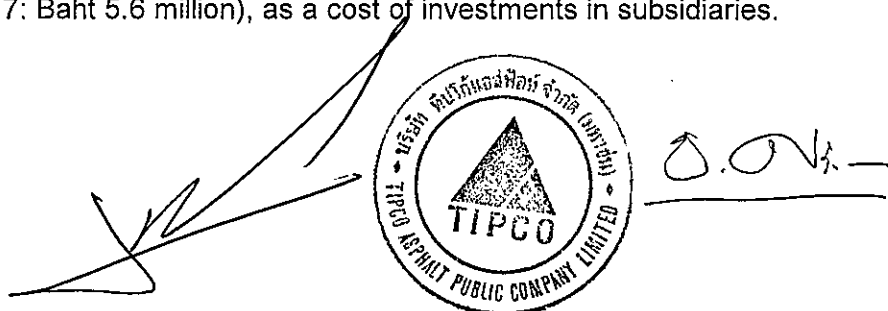
5. Inventories

Movements in the reduction of cost to net realisable value of inventory account during the nine-month period ended 30 September 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)	(18,145)	1,542
Exchange differences on translation of		
financial statements in foreign currencies	922	-
Balance as at 30 September 2018	<u>11,071</u>	<u>4,477</u>

6. Investments in subsidiaries

During the nine-month period ended 30 September 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 2.7 million (2017: Baht 5.6 million), as a cost of investments in subsidiaries.



(Unaudited but reviewed)

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

(Unit: Million Baht)

Company's name	For the nine-month period ended 30 September	
	<u>2018</u>	<u>2017</u>
<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	362	205

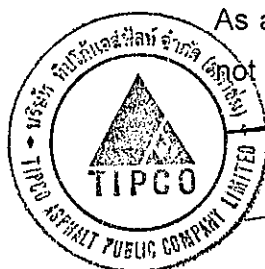
*During the first quarter of 2017, Bitumen Marine Co., Ltd. and Delta Shipping Co., Ltd. declared the dividend payments of Baht 165 million and Baht 40 million, respectively. When making the dividend payments, such subsidiaries offset the dividend against the amount due from the Company.

Investment in Tipco Asphalt (Laos) 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 has 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 its 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 September 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. ("PAPI")

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 PAPI. In February 2018, PAPI called for a partial payment for shares of PHP 20 million from shareholders to use as minimum amount of capital registration. The Company paid for the share of PHP 8 million (approximately Baht 4.8 million) or 40 percent from the paid-up share capital. PAPI completed its incorporation process, with registered capital of PHP 275 million, in March 2018.

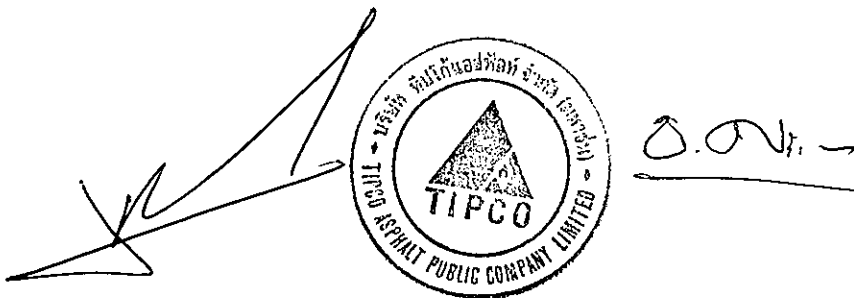
In May 2018, PAPI called for an additional payment for shares of PHP 95 million from shareholders. In June 2018, the Company paid for the share of PHP 38 million (approximately Baht 23.3 million) or 40 percent from such paid-up share capital.

In September 2018, PAPI called for an additional payment for shares of PHP 160 million from shareholders. In October 2018, the Company paid for the share of PHP 64 million (approximately Baht 38.8 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.

During the current period, BA increased its registered capital by MYR 3.8 million from MYR 2.2 million to MYR 6.0 million and KBC invested 50 percent in such capital or equivalent to MYR 1.9 million (approximately Baht 15.0 million). BA registered the paid-up capital increase on 19 July 2018.



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(Unaudited but reviewed)

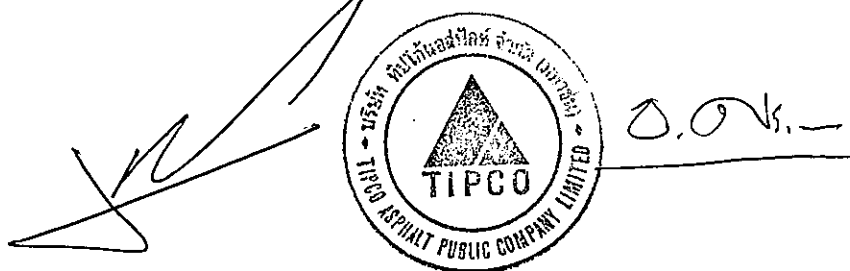
8. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 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	363,843	104,204
Disposals/written-off during the period - net book value at disposal/written-off date	(42,226)	(455)
Depreciation for the period	(599,691)	(92,092)
Allowance for loss on impairment from fire incident at a subsidiary	(118,838)	-
Exchange differences on translation of financial statements in foreign currencies	(25,961)	-
Net book value as at 30 September 2018	8,135,782	876,725

9. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
Trade payables - related parties (Note 4)	973	1,647	753,893	986,885
Trade payables - unrelated parties	2,609,217	1,987,392	2,416,489	1,792,820
Amounts due to related parties (Note 4)	209,290	124,640	472,978	123,404
Accounts payable from price hedging contracts	76,308	27,102	76,308	27,102
Accrued expenses	526,756	841,675	208,575	416,659
Total trade and other payables	3,422,544	2,982,456	3,928,243	3,346,870



10. Long-term loans

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

	(Unit: Thousand Baht) Consolidated financial statements
Balance as at 1 January 2018	537,186
Repayments	(298,309)
Unrealised gain on exchange	(1,343)
Balance as at 30 September 2018	237,534
Less: Current portion	(149,577)
Long-term loans - net of current portion	87,957

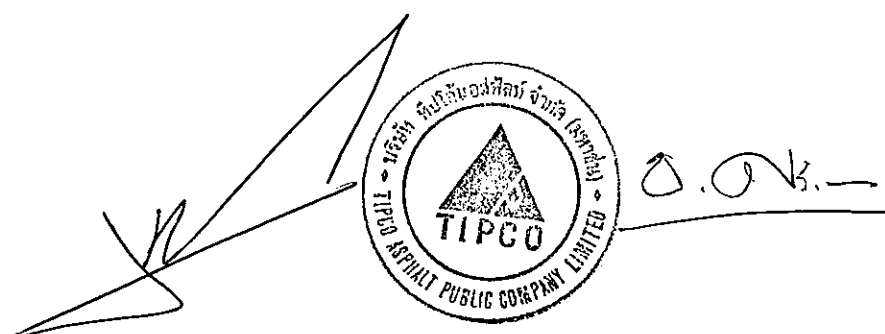
Loan covenants

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 September 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 September 2018 and 31 December 2017 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	
	30 September 2018	31 December 2017
		(Audited)
Leasehold rights - net	138	165
Property, plant and equipment - net	3,138	3,518

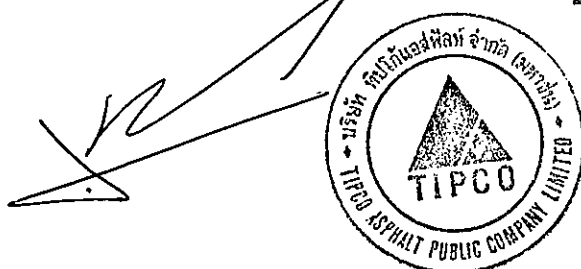
- c) The prohibition from creating lien over assets of the Company and its subsidiaries;
- d) Financial support letters provided by the Company and its subsidiaries to banks;
- e) The Company allows its subsidiaries to use its facilities obtained from banks, with the Company responsible to the banks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

13. Income tax

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Current income tax charge	(73,610)	(78,839)	(39,319)	(62,257)
Deferred tax:				
Relating to origination and reversal of temporary differences	15,432	8,840	(3,106)	(4,174)
Income tax reported in the statement of comprehensive income	<u>(58,178)</u>	<u>(69,999)</u>	<u>(42,425)</u>	<u>(66,431)</u>



(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	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	(161,988)	(462,679)	(95,489)	(358,202)
Adjustment in respect of income tax of previous year	-	563	-	563
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>5,511</u>	<u>78,495</u>	<u>(11,956)</u>	<u>40,458</u>
Income tax reported in the statement of comprehensive income	<u>(156,477)</u>	<u>(383,621)</u>	<u>(107,445)</u>	<u>(317,181)</u>

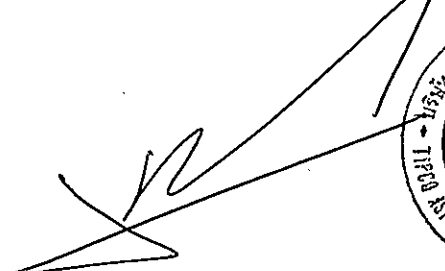
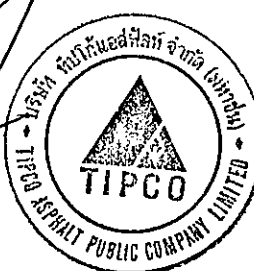
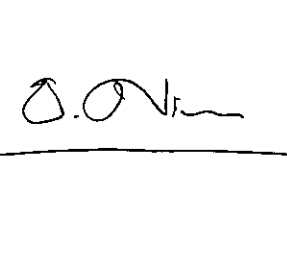
The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September	
	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	<u>6,076</u>	<u>-</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September	
	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	<u>7,467</u>	<u>-</u>

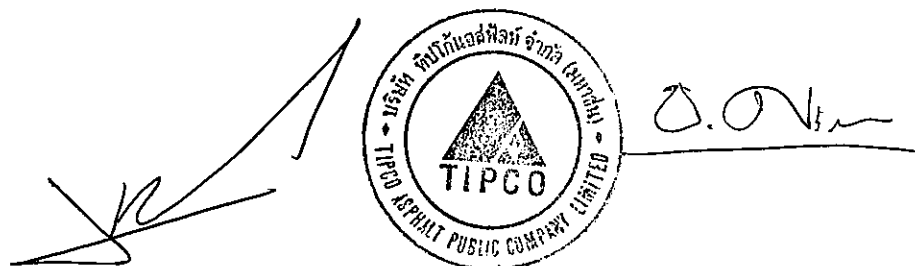
14. Earnings per share

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 September						
	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	6,268	401,192	1,569,864	1,560,786	0.004	0.257
Effect of dilutive potential ordinary shares						
ESOP-W3	-	-	-	463		
ESOP-W4	-	-	947	4,474		
ESOP-W5	-	-	2,995	6,074		
	-	-	3,942	11,011		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of warrants to ordinary shares	6,268	401,192	1,573,806	1,571,797	0.004	0.255



(Unaudited but reviewed)

Separate financial statements

For the three-month periods ended 30 September

	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	399,619	272,155	1,569,864	1,560,786	0.255	0.174
Effect of dilutive potential ordinary shares						
ESOP-W3	-	-	-	463		
ESOP-W4	-	-	947	4,474		
ESOP-W5	-	-	2,995	6,074		
	-	-	3,942	11,011		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	399,619	272,155	1,573,806	1,571,797	0.254	0.173

Consolidated financial statements

For the nine-month periods ended 30 September

	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	431,534	1,982,640	1,566,320	1,556,414	0.276	1.274
Effect of dilutive potential ordinary shares						
ESOP-W2	-	-	-	79		
ESOP-W3	-	-	152	758		
ESOP-W4	-	-	1,461	7,691		
ESOP-W5	-	-	5,252	6,248		
	-	-	6,865	14,776		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	431,534	1,982,640	1,573,185	1,571,190	0.274	1.262



(Unaudited but reviewed)

Separate financial statements						
For the nine-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2018	2017	2018	2017	2018	2017	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders						
of the Company	1,045,680	1,479,236	1,566,320	1,556,414	0.668	0.950
Effect of dilutive potential						
ordinary shares						
ESOP-W2	-	-	-	79		
ESOP-W3	-	-	152	758		
ESOP-W4	-	-	1,461	7,691		
ESOP-W5	-	-	5,252	6,248		
	-	-	6,865	14,776		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares	1,045,680	1,479,236	1,573,185	1,571,190	0.665	0.941

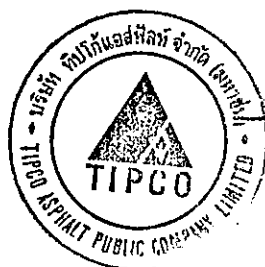
15. Share capital

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 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, ESOP-W4 and ESOP-W5 warrants during the current period.

	First quarter	Second quarter	Third quarter	Total
Number of warrants exercised (units)	174,100	65,500	4,171,600	4,411,200
Number of ordinary shares issued (shares)	1,741,000	655,000	4,870,000	7,266,000
Amount of cash received (Baht)	8,638,781	3,418,855	38,919,796	50,977,432
Share registration date	10 January 2018	7 May 2018	10 July 2018	
Paid-up capital after share registration	Baht 1,564,205,570	Baht 1,564,860,570	Baht 1,569,730,570	
	(1,564,205,570	(1,564,860,570	(1,569,730,570	
	ordinary shares of	ordinary shares of	ordinary shares of	
	Baht 1 each)	Baht 1 each)	Baht 1 each)	



(Unaudited but reviewed)

As at 30 September 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)	85,000	3,241,000	3,326,000
Number of ordinary shares issued (shares)	850,000	3,241,000	4,091,000
Amount of cash received (Baht)	4,199,850	27,775,370	31,975,220

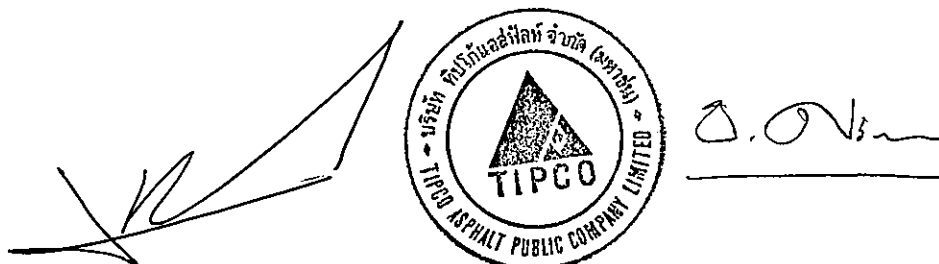
The Company registered the paid-up capital increase from exercise of such warrants with the Ministry of Commerce on 9 October 2018. The paid-up capital after share registration is Baht 1,573,821,570 (1,573,821,570 ordinary shares of Baht 1 each).

As at 30 September 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 September 2018	31 December 2017
		(Audited)
ESOP-W3	-	50,000 units
ESOP-W4	58,600 units	236,700 units
ESOP-W5	3,805,000 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
Interim dividends for 2017	Board of Directors' Meeting on 9 August 2017	468.2	0.3
Total for the nine-month period ended 30 September 2017		1,400.5	0.9
Final dividends for 2017	Annual General Meeting of the shareholders on 5 April 2018	1,407.8	0.9
Total for the nine-month period ended 30 September 2018		1,407.8	0.9



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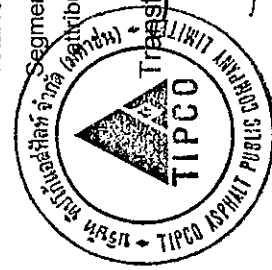
17. Segment information

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 nine-month periods ended 30 September 2018 and 2017 have been presented only by geographical area, as follows:

	For the three-month periods ended 30 September						(Unit: Million Baht)	
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	4,948	3,697	2,084	1,467	-	-	7,032	5,164
Inter-segment revenues	1,544	897	27	298	(1,571)	(1,195)	-	-
Total revenues	6,492	4,594	2,111	1,765	(1,571)	(1,195)	7,032	5,164
Segment operating profit (loss) attributable to equity holders of the company	345	320	(258)	95	(80)	(14)	7	401

	For the nine-month periods ended 30 September						(Unit: Million Baht)	
	Geographic segment located in Thailand		Geographic segment located in overseas		Eliminated transactions		Consolidated financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	13,045	17,642	5,016	4,083	-	-	18,061	21,725
Inter-segment revenues	4,066	2,200	144	1,099	(4,210)	(3,299)	-	-
Total revenues	17,111	19,842	5,160	5,182	(4,210)	(3,299)	18,061	21,725
Segment operating profit (loss)								
Attributable to equity holders of the company	722	1,518	(198)	477	(92)	(12)	432	1,983

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



(Unaudited but reviewed)

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 September 2018	31 December 2017	30 September 2017	30 September 2018	31 December 2017	
		(Audited)			(Audited)	
Baht	53	40		41	25	
Malaysia Ringgit	12	10		-	-	
Vietnam Dong	13,559	23,972		-	-	



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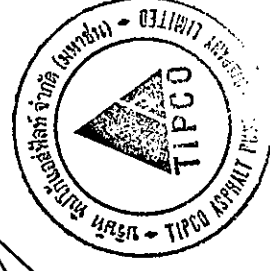
18.2 Operating lease commitments

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:

As at 30 September 2018							(Unit: Million)
Payable within:	Consolidated financial statements				Separate financial statements		
	Baht	US Dollar	Vietnam Dong	Indonesia Rupiah	Malaysia Ringgit	Baht	US Dollar
1 year	36	1	4,218	1,270	2	32	1
2 to 5 years	33	1	7,523	2,805	-	28	-
Over 5 years	-	1	30,108	3,611	-	-	-

Payable within:	As at 31 December 2017 (Audited)					(Unit: Million)
	Consolidated financial statements			Separate financial statements		
	Baht	US Dollar	Vietnam Dong	Indonesia Rupiah	Malaysia Ringgit	
1 year	65	8	3,366	2,095	2	57
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 nine-month period ended 30 September 2018 and 2017 amounted to approximately Baht 54.0 million and Baht 27.3 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.

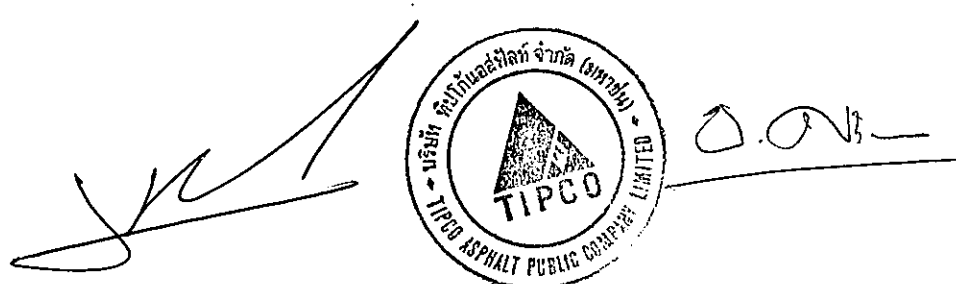
As at 30 September 2018, the Company had outstanding commitment in respect of receiving crude oil under such purchase agreement of approximately 32 million barrels.

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 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
Baht	3	3	2	2
Malaysia Ringgit	10	10	-	-

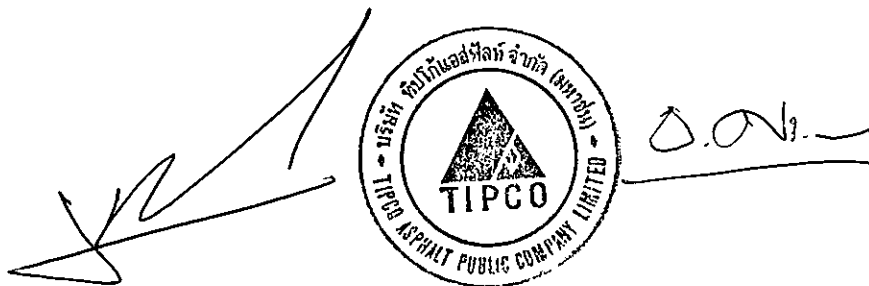


19. Foreign currency risk

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 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit) (Audited)	
US Dollar	56	28	135	60	32.4	32.7
Euro	-	-	4	33	37.7	39.0
Japan Yen	-	-	4	3	0.3	0.3
Malaysia Ringgit	8	7	15	33	7.8	8.1
Indonesia Rupiah	-	-	3	-	0.0022	0.0024
Vietnam Dong	-	5	-	-	0.0014	0.0014

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit) (Audited)	
US Dollar	129	86	148	62	32.4	32.7
Euro	-	-	4	32	37.7	39.0
Renminbi	59	58	-	-	4.7	5.0
Indonesia Rupiah	-	-	11	11	0.0022	0.0024
Vietnam Dong	-	-	-	-	0.0014	0.0014
Malaysia Ringgit	-	-	4	-	7.8	8.1



(Unaudited but reviewed)

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

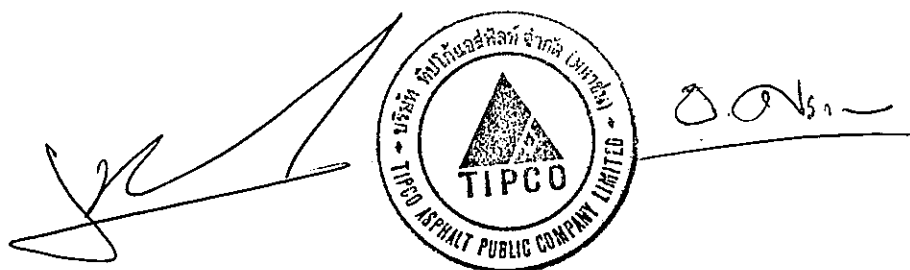
As at 30 September 2018

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold amount (Million)	Bought amount (Million)	Sold amount (Million)	Bought amount (Million)	Sold (Per 1 US Dollar)	Bought
US Dollar	7	11	7	11	32.4 - 33.3 Baht	32.3 - 32.8 Baht
US Dollar	-	2	-	-	-	23,370 Vietnam Dong
US Dollar	-	10	-	-	-	14,554 - 15,063 Indonesia Rupiah

As at 31 December 2017 (Audited)

Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold amount (Million)	Bought amount (Million)	Sold amount (Million)	Bought amount (Million)	Sold (Per 1 US Dollar)	Bought
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.

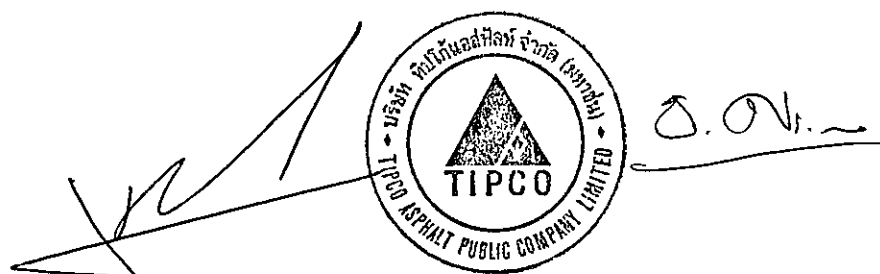


20. Raw materials and finished goods price risk

As at 30 September 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 September 2018	31 December 2017
			(Audited)
<u>Contracts presented as assets</u>			
Bought forward contract	Crude oil	68	195
Bought forward contract	Petroleum product	12	-
Four-way collar options	Crude oil	48	150
Total price hedging contracts presented as assets		128	345
<u>Contracts presented as liabilities</u>			
Sold forward contract	Crude oil	174	697
Sold forward contract	Petroleum product	168	-
Two-way collar options	Crude oil	48	78
Total price hedging contracts presented as liabilities		390	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 nine-month periods ended 30 September 2018, the Company recognised loss arising from changes in fair value of the forward contract of USD 4.6 million (approximately Baht 147.6 million) and USD 5.4 million (approximately Baht 176.6 million) in other comprehensive income, respectively.



21. Damages from a fire at a subsidiary

A fire broke out on 5 July 2018 at a subsidiary's crude oil tanks in Malaysia, resulting in the carrying value of damaged assets totalling USD 8.8 million, or equivalent to Baht 288.7 million, and related expenses totalling USD 1.7 million, or equivalent to Baht 56.3 million, being recorded in the statement of comprehensive income for the three-month and nine-month periods ended 30 September 2018.

The management of the Company and its subsidiary believed that there would be no substantial loss resulting from the incident because of insurance coverage for the assets and business interruption. Currently, the management of its subsidiary is in the process of preparing insurance claim to the insurance company.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 5 November 2018.



A handwritten signature is written over a circular stamp. The stamp contains a triangle with the letters 'TIPCOT' inside. The text around the triangle reads 'บริษัท ทีพีซี จำกัด (มหาชน)' at the top and 'TIPCOT ASPHALT PUBLIC COMPANY LIMITED' at the bottom.