



PAVING THE FUTURE

Annual Report **2012**

Mission :

“ A well-recognized leading asphalt focused company in Asia Pacific ”

Vision :

“ To distribute 2 million tons of asphalt products by 2015 and be the key contributor to the success of all stakeholders while maintaining the highest Corporate Social Responsibility standards at all times ”





Tons by 2015
2,000,000

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■ Introduction to Tipco Asphalt Public Company Limited

Tipco Asphalt Public Company Limited was established in 1979. The Company, its subsidiaries and associated companies ("Tipco Asphalt Group") are the leading manufacturers and distributors of asphalt products in Thailand and Asia-Pacific region.

Tipco Asphalt products are used for building and maintaining roads, highways and airport runways. The Group also sells non-asphalt products, such as Naphtha, Gas Oil and Fuel Oil from crude refining processes to traders, road contractor and manufacturing companies in Thailand and countries in Southeast Asia.

With the cooperation of one of its major shareholders, Colas S.A. of France (the world's leading road construction company), Tipco Asphalt Group is able to deliver the highest quality and innovative products to its customers.

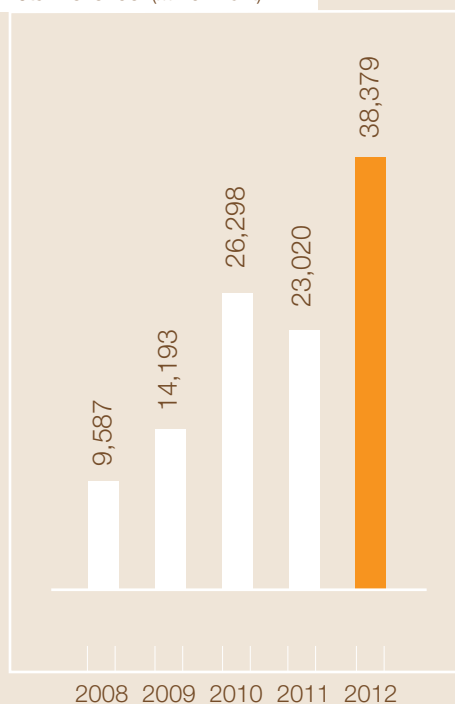
Despite the challenges in the world commodity market, the Group shall continue to focus its long term strategies in order to drive the Group forward in achieving its vision of two million tons of asphalt sales in 2015.

■ Financial Highlights

(Unit : Million Baht)

	2008	2009	2010	2011	2012
Financial Highlights					
Total Revenues	9,587	14,193	26,298	23,020	38,379
Gross Profits	(132)	1,386	1,615	1,258	1,101
EBITDA	91	777	1,837	1,405	1,504
Net Profits (losses)	(1,089)	494	1,008	578	642
Financial Overview					
Balance Sheets					
Assets	8,915	12,514	11,076	15,686	18,670
Liabilities	6,548	9,661	7,179	11,078	13,627
Shareholders' Equity	2,367	2,853	3,897	4,608	5,043
Financial Ratio					
Total number of shares					
issued (shares)	152,547,663	152,547,663	152,547,663	152,548,068	152,548,068
Book value per share (Baht)	15.52	18.70	23.78	30.21	33.06
Earnings (losses) per share (Baht)	(7.14)	3.24	6.61	3.79	4.21
Dividends per share (Baht)	-	-	-	0	1.25
Net profit (losses) margin	(11.59%)	3.51%	3.91%	2.59%	1.71%
Return on equity	(39.53%)	18.92%	31.09%	13.59%	13.31%
Return on assets	(13.66%)	4.61%	8.66%	4.32%	3.74%
Debt-to-Equity Ratio	2.77	3.39	1.96	2.40	2.70

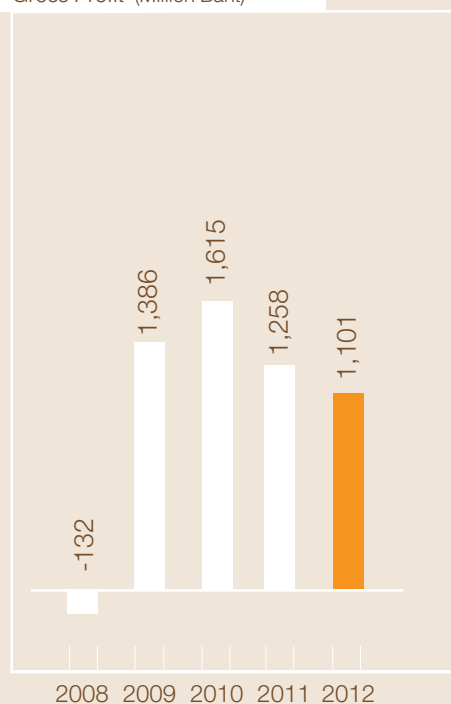
Total Revenue (Million Baht)



38,378,963,687

Total Revenue (Baht)

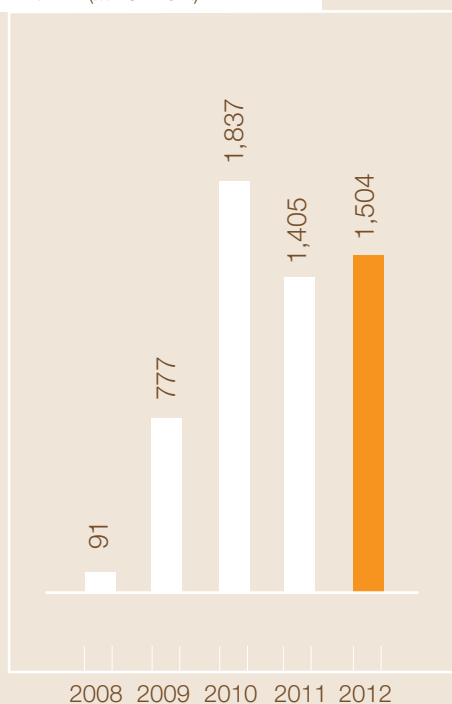
Gross Profit (Million Baht)



1,101,446,213

Gross Profit (Baht)

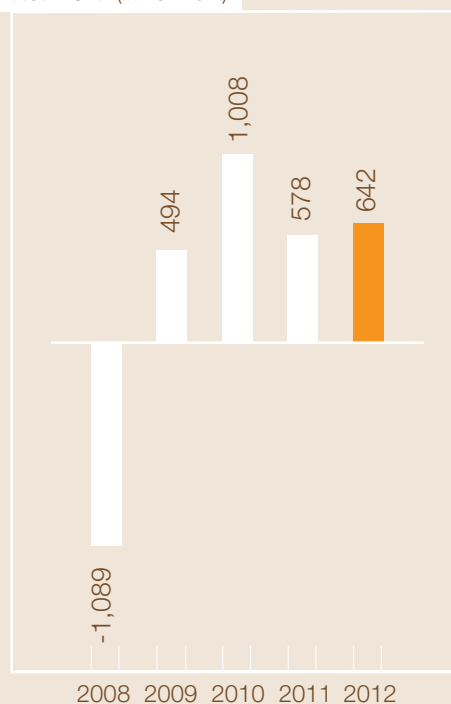
EBITDA (Million Baht)



1,503,800,870

EBITDA (Baht)

Net Profit (Million Baht)



642,273,946

Net Profit (Baht)



“

Tipco Asphalt Group has recorded another historical level of achievement by reporting highest ever total revenue of Baht 38.4 billion or USD1.28 billion in 2012. ”

■ Message from the Chairperson

It is my great pleasure to report that Tipco Asphalt Group has recorded another historical level of achievement by reporting highest ever total revenue of Baht 38.4 billion or USD1.28 billion in 2012, representing a monumental 69% growth compared to 2011. The Group has also achieved an impressive operating Net Profit attributable to equity shareholders of Baht 642 million compared to Baht 578 million of a year ago.

The Thai economy expanded sharply by 18.9% year on year in the 4th quarter of 2012, reflecting a rebound from the impact of widespread floods in late 2011. Gross domestic product grew by 6.4% for the full year of 2012, which was higher than 5.5% of the Government forecast. I am pleased to note that the Group also delivered a similar outstanding sales performance in the domestic market during the 4th quarter of 2012. Domestic sales revenue of 2012 achieved an impressive growth of 47% over 2011.

Similarly, the Group also riding on the economy growth in the Asian region by maintaining firm grip on its marketing network in 16 countries notably in China, Indonesia, Malaysia, Vietnam and Australia. It is my pleasure to report that the Group's international revenue recorded an outstanding growth of 82% attributable to the aggregate effect of these combined economies growth in the Asia region. Apart from asphalt revenue, the non-asphalt products sales also recorded growth of 70%.

The sales growth was made possible with the availability of asphalt and non-asphalt products from the Group's asphalt refinery in Malaysia. During 2012, it processed 7.2 million barrels of crude oil which represented 80% of total refining capacity. The refinery continued to improve its operation efficiency and generating profit in 2012. We believe the CAPEX invested in previous years at the refinery has supported this tremendous growth and yielded good return for the Group. As the engine of growth, we will continue to invest in our refinery to improve its operation efficiency based on desired payback yardstick, notably the CAPEX for the cost saving of energy cost, additional product pipelines and increase in crude and product tank storage.

The next challenge of the Group centered on crude and inventory management. Increase of crude cost in the first half of 2012 was one of the challenges, attributable to the

geopolitically tension caused by US sanction against IRAN. The world crude market responded with Brent crude price went up to USD 126/bbl in early March 2012 from a low USD 112/bbl in Jan 2012 representing 13% or USD 14/bbl of war premium in crude cost within weeks. Similarly, a sharp and sudden plunge of Brent crude price to below USD 90/bbl in June 2012 attributable to Eurozone sovereign debts crisis, also posed a great challenge for crude inventory in hand. As a result, the hedging position in the market reflected a significant hedging cost of Baht 806 million under the fair value accounting. On the other hand, the Group also recorded a FX gain of Baht 567 million mainly arising from the same crude inventory transactions. The Group adopted a stringent and prudent hedging policy and actively reviewed its effectiveness in line with commodity market conditions.

Despite the challenges in the world commodity market, the Group managed to secure 4 million barrels of crude during the first half of 2012 and further 3.7 million barrels at the end of 2012 which is adequate for our refinery until March 2013. Barring unforeseen circumstances, the Group is confident to procure the same level of crude in 2013. The Group shall continue to focus its long term strategies on human capital investment, Enterprise Risk Management and selective Capex investment in refinery upgrading and vessels tankers logistic business, in order to drive the Group forward in achieving its vision of two million tons of asphalt sales in 2015.

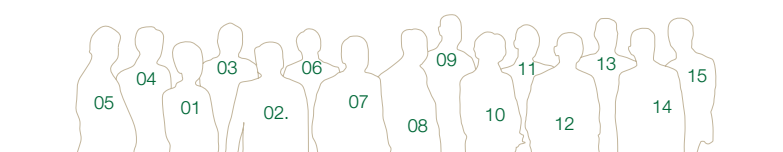
In conclusion, on behalf of the Board of Directors, I would like to thank our shareholders, customers and suppliers for their continuing support. The year 2012 was a good year and the "Integrity" is the second core value of the Group that has been enshrined in the desired behavior of our business and social relationship. I would like to express my sincere appreciation to the management and staff for their high team spirit and integrity in performing their duties and responsibilities.



Mrs. Anurat Tiamtan

Chairperson

■ Board of Directors



01. Mrs. Anurat Tiamtan
Chairperson

03. Mr. Jacques Pastor
Executive Director

05. Mr. Parnchalerm Sutatam
Independent Director

02. Mr. Somchit Sertthin
Chief Executive Officer

04. Mr. Chaiwat Srivalwat
Managing Director

06. Mr. Hervé Le Bouc
Director



07. Mr. Koh Ban Heng
Independent Director

10. Mrs. Anne-Marie Machet
Independent Director

13. Mr. Jacques Marechal
Executive Director

08. Mr. Chainoi Puankosoom
Independent Director

11. Mr. Nopporn Thepsithar
Independent Director

14. Mr. Jacques Leost
Director

09. Mr. Niphon Suthimai
Independent Director

12. Mr. Sitilarb Supsakorn
Executive Director

15. Mr. Hugues de Champs
Executive Director

■ Board of Directors



Mrs. Anurat Tiamtan
Chairperson
Authorized Director
Age 64

Education

- M.S. Biochemistry, American University, Washington, D.C., USA
- B.A. (Honors) Chemistry, Kasetsart University

Seminars on Director Roles and Responsibilities /
Thai Institute of Directors

2004 : Director Certification Program (DCP)
2001 : Chairman Program 2000

Shareholding in Company
1,000,000 shares (0.66%)

Family Relationships with Management

Sister-in-law of Mr. Somchit Sertthin and
sister of Mr. Sitilarb Supsakorn

Related Experience

2003 - Present Chairperson / Tipco Asphalt PCL
2008 - Present Director / Siam Container Transport
and Terminal Co., Ltd.
2008 - Present Director / Ekachai Container Terminal Co., Ltd.
2003 - Present Chairperson / Tipco Foods PCL
1995 - Present Chairperson / Thanomwongse Service Co., Ltd.



Mr. Somchit Sertthin
Chief Executive Officer
Member of the Nomination and
Remuneration Committee
Authorized Director
Age 61

Education

- B.S. Business Administration Babson College, MA, USA
- Seminars on Director Roles and Responsibilities /

Thai Institute of Directors

2003 : Director Accreditation Program (DAP)

Shareholding in Company
2,000,016 shares (1.311%)

Family Relationships with Management

Brother-in-law of Mrs. Anurat Tiamtan and
Mr. Sitilarb Supsakorn

Related Experience

2005 - Present Director / Tipco Foods PCL
2011 - Present CEO / Tipco Asphalt PCL
1986 - Present Executive Director / Tipco Asphalt PCL
1980 - 1986 Vice President and Country Corporate
Manager / Chase Manhattan Bank,
Taipei Branch



Mr. Jacques Pastor
 Executive Director
 Member of the Nomination and
 Remuneration Committee
 Authorized Director
 Age 58

Education

- Advanced Management Program (AMP), Harvard Business School, MA, USA
- Ecole Nationale Supérieure d'Arts et Métiers

Seminars on Director Roles and Responsibilities /
 Thai Institute of Directors

-

Family Relationships with Management in Company

-

Related Experience

2004 - Present Director / Thai Slurry Seal Co., Ltd.
 2000 - Present Executive Director / Tipco Asphalt PCL
 1993 - Present Asia Area Manager / Colas S.A.



Mr. Chaiwat Srivalwat
 Managing Director
 Authorized Director
 Age 53

Education

- B.Eng. (Engineering), Liverpool University, England

Seminars on Director Roles and Responsibilities /

Thai Institute of Directors

2003 : Director Certification Program (DCP)

Shareholding in Company

-

Family Relationships with Management

-

Related Experience

2002 - Present Managing Director / Tipco Asphalt PCL
 1996 - 2002 Marketing Director / Tipco Asphalt PCL
 1990 - 1996 Senior Operations Manager /
 Tipco Asphalt PCL

■ Board of Directors



Mr. Parnchalerm Sutatam
Independent Director
Member of the Audit Committee
Age 60

Education

- M.B.A., University of Bridgeport, CT, USA
- Bachelor Degree, Accounting, Babson College, MA, USA

Seminars on Director Roles and Responsibilities /

Thai Institute of Directors

2006 : Audit Committee Program (ACP)

2005 : Director Accreditation Program (DAP)

Shareholding in Company

-

Family Relationships with Management

-

Related Experience

1989 - 2008 Advisor / Thai Seisen Co.,Ltd

1987 - Present Director / Boonmitra Building Co., Ltd. /
Office building for rent



Mr. Hervé Le Bouc
Director
Authorized Director
Age 62

Education

- Ecole Supérieure des Travaux Publics

Seminars on Director Roles and Responsibilities /

Thai Institute of Directors

-

Shareholding in Company

-

Family Relationships with Management

-

Related Experience

2008 - Present Director / Tipco Asphalt PCL

2007 - Present Chairman and Chief Executive Officer /
Colas Group

2005 - 2007 Chairman and Chief Executive Officer /
SAUR Group International Group

2002 - 2005 Chief Executive Officer / SAUR Group
International Group

2001 - 2002 Chief Operating Officer / BOUYGUES
CONSTRUCTION Energy Services



Mr. Koh Ban Heng
Independent Director
Age 62

Education

- Post-Graduate Diploma in Business Administration, University of Singapore
- Bachelor's Degree in Applied Chemistry

Seminars on Director Roles and Responsibilities /
Thai Institute of Directors

-

Shareholding in Company

-

Family Relationships with Management

-

Related Experience

2003 - 2011 Executive Director / CEO / Singapore
Petroleum Company (SPC)



Mr. Chainoi Puankosoom
Independent Director
Member of the Audit Committee
Age 62

Education

- Training Program for Executives, Capital Market Academy
- Administrators Program (Class of 6th), King Prajadhipok's Institute, Thailand
- High Certificate of Democratic Politics and Governance for High-Level
- Master of Management (MM), Sasri Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor Degree in Higher Accounting California College of Commerce, U.S.A.

Seminars on Director Roles and Responsibilities /
Thai Institute of Directors

2011: Financial Institutions Governance Program, 3/2011

2007: Director Accreditation Program (DAP), 63/2007

Shareholding in Company

-

Family Relationships with Management

-

Related Experience

Present

- Member of Petroleum Institute of Thailand
- President the Industrial Environment Institute / The Federation of Thai Industries
- Vice Chairman / The Federation of Thai Industries
- Director / National Power Supply Public Company Limited
- Director / HMC Polymers Company Limited
- Independent Director / TISCO Financial Group Public Company Limited
- Executive Director of Energy Fund Administration Institute (Public Organization)

2008 - 2010	President & CEO / PTT Aromatics and Refining PLC Senior Executive Vice President / PTT Public Co. Ltd
2005 - 2007	President / Rayong Refinery Public Co., Ltd Executive Vice President, Petrochemicals and Refining Business Group / PTT Public Co., Ltd.
2000 - 2005	Managing Director / Independent Power (Thailand) Co., Ltd
1998 - 2005	Deputy Managing Director / Thai Oil Power Co., Ltd

■ Board of Directors



Mr. Nippon Suthimai
Independent Director
Chairman of the
Audit Committee
Age 55

Education

- Master Degree in Operational Research, London School of Economics, UK
- Licence de Droit (Law), Universite de Droit, Lyon, France

Seminars on Director Roles and Responsibilities /
Thai Institute of Directors

2006 : Audit Committee Program (ACP)

2006 : Director Accreditation Program (DAP)

Shareholding in Company

-

Family Relationships with Management

-

Related Experience

2007 - Present Managing Partner / CLY International Limited

2005 - Present Consultant / Air Cargo Co., Ltd.

1999 - Present Associate Director / Geodis Overseas Co., Ltd.



Mrs. Anne-Marie Machet
Independent Director
Member of the Nomination and
Remuneration Committee
Age 58

Education

- MBA Finance, ESCP-EAP
- Bachelor Degree in Math and Science
- International Coaching Academy - Accredited Coach in 2008

Seminars on Director Roles and Responsibilities /
Thai Institute of Directors

2010 : Director Accreditation Program (DAP)

Shareholding in Company

-

Family Relationships with Management

-

Related Experience

2009 - Present Vice President of Franco Thai Chamber of Commerce - in charge of HR Committee

2008 - 2009 President of French International School of Bangkok

2007 - 2008 Executive Advisor and Team Motivator / FP Coaching to Lead (Thailand)



Mr. Nopporn Thepsithar
Independent Director
Member of the Audit Committee
Chairman of the Nomination and
Remuneration Committee
Age 58

Education

- Bachelor Degree in Electrical Engineering,
Chulalongkorn University

Seminars on Director Roles and Responsibilities / Thai Institute of Directors

2012 : Audit Committee Effectiveness Seminar
2005 : Director Accreditation Program (DAP)

Shareholding in Company

-

Family Relationships with Management

-

Related Experience

Present

- Director and Chairman of Audit Committee / Union
Petrochemical PLC.
- Director and Chairman of Audit Committee / Ananda
Development PLC.
- Vice Chairman and Chairman of Global Logistics
Committee / Thai National Shippers' Council (TNSC)
- Members of Committee on Standard of Transportation
Service Quality / Department of Land Transport
- President / Council on Supply Chain Management
Professional (CSCMP) Thailand Roundtable

2004 - 2011	Member of Executive Committee and Senior Vice President - Logistics / Siam City Cement PLC
2002 - 2003	Logistics Manager / Siam City Cement PLC.
2000 - 2001	Executive Director / TCC Holding Co., Ltd.
1999 - 2000	Operations Division Manager, SCT Co., Ltd., / SCG (Siam Cement Group)
1998 - 1999	Managing Director/Bangsue Transport Co., Ltd. (now known as SCG Logistics) SCG



Mr. Sitilarb Supsakorn
Executive Director
Authorized Director
Age 62

Education

- B.S. Business Administration, Babson College, MA, USA

Seminars on Director Roles and Responsibilities / Thai Institute of Directors

-

Shareholding in Company

1,000,000 shares (0.66%)

Family Relationships with Management

Brother of Mrs. Anurat Tiamtan and elder brother-in-law of
Mr. Somchit Sertthin

Related Experience

2012 - Present	Director / Tipco Foods PCL
2004 - Present	Director / Ekachai Container Terminal Co., Ltd.
2001 - Present	Executive Director / Tipco Asphalt PCL
1997 - Present	Director / Siam Container Transport and Terminal Co., Ltd.
1996 - Present	Director / Thanomwongse Service Co.,Ltd.

■ Board of Directors



Mr. Jacques Marechal
Executive Director
Authorized Director
Age 47

Education

- Corporate Finance Dauphine University

Seminars on Director Roles and Responsibilities /
Thai Institute of Directors

-

Shareholding in Company

-

Family Relationships with Management

-

Related Experience

2000 - 2011	International Finance Manager / COLAS SA, Paris, France
1996 - 2000	Deputy International Finance Manager / COLAS SA., Paris, France



Mr. Jacques Leost
Director
Authorized Director
Age 60

Education

- Engineering Degree from Ecole Centrale Lille

Seminars on Director Roles and Responsibilities /
Thai Institute of Directors

-

Shareholding in Company

-

Family Relationships with Management

-

Related Experience

2010 - Present	International Managing Director / Colas Group
2002 - 2010	Chairman and CEO / SAIPEM SA
2001	CEO / Bouygues Offshore
1996 - 2000	COO / Bouygues Offshore
1994 - 1995	Vice President (Africa, North Sea and Mexico) / Petromar
1989 - 1993	Vice President (Africa) / Petromar



Mr. Hugues de Champs

Executive Director

Authorized Director

Age 44

Education

- Masters degree in Public and Maritime Works
- Civil Engineering Option, University of Technology Degree

Seminars on Director Roles and Responsibilities /

Thai Institute of Directors

-

Shareholding in Company

-

Family Relationships with Management

-

Related Experience

2011 - Present Operations Manager / Colas Asia area

2004 - 2011 Managing Director / Colas South Africa
(Pty) Ltd.

1995 - 2004 Operations Manager / COLAS Asia area

1993 - 1994 Project Manager / COLAS Asia area, India

1992 - 1993 Project Manager / COLAS Morocco,
GTR Company



Executive Officers

1. Mr. Chayongsak Pisitpong

Executive Committee
Member
Chief Director - Finance
Age 55

Education

- M.B.A. North West Missouri State University, USA
- M.A. Economics, University of Kansas, USA
- B.A. Business Administration, Benedictine College, KA, USA

Seminars on Director Roles and Responsibilities / Thai Institute of Directors

2003 : Director Accreditation Program (DAP)

Shareholding in Company -

Family Relationships with Management -

Related Experience

2009 - Present Chief Director - Finance / Tipco Asphalt PCL

1995 - 2009 Chief Financial Officer / Tipco Asphalt PCL

1981 - 1995 Vice President / Chase Manhattan Bank, Bangkok Branch

2. Ms. Auchcha Rattrakultrip

Director - Finance,
Credit and Legal
Age 66

Education

- Mini M.B.A. Economics/Business Administration
- Mini M.B.A. Commerce and Accounting / Business Administration Kasetsart University

Seminars on Director Roles and Responsibilities / Thai Institute of Directors -

Shareholding in Company -

Family Relationships with Management -

Related Experience

2002 - Present Finance, Credit and Legal Director / Tipco Asphalt PCL

2001 - 2002 Senior Manager / Tipco Asphalt PCL.

3. Mr. Kasidis Chareancholwanich

Director - Business & Support
Age 52

Education

- M.B.A. Finance and Marketing, Georg-August University, Gottingen, Germany
- B.A. Business Administration, Marketing, Assumption University
- Bachelor Degree of Law, Ramkhamhaeng University

Seminars on Director Roles and Responsibilities / Thai Institute of Directors -

Shareholding in Company -

Family Relationships with Management -

Related Experience

2008 - Present Director - Business and Support / Tipco Asphalt PCL

2006 - 2007 Director - Domestic Marketing and Sales / Tipco Asphalt PCL

2000 - 2005 Sales Director / ICI Paints (Thailand) Co., Ltd.

4. Mr. Praveen Penmanee

Director - Operations
Age 55

Education

- M.B.A., National Institute of Development Administration (NIDA)
- Electrical Engineering, King Mongkut Institute of Technology - Ladkrabang Campus

Seminars on Director Roles and Responsibilities / Thai Institute of Directors -

Shareholding in Company -

Family Relationships with Management -

Related Experience

2010 - Present Director - Operations / Tipco Asphalt PCL

2002 - 2009 Production Division Manager / Guardian Industries Rayong Co., Ltd.

5. Mr. Koh Lai Huat

Executive Committee

Member

Director – Accounting and
Budgeting

Age 53

Education

- Chartered Association of Certified Accountant (UK)
- M.B.A. International Marketing

Seminars on Director Roles and Responsibilities / Thai Institute of Directors –
Shareholding in Company –

Family Relationships with Management –

Related Experience

2010 – Present Director – Accounting and Budgeting / Tipco Asphalt PCL
2009 – Present Chief Financial Officer / Kemaman Oil Corporation Sdn. Bhd.
2004 – 2008 Chief Financial Officer / Seloga Holdings Bhd.

6. Mr. Vivek Dwivedi

Director – Marine Group

Age 51

Education

- M.B.A. Management, Sasin Graduate Institute of Chulalongkorn University
- B.S. Marine (Mechanical) Engineering, DMET, Kolkata, India

Seminars on Director Roles and Responsibilities / Thai Institute of Directors –
Shareholding in Company 20,000 shares (0.013%)

Family Relationships with Management –

Related Experience

2010 – Present Director – Marine Group / Tipco Asphalt PCL
2006 – 2010 General Manager – Shipping Business / Tipco Asphalt PCL
1995 – 2006 Senior Manager – Technical / Precious Shipping Public Company
Limited

7. Mrs. Udomporn Punpatch

Director – Human Resources

Age 52

Education

- Master Degree in Human Resources Management, College of Management, Mahidol University, Bangkok.
- Mini-Master of Business Administration, Thammasat University, Bangkok.
- Bachelor of Industrial Psychology, Chaingmai University, Chiangmai

Seminars on Director Roles and Responsibilities / Thai Institute of Directors –
Shareholding in Company 921 shares (0.006%)

Family Relationships with Management –

Related Experience

2011 – Present Director – Human Resources / Tipco Asphalt PCL
2007 – 2010 Senior Manager – Human Resources / Tipco Asphalt PCL
2000 – 2006 Group Manager – Human Resources / Tipco Asphalt PCL

8. Mr. Ismail Bin Abdul Hamid

Director – International Sales
and Marketing

Age 50

Education

- Masters' Degree (MSc) Highway Management & Engineering from University of Birmingham, UK.
- Civil Engineering Degree (BSc) Western Kentucky University, USA

Seminars on Director Roles and Responsibilities / Thai Institute of Directors –
Shareholding in Company –

Family Relationships with Management –

Related Experience

2011 – Present Director – International Sales and Marketing / Tipco Asphalt PCL
2006 – 2011 General Manager, Sales & Marketing / Kemaman Bitumen Company Sdn Bhd,
1990 – 2006 Sales, Marketing, Product Development and Technical Services / Shell
Company

“ We operate our business with integrity
and transparency ”



A partner that all our
stakeholders
can
trust

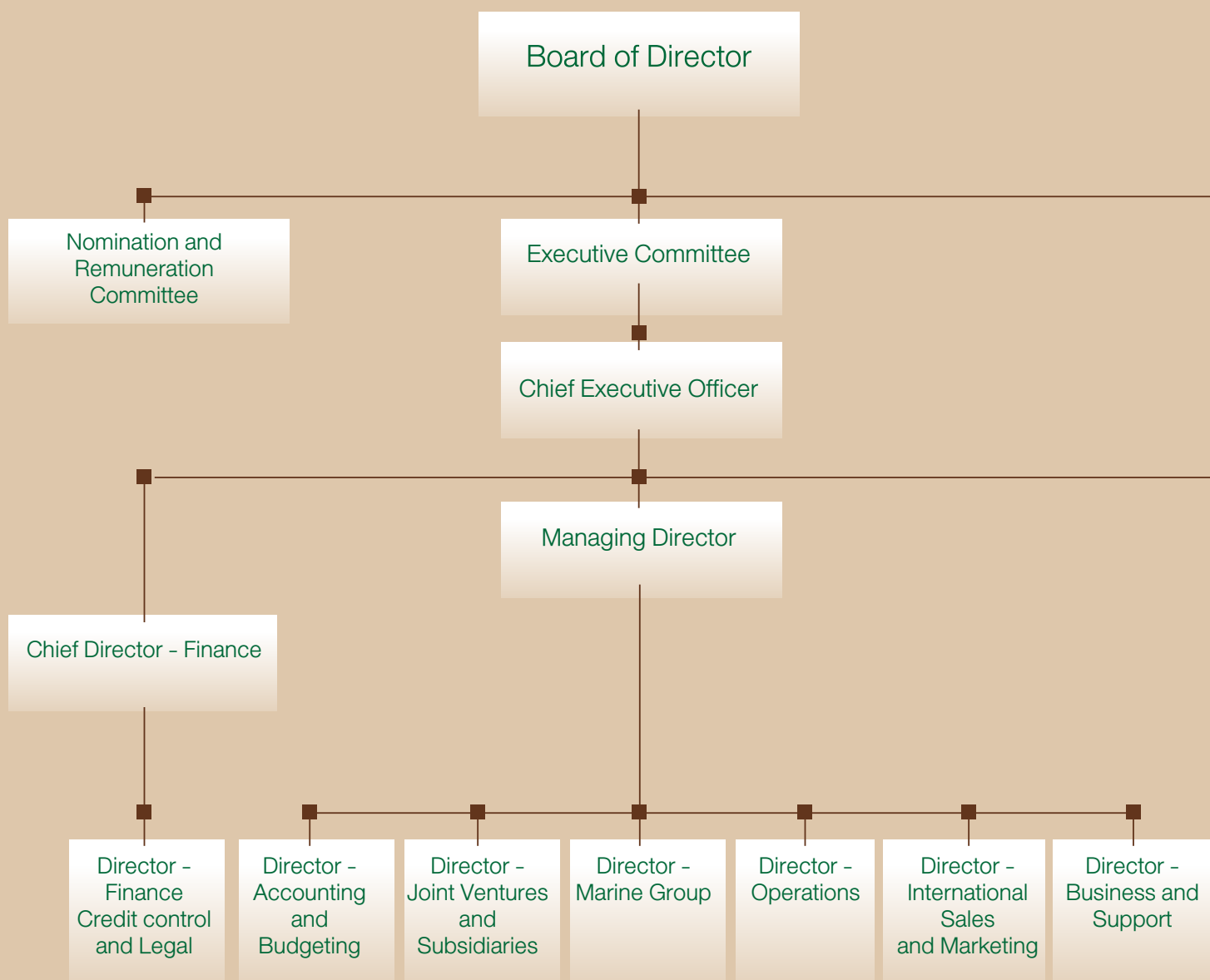


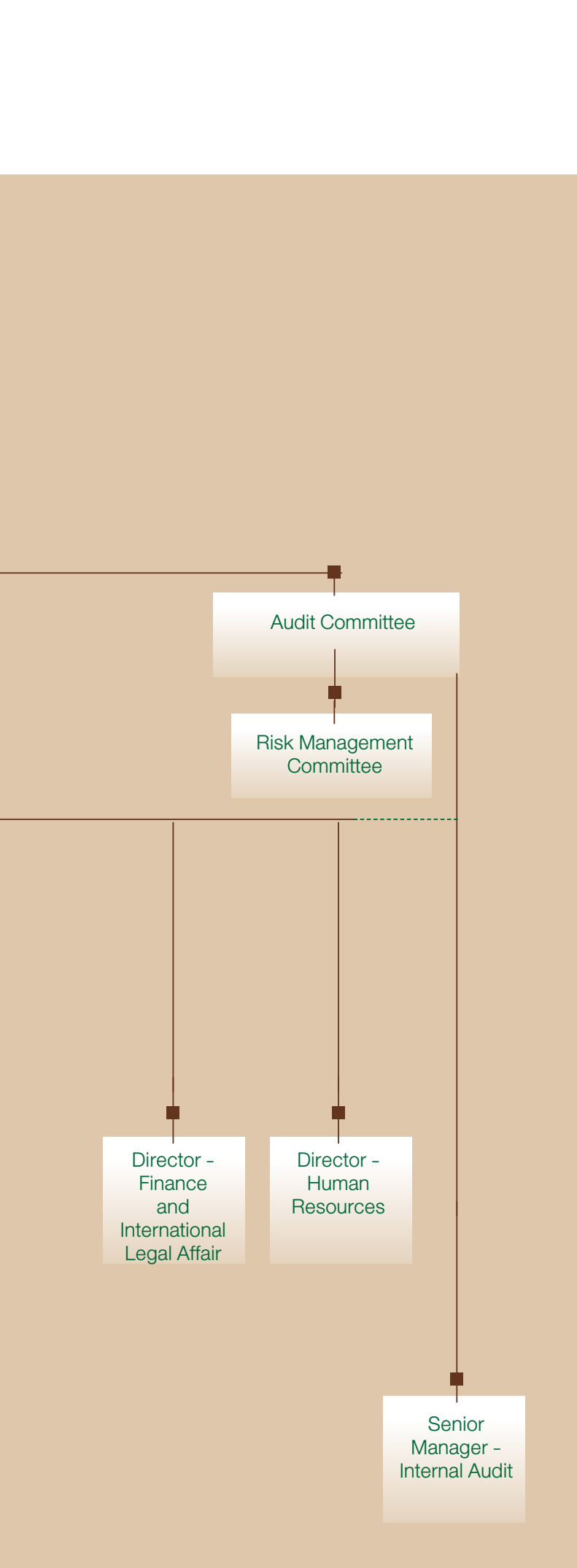




Sharing and Caring

■ Organization Structure





T Teamwork

TIPCO People share a common purpose and identity. We work without borders as *one family*, share each others' challenges, and *support each others' success*.



■ Major Shareholders as at 28th December 2012

No.	Shareholders shares	No. of Ordinary Shares	%
1.	BNP PARIBAS SECURITIES (SINGAPORE) PTE LTD - FOR COLAS S.A.	48,903,804	32.058
2.	Tipco Foods PCL.	37,113,166	24.329
3.	Supsakorn Family	8,431,331	5.527
4.	Thai NVDR Co., Ltd.	4,436,151	2.908
5.	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED - APEX	3,862,682	2.532
6.	Dr. Pichit Lerttamrath	2,140,000	1.403
7.	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED - TIGER	1,500,016	0.983
8.	Mr. Viwat Kowitsophon	1,417,800	0.929
9.	Mr. Ayuth Chornesethkul	1,084,400	0.711
10.	Miss Oraphan Assamongkol	895,600	0.587
11.	Other	42,763,118	28.033
	Total	152,548,068	100.000

Dividend Policy

The Company has a policy to pay dividends of not less than 60% of its company alone net profit of each fiscal year. However, the actual dividend payment depends on cash flow, investment plans of the company and its subsidiaries, terms and conditions of agreements entered into by the Company, together with all other conditions of necessity and suitability in the future.

Integrity

TIPCO is a partner that all of our **stakeholders** can trust to act with **openness and integrity**. We pride ourselves on our concern for **long-term sustainability** and our performance as a force for good in our communities and our business networks.



■ Tipco Asphalt Products

Types of products produced by the Group include:

- Asphalt Cement (AC) accounted for more than 90% of asphalt sales in 2012. The Group refines its own AC from heavy crude oil (mainly from South America) in addition to AC purchased from other local and international suppliers.
- Asphalt Emulsion (AE) is a mixture of Asphalt Cement, water and chemicals.
- Cutback Asphalt is a mixture of Asphalt Cement and petroleum solvents. It is used mainly for prime coating. Today it has become less popular because it is costly and unfriendly to the environment.
- Polymer Modified Asphalt (PMA) is a mixture of polymer and Asphalt Cement. It is a durable binder with elastic characteristic to ensure higher rutting resistance on highways. This special property extends the useful life of highways and airport runways.
- Premix is a ready-mix product that is sold in bags. This product is made from readily mixed Asphalt Emulsion and selected aggregates with proper gradation. It is best for small road surface repairs.
- Tipco Joint Sealer and Tipco Joint Primer are Asphalt Cement mixed with additives, which is durable for extreme hot and cold weather conditions. It is highly flexible and adheres to joint components. It is used for sealing joints between concrete slabs.
- Atmospheric Gas Oil (AGO), Vacuum Gas Oil (VGO), Kerosene and Naphtha are byproducts from Tipco Asphalt refinery. The Group sells these products to local and regional customers.

Products for which the Group is a distributor include:

1. AC is purchased from local and international suppliers.
2. Diesel and bunker oil are purchased from oil refineries and brokers.

Types and Sources of Products and Raw Materials

AC is a product from refining of crude oil and processing of base lubricating oil. AC is used as the raw material for manufacturing Asphalt Emulsion, Polymer Modified Asphalt and Cutback Asphalt. Currently, the Company obtains AC from its own asphalt refinery in Malaysia as well as from other refineries, both locally and internationally, to reduce the risk of relying on a single source and to control the cost of raw materials for manufacturing.

Other Raw Materials

The Company imports approximately 35% of the raw materials it requires for use in the Asphalt Emulsion and Polymer Modified Asphalt manufacturing process. The remaining 65% of raw materials is sourced through local suppliers.

The two types of raw material required are as follows:

- Solvents: The price of solvents is varied depending on oil price. It is purchased from local suppliers and there is no shortage of this raw material in the market.
- Emulsifiers: There are several kinds of emulsifiers, which can be purchased locally or from international suppliers through their sales agents. The price of emulsifiers is quite stable.

Production Facilities, Oil and Asphalt Terminals



■ Business Performance

Domestic Market

Shortly after the widespread floods in late 2011, the government has promptly released additional budget in order to repair and reconstruct many damaged roads. As a result, domestic asphalt consumption in Thailand in 2012 reached 783,000 tons, consisting of 667,000 tons of Asphalt Cement, 116,000 tons of Asphalt Emulsion and other products such as Polymer Modified Asphalt and Cutback Asphalt. This represented a 22% increase from previous year's total demand.

As the market leader, Tipco Asphalt has strong customer loyalty through exceptional product quality, superior customer service, and prompt and punctual delivery. In 2012, the Group supplied new type of Polymer Modified Asphalt to repair the flood damaged runways of Don Maung Airport and the runways of Chiangmai Airport. In addition, the Group supplied Jet Fuel Resistant Polymer Modified Asphalt to reinforce the runways and taxiways of Suvarnabhumi International Airport.

The Group had also supplied the following new techniques in some key projects;

Micro Surfacing Technique

- Expressway (Bangna- Art Narong)
- Chalerm Mahanakorn Expressway (Din Daeng - Tha Rue, Tha Rue - Sathu Pradit and Suksawad - Dao Kanong,)
- Kanjanapisek Expressway (Bang Plee - Suksawad)

Colored Asphalt Technique

- Department of Highway, highway # 1290 (Mae-sai - Chiangrai) Chiangrai province

The Group has manufacturing facilities and asphalt terminals located in the center of every region of the country, such as Nakhonratchasima, Phitsanulok and Suratthani, with close proximity to our customers. With these four domestic manufacturing facilities strategically covering all regions, the Group can promptly deliver asphalt products to domestic customers in Thailand, as well as, to neighboring countries via its own fleet of 300 trucks. This unique logistic capability is core to Tipco Asphalt's dominance of the domestic market. The Group also owns and operates 7 oceangoing asphalt vessels which significantly expand our presence in the export market. These vessels also import asphalt into Thailand when there is a shortage in domestic supply.

Tipco Asphalt's domestic marketing and sales teams served more than 550 major contractors and customers across Thailand. With more than 30 years of solid service track record, our committed sales teams are well trained to provide quality services and technical advices to customers. Furthermore, our sales teams are also backed by dedicated technical support teams who have had long experience and knowledge of new techniques in road maintenance application and are ready to solve problems for customers at their job sites. The Group also has a Customer Relationship Management (CRM) team to study the complex requirements of each group of customers in order to devise effective sales and services plans.



International Market

In 2012, international asphalt sales for the Group reached the record high of 807,238 tons and represented a phenomenal growth of 64%.

The main reasons for the high sales were the combined effect of higher demand in the region, including Vietnam and Indonesia – the two key markets for our international sales, and tighter asphalt availability following reduction of production in both Thailand and Singapore. Tipco Asphalt refinery in Kemaman, Malaysia produced at the highest throughput ever that reached 835,700 tons. The Group also sourced a total of 475,500 tons of asphalt from other regional refineries. The latter also played a significant role in supporting our international sales.

Indonesia became our largest export destination, with volume growth of over 150% compared to the previous year. The Indonesia market grew due to strong demand supported by increased in public spending, and reduction of the asphalt production at the local refinery, resulting in an increase of more than 30% year-on-year of Indonesian asphalt imports. Indonesia is likely to remain as a strong contributor to our international business over the next few years.

The Vietnamese market is another key market that had witnessed strong growth of over 70% with the support from our regular and new customers in that country. We have managed to take away some of the competitors' volume and customers with better supply and efficient delivery logistics.

China remained among one of our top export markets: trading volumes showed positive growth as compared to 2011's, and accounted for a major portion of our total international trade. This was achieved despite a further reduction of demand for imported asphalt in China. This shrinkage of demand in China was mainly due to the country's tightening credit policies which had a negative effect on spending on road construction. Total China import volume in 2012 reduced to 2.7 million tons from a high of 3.9 million tons in 2011.

Similar to China, Australia and Laos were amongst those markets where 2012 sales increased compared

to the previous year. The Group remained a key partner of Colas S.A.'s subsidiary in Australia and remained as the 4th largest destination for our international trade. The Group faced a new import player in our sales to Laos. However, we managed to defend our market share and achieved a slightly higher level of sales as compared to the previous year.

Sales to the Cambodian subsidiary, Tipco Asphalt Cambodia, were supported by increased budget for construction, and showed a record sales volume and growth of more than 20%. For the first time, Polymer Modified Asphalt supplied by the Group was used in the country for the rehabilitation of some airport runways.

Sales by our Malaysian subsidiary, Kemaman Bitumen Company Sdn Bhd, has increased by 160% in 2012. The increase was due to more consistent supply from our refinery in Kemaman, and the growth in local demand, including the paving of a few major sections of the new East Coast Expressway.

The international sales group sells to more than 16 countries which include the Philippines, South Africa, New Zealand, South Korea, Bangladesh, Reunion Island, Mauritius, Fiji and Tahiti.

Crude Supply

Despite the unpredictable and volatile crude price fluctuations during the period, the Group procured about 7.2 million barrels of feedstock. 2012 marked a much stronger procurement of South America crude oil with different grades being sourced consistently to keep the refinery running at 80% full capacity. We have also qualified 21 crude oil types and added 3 new potential feedstock for our refinery. To date, we have 79 types of crude oil in our database and continue to diversify our procurement channels and new crude sources.

Operations

Tipco Asphalt has always been committed to operate its business with the concern of reducing carbon emission and global warming. In 2012, the Group introduced a new Asphalt Emulsion product "Prime Coat Emulsion" which will replace the usage of Cutback asphalt. This

new product requires only half of the total solvent used during the production of Cutback, resulting in better environmental operation and cleaner air quality.

To focus more on the environmental concern, the Group is changing the asphalt heating method in the Group's asphalt trucks to LPG, as burning woods during unloading process creates environmental pollution with dust and smoke. With LPG heating, there will be no smoke and dust because it can be burnt more efficiently.

The Group is also committed to maintaining the highest standards in Corporate Social Responsibility focusing on protecting the environment and being a good organization that is highly responsible to the society and communities. We are currently preparing ourselves to comply with Guidance on Social Responsibility in accordance to Thailand Industrial Standard which is similar to ISO 26000, focusing on Corporate Social Responsibility.

Safety Index has become one of our corporate KPI's to reduce accidents and increase safety for all our staff, especially those in Operations. We have started to install CCTV in all of our asphalt trucks and expect to complete the installations by 2013. These CCTV's are connected to the real-time GPS tracking which had also been installed in the trucks. These systems will help monitor and reduce any illicit activities and accidents during delivery of the product while increasing customer satisfaction at the same time.

Asphalt Refinery in Malaysia

Tipco Asphalt operates a refinery in Kemaman, Malaysia through its subsidiary, Kemaman Bitumen Group Sdn.

Bhd. (Tipco Asphalt refinery). The refinery, located on 40 hectares of land in the Telok Kalong Industrial Estate, has a nameplate refining capacity of 25,000 barrels of heavy crude oil per day or the equivalent of 9 million barrels or 1.4 million tons of crude oil per year. This translates to production of about one million tons of asphalt cement per year.

The refinery processed 7.2 million barrels of crude in 2012. The amount of asphalt produced in 2012 was 833,000 tons.

Marine Activities

Marine activities complement our Group core business and form an important part of the logistics chain. The Group's marine subsidiaries own 7 asphalt tankers of varying tonnage with a total cargo capacity of 26,700 Tons. The vessels are operated by in-house ship management under strict tanker quality management systems. The vessel management follows best industry practices and strives to achieve KPIs as per the TMSA (Tanker Management Self Assessment) guidelines.

The vessels trade predominantly in the Asia Pacific - Indian Ocean range. All vessels continue to achieve high utilization in 2012 which greatly supported the sales growth in Asia Pacific. In line with the vision, the Group has acquired a new vessel built in Japan in August 2012. The addition of the latest good quality vessel Tasco Amarit of 6500T cargo carrying capacity has strengthened company presence on long ton-mile destinations in Asia Pacific.



■ Revenue Structure

During 2012, 74% of total revenue derived from the sale of asphalt products. Domestic and international sales contributed approximately 31% and 69% of total sales, respectively.

Based on the Company's consolidated financial statements for the years 2010, 2011 and 2012, revenues can be summarized by business units as follows:

(million Baht)

	2010		2011		2012	
	Revenue	%	Revenue	%	Revenue	%
1. Asphalt Business						
Tipco Asphalt PCL	7,692	29.25	6,183	26.86	30,687	79.96
Surat Bitumen Co., Ltd.	1,639	6.23	262	1.14	-	0.00
Thai Bitumen Co., Ltd.	12,874	48.95	12,088	52.51	1,584	4.13
Raycol Asphalt Co., Ltd.	780	2.97	734	3.19	1,260	3.28
Tipco Asphalt (Cambodia) Co., Ltd.	424	1.61	429	1.86	600	1.56
Kemaman Bitumen Co. Sdn. Bhd.	927	3.53	868	3.77	2,607	6.79
Total	24,336	92.54	20,565	89.34	36,738	95.72
2. Vessel Business						
Tipco Maritime Co., Ltd.	6	0.02	6	0.03	6	0.02
Delta Shipping Co., Ltd.	-	-	10	0.04	-	0.00
Alpha Maritime Co., Ltd.	1	-	3	0.02	2	0.01
Bitumen Marine Co., Ltd.	28	0.11	36	0.16	-	0.00
Tasco Shipping Co., Ltd.	-	-	6	0.02	3	0.01
Total	35	0.13	61	0.26	11	0.03
3. Holding Companies						
Tasco International Co., Ltd.	-	-	-	-	-	0.00
Tasco International (Hong Kong) Ltd.	1,420	5.40	1,678	7.29	915	2.38
Total	1,420	5.40	1,678	7.29	915	2.38
Total Sales and Services	25,791	98.07	22,304	96.89	37,663	98.13
Other Revenue	507	1.93	716	3.11	716	1.87
Total Revenue	26,298	100.00	23,020	100.00	38,379	100.00

P Prudence

TIPCO People utilize their strategic awareness and insight to **minimize our exposure** and **maximize our opportunities**. Our people consider the consequences of their actions and help our business run more efficiently and effectively.



■ Risk Management and Risk Factors

Risk Management

The Group has remained focused in strengthening the framework of enterprise risk management (ERM) amidst significant strides made in terms of growth in 2012. The aligning of objectives within the various business units of the Group has assisted in formulating a 2 tier risk management system. In line with the Group's strategy, Risk Management Committee remains proactive by focusing on continuous improvements in managing risk in all areas of business and creating risk awareness culture within the organization.

The challenges of enterprise risk management amidst diverse nature of the Group business from oil refining and shipping to the sale of oil products and asphalt in the infrastructure industry are being countered by implementing comprehensive risk management programs covering specific areas of business operations. The Risk Management Committee has been functioning in compliance with the Principles of Good Corporate Governance. The risk management policy is formulated to ensure that all stakeholders follow prudent risk management practices and are fully prepared for all possible scenarios.

Duties and Responsibilities

1. To implement the scope or framework of risk management;
2. To monitor development of the scope of risk management, the risk indication process and risk assessment;
3. To assess and approve the risk management plan; and
4. To report to the Board of Directors concerning potential risks, as well as, on their management and also to communicate with the Audit Committee about these issues as appropriate.

In managing risks, the Risk Management Committee has created risk management team of managers headed

by a Risk Officer to carry out day-to-day operations on behalf of the committee. Such team will adhere to risk management policies, scope or framework and process and render support, advice or guidance on risk management to all units.

Such team will also report to the Risk Management Committee on a monthly basis about foreseeable risks in their respective departments, along with remedies and opportunities. Follow-up meetings with the Risk Management Committee will be planned monthly to review corporate risks, receive feedback and work towards continuous improvement.

Risk Factors

Risks Related to Finance

The Group's business activities are exposed to various financial risks, including those related to credit, liquidity, foreign currency, interest rate and oil prices. The Group utilizes various financial instruments to manage the identified financial risks. The Group does not use financial instruments for trading or speculative purposes.

The Group's Finance Department operates as a service center providing treasury advice, funding, risk management assistance, coordinates access to financial markets and manages financial risks relating to the Group's overall operations to ensure that Tipco Asphalt's strategic objectives are met. The use of financial instrument is strictly controlled by policies approved by the Group's Board of Directors. The policies provide specific direction in relation to financial risk management including commodity hedging, foreign currency, interest rate, credit and liquidity risk.

Credit risk: Credit policy is regularly reviewed and the exposure to credit risk is monitored on an ongoing basis. Credit review and evaluations are performed on all customers while credit approvals are based on

delegated limits of authority. There was no significant exposure to any customer group in 2012. Credit risk related to financial instruments is minimized by using reputable local and international banks and other counterparty.

Liquidity risk: the Group operates under unsecured short term trade and working capital facilities arrangement with reputable local and international banks that have combined limits of over USD 1.2 billion. Financing associated to crude purchase is self-liquidating and short term in nature with short asset conversion cycle. In September 2012, the Group prepaid Baht 720 million long-term loan (equivalent to USD 24 million) as the result of a reduction in investment in a subsidiary reflecting the prudent address on asset and liability management.

Currency risk: The Group is exposed to foreign currency risk. This occurs as the result of purchases of raw materials and export revenue. This risk is adequately mitigated with financing and exporting revenue in the same currency. There are also forward contracts booked for known foreign currency expenses which all have maturities of less than six months.

Interest rate risk: The Group entered into interest swap to achieve fixed interest rate borrowing on the long-term loans. There are more opportunities for the subsidiaries to enter into interest swap in the future.

Commodity price risk: The Group is exposed to oil price fluctuation risks associated with the purchase of heavy crude oil and the sales of oil products. The Group adopts various hedging mechanism to protect the value of the inventory and all contracts having maturities of less than six months.

Risks Related to Oil Price Fluctuation

Petroleum product markets has been extremely volatile in the first half of 2012 with significant increase in crude price due to the US' sanction against IRAN and later retaliated by threatening blockage the Strait of Hormuz which is the key crude supply route of Middle East. Meanwhile, Brent crude price plunged from USD127/bbl to

below USD90/bbl attributable to the EURO sovereigns debt crisis and fueled by signs of slowing down of China's growth. But it rebounded to USD 118/bbl shortly after EURO Zone leaders managed to calm down the market. The Group went through the roller coaster of this market turbulence in the first 6 months and adapted its hedging policy accordingly to manage the market risks. The market volatility stayed in a trading range during the second half of 2012 which was conducive to the Group operation. In order to address and mitigate price fluctuation risks for both crude oil and finished products at all times, the Group evaluates carefully its hedging strategy for each cargo of crude.

Risks Related to Sourcing Heavy Crude Oil

Tipco Asphalt refinery is designed to process heavy crude oil typically sourced from South American countries. Heavy crude oil is limited in terms of volume and availability, either of which can be influenced both by the oil suppliers' internal production cuts (due to operational problems) and also by higher external customer demand from other refineries. Inability to secure the right grade of crude oil in sufficient quantity at the right time and at acceptable price can leave the Group's refinery idle and prevent Tipco Asphalt from meeting asphalt market demands.

To avoid crude shortages, the Group continues to diversify its crude oil supply sources by identifying and qualifying other heavy crude oil sources that could be successfully processed. This diversification is to ensure that Tipco Asphalt refinery is not heavily reliant on few grades of heavy crude oil. Efforts will continue to further diversify the Group's crude supply sources. Since 2011, Tipco Asphalt refinery has continued various debottlenecking and upgrading programs aiming at ultimately having more flexibility on refining various types / grades of crude feedstocks. In addition, the Group is working with a certain crude supplier for a long term supply agreement to ensure sufficient crude supply to the refinery in the future.

Risk Related to Refinery Operations

The Group continues to accord the highest priority to management of the Overall Business Risk, particularly Technical and Operational risk management. During the past year, The Group's refinery in Kemaman (Malaysia) reviewed and conducted technical and non-technical audits at departmental levels to ensure high risk appreciation among employees across the Group. A Technical Integrity Review was also carried out and the final recommendations received as an outcome of the same are in various stages of implementation. As part of our risk management practice, all major risks are captured and actions are taken to mitigate them. All key positions have been manned with experienced and qualified personnel and trainings including major drills were conducted to increase staff competency and preparedness towards risk mitigation.

Risks Related to Asphalt Cement Supply

Fluctuations in raw material prices posed a major risk to the Group. The Group continuously seeks to mitigate supply risk by maintaining good long-term relationships with all refineries in Asia, which is accomplished through regular supply contracts and enquiries. As of now, supply risk is mitigated by the ability to source Asphalt Cement from the Group's own subsidiary asphalt refinery in Malaysia. Expanding collaborative networks with key partners helps the Group to identify new sources of supply at competitive prices.

Risks Related to Domestic Market

The domestic market relies mainly on government budgets. The stability of the government and the availability of the budget has played an important role in 2012 in generating demand in the domestic market after unfortunate floods in 2011.

Risks Related to International Market

In 2012, Tipco Asphalt product sales to the international market have grown significantly and achieved an increase of over 64% year-on-year basis. The increase in the international sales was supported by consistent supply

from Tipco Asphalt refinery. The efforts to diversify sales channels resulted in a balanced distribution of Group sales between available markets, and sales channels. Markets such as China, Indonesia, Australia and Vietnam were heavily relied upon in 2012 and will continue to be the major growth markets for the group in years to come.

The effort to grow existing customers paid dividend with the longer-term supply and multiple-lots sales contracts. This increased sales level increased the risks of being able to supply the products required, mobilize adequate logistics, managing customers expectation and systems support. The Group coped with these risks by strengthening the international marketing team with additional employees to focus on building customer relationship, to penetrate new channels in the current markets and to improve sales operations support, including closely monitoring product supply and deliveries. Supply shortfall was quickly addressed by procurement from third party refineries to meet the higher volume while utilizing Group vessels and chartering 3rd party vessels based on delivery requirement.

Risks Related to Shipping

The Group owns 7 vessels. The Group is focused to maintain a quality tonnage which is managed by prudent sale and purchase activities. In 2012, a new Japanese built vessel Tasco Amarit joined the fleet to bring the average age of the fleet to 13 years which is well below the industry average. The young quality tonnage maintained by the Group suitably supports increased sales activities in the Asia-Australia range.

All ship owning companies in the Group operate with the mission of zero accidents, zero injuries and zero oil spills. The Group ensures that all subsidiary-owned asphalt tankers are insured by first class risk coverage to protect assets against damages and also protect from third-party claims.

The biggest challenge facing the industry is shortage of well-trained personnel. Group has made serious efforts to train and prepare shipping personnel to face industry challenges.

C Commitment

TIPCO People demonstrate their passion, commitment, and relentless energy and enthusiasm in **achieving and surpassing goals** to delight all of our customers.



■ Tipco Asphalt Group Role in Social Responsibility

Our Group takes great pride in its commitment towards maintaining the highest Corporate Social Responsibility (“CSR”) standards; as it is embodied in our Corporate Vision. This commitment towards CSR is supported by our focus on seven key areas:

1. Corporate governance
2. Human rights
3. Fair labor practices
4. Environmental concerns
5. Fair business practices
6. Consumer concerns
7. Community involvement and development

In this respect, we have initiated action plans that utilize manufacturing technology to reduce CO₂ emissions, as well as promoted the use of Asphalt Emulsion products. We have also actively advocated corporate social responsibility as well as matters of environmental concern within and outside our Group; with particular emphasis on community involvement and development projects.

All our plants have attained certification for Corporate Social Responsibility by the Department of Industrial Works (“CSR-DIW”). This reflects our commitment towards complying with the nation’s laws and regulations pertaining to the workplace. In 2011, our Phitsanulok Plant had been selected as one of the outstanding workplaces in Thailand with regards to health, safety and environmental matters. We have received this award for 12 consecutive years.

In late 2012, our Group was the first asphalt company in Thailand to be assessed against the international standard of ISO 26000 (Guidance on Social Responsibility) or TIS 26000-2553 by Management System Certification Institute (Thailand). Our target is to be in compliance with TIS 26000-2553 within 2013.

Responsibility to the Stakeholders

Our Group has established action guidelines for our staff to respond to different expectations of each group of stakeholders. For example, our plants have been using CSR-DIW’s processes to review our status, set up dialogues with communities, plan CSR projects, and follow-up and review the CSR plans with local communities in surrounding areas. We also conduct regular surveys of our customer satisfaction and our employee engagement as a way to improve our response to the various Stakeholders’ expectations.

Environment Preservation and Natural Resource Management

We recognize the importance of preserving the environment, managing natural resources, minimizing pollution, as well as issues pertaining to climate change. On our part, we have worked relentlessly to improve the environment, quality of life of our key stakeholders (including employees, subcontractors and communities around our Plants). This includes reference to ISO 14001 (Environmental Management); which involves, inter alia, active steps to reduce our reliance on fossil fuels as an energy source in producing asphalt products. We have also developed asphalt emulsion products which have a lower environmental impact.

Waste water from our operations are treated to fully comply with applicable governmental standards before it is released into the public drainage system.

We have also embarked on projects to increase the energy efficiency of our operations. This includes:

- Reducing asphalt and/or solvent content in our products without impacting the end-product quality;

- Reducing fuel usage by employing the use of larger asphalt tanker and trucks to reduce delivery trips. They are also installed with high-efficiency insulation to minimize heat loss during delivery.
- Reducing CO₂ emissions by replacing fuel oil with LPG in heating asphalt products; and
- Reducing energy consumption through better preventive maintenance of production equipment.

Despite minimal impact to water and air pollution through our production process, we are committed towards further improvement in this area, as reflected in the following examples:

- Recycling of treated waste water in producing asphalt emulsion;
- Recycling of lubricants and engine oil from asphalt trucks for use as additives in the asphalt production process;
- Reducing fuel consumption by using GPS technology in our trucks to optimize transport routes;
- Regular monitoring of the air quality released from our Plants' chimneys; and last but not least

- Reducing nitrogen oxide (NO_x) emissions through the procurement of engines that meet "Tier II" specifications for a new build vessel (with a Japanese shipyard).

Future Plans and Efforts to Reduce Global Warming

We have established a strategic policy to reduce CO₂ emissions from our production process to minimize our environmental impact. To this end, we have undertaken initiatives such as:

- Substituting diesel fuels with biodiesel; and
- Reducing heat in road paving techniques (Warm Mix Asphalt) through our research and development efforts.

We are also initiating efforts to employ alternative energy, such as the use of solar energy to meet our energy requirements at the Nakhonratchasima Plant. This is intended to serve as a prototype for our other Plants in Thailand; which, in turn, contributes towards the Group's efforts to reduce global warming and our environmental impact.



Certified Management System

Management System	ISO Standard	Thailand Standard	Certified Plant
Quality	ISO 9001: 2008	TIS 9001 - 2552	All plants in Thailand
Environmental	ISO 14001: 2004	TIS 14001 - 2548	All plants in Thailand
Health and Safety		TIS 18001 - 2542	All plants in Thailand
Energy		PROMOTION OF ENERGY CONSERVATION ACT, B.E. 2535 (1992) TIS 17025 - 2548	All plants in Thailand
Laboratory	ISO/IEC 17025 : 2005		Nakhonratchasima Plant Only
Corporate Social Responsibility, the Department of Industrial Works		CSR-DIW 2555	All plants in Thailand
Social Responsibility	ISO 26000	TIS 26000 - 2553	being assessed

Consistent Community Involvement and Development

In 2012, our employees both at the Head Office and all the production plants participated in various strategic CSR activities such as in education, sports, the environment, and cultural and community as well as economic development. Some of these CSR projects are as follows:

- Engaging schools, institutions and local communities, including inviting them to visit our Plants. We also invite local teachers, students and the local communities to participate in our "Safety Week" on a regular basis;
- Our Group has signed Memorandums of Understanding with the faculties of engineering of the Chiang Mai University and the Naresuan University to co-operate in conducting academic research in the development of asphalt products. This joint research into new asphalt products will support academic excellence through technology transfer; and will bring benefits to the future engineers, universities as well as the country;
- Our Group was one of the sponsors of the "One on One Project" as coordinated by TV Burapha. This project was designed to re-habilitate six families who were affected by the 2011 floods; through

repairing their homes and helping them to resume their livelihoods;

- We have been an active supporter of the Moradokmai Home School; through sponsorship of their theatre performance as well as the construction of a new dormitory, which is being funded by donations collected through the Friends Help Friends Project; and
- We have assisted communities to replant mangrove forests along coastal areas (including forest plantations with local schools, such as the Nong Phayom School and Nikom 3 School).

Hours of Community Services

Finally, in order to embed a spirit of volunteering into our corporate culture, our Group has (since 2011) set a target for individual staff to achieve at least 16 hours of community service annually. This target provides an opportunity for our staff to participate in community involvement activities and also to foster an improved awareness of CSR.

For 2012, our staff have recorded a remarkable 12,100 man hours for community activities, which has far surpassed our target of 9,248 man hours.

0 Open - Mind

TIPCO People are never satisfied with the status quo. We are always looking for better ways to work as individuals, teams, and an organization. We welcome feedback, opinions, and challenges in our environment for the opportunities they bring for us all to grow personally and professionally.



■ Human Resources

Employee Development Policy

In 2012, the direction of employee development continued to promote our core values as guidelines to develop employee towards achieving our 2015 vision. The focus of 2012 was on the core value - Integrity, of which our stakeholders can trust our openness and transparency in business conduct.

Together with our concern for business and social long-term sustainability, we pride ourselves as a force for good in our communities and our business networks. The implementation of Integrity culture was a translation from Integrity concept into all employee development activities, e.g., training, workshop, coaching, work assignment between departments and communities projects, which strengthen the internal employees with the external communities.

In addition to overall employee development, Tipco Asphalt Group maintains the focus in High Potential Employees Development Program. Individual Development Plan (IDP) is applied to align individual development activities with the Group's strategies. This is to prepare readiness of prospect successors to key positions through internal/external training, on-site working and on the job training.

In terms of preparing and developing our people for ASEAN Economic Community (AEC), Tipco Asphalt Group encourages learning and training both in domestic and overseas for our management and supervisors. It is combined with a continuous development of leadership and English proficiency to ensure that our Group is well equipped with competent staffs who are readily supporting our competitiveness advantages.

For our domestic operations, we continue to promote our Operation Excellence with Quality Control Circle (QCC) programs in all five manufacturing plants in Thailand and in the head office, together with the Driver Excellence program that covers our 200 truck drivers

nationwide. Supported by data from the Global Position Systems (GPS), the Driver Excellence Program includes incentive packages for truck drivers who can perform up to the established safety and service standards. Overall, the Operation Excellence has created a significant and continuous impact on the Group's effectiveness. We will also continue these programs in 2013.

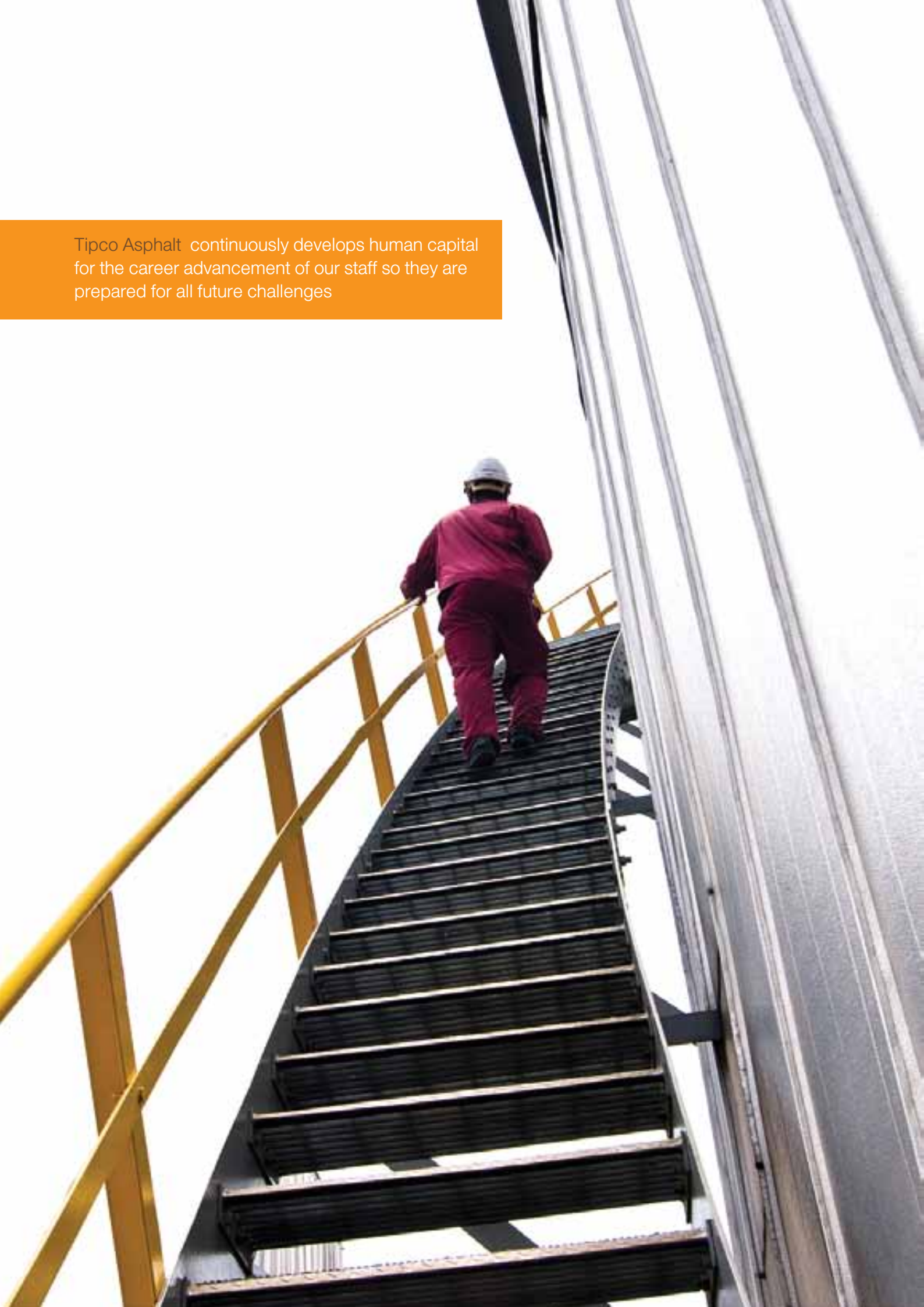
2013 Direction in Human Resources

The Group will continue to develop competencies of management and high potential employees through the Next Generation Program. This is part of the effort in grooming future successors for top management and key positions in the Group. The continuity of the High Potential Development Program will also include a screening of new nominations in 2013. The emphasis of development is on following-up of Individual Development Plan (IDP) as it must be aligned with the Group's strategies. The development program will also include special assignment and training programs to enhance management knowledge and skills.

In 2013, the objectives of employee development policy will focus on supporting business expansion. The Group will provide work opportunities for our employees to demonstrate their potential, and development supports for career advancement of potential employees. We will also promote positive work environment and improve the organizations' structure and working processes in the corporate and departmental levels to be prepared for the future changes.

The policy execution in 2013 will be operated under the Group core value under the main focus in 'Prudence', which is aligned with the Leadership competency of (1) Leading Change and Fostering Innovation, (2) Strategic Thinking and Visioning and Communication and (3) Relationship Building to develop our employees' readiness and organization's competence to achieve the 2015 mission and vision.

Tipco Asphalt continuously develops human capital for the career advancement of our staff so they are prepared for all future challenges



■ Corporate Governance Report

The Board of Directors recognizes the critical importance of corporate governance in supporting the Company's sustainable growth, creating shareholder value, and securing trust from all stakeholders, including shareholders, customers, employees, and the general public. Thus, they have determined to adhere to good corporate governance practices, for which the Company has been awarded a "very good" corporate governance rating by the Thai Institute of Directors. Such rating was based on OECD Principles of Corporate Governance and was awarded for 4 years consecutively (2009 to 2012).

Corporate Governance Policy

The Board has formulated the Company's corporate governance policy with guidelines covering governance structure, including roles and duties of the Board of Directors and Board committees, stakeholder rights, shareholder meetings, codes of business conduct, conflict-of-interest management, internal controls, and disclosure policy:

1. The Company recognizes its duty to treat all shareholders equally and fairly.
2. The Company recognizes its responsibility to treat all stakeholders equitably.
3. The Company welcomes those who exercise their fundamental rights to take a personal interest in its activities, whether shareholders, or stakeholders.
4. The Company will be diligent and deliberate in building and sharing value over the long term for customers, employees, partners, investors and society.
5. The Company will sustain growth and success by conducting business without conflicts of interest at any level of operations.

6. The Company will demonstrate its benefits to all stakeholders by conducting business with transparency, accountability, and disclosure.
7. To this end, the Board of Directors has established a Code of Conduct for the Company that Directors, management and staff adhere to.

The Company's corporate governance practices in 2012, in accordance with the guidelines of the Stock Exchange of Thailand, were as follows:

Rights of Shareholders

Tipco Asphalt ensures that shareholders, both as investors and as owners of the Company, are entitled to all basic rights at acceptable and trusted standards, which include the right to freely trade or transfer their own shares, the right to receive dividends from the Company, the right to attend the shareholders' meeting, the right to propose the agenda of the meeting, the right to nominate a person to be a director, the right to express opinions independently, the right to make decisions on important affairs of the Company e.g. the election of directors, approval of significant transactions influencing the direction of the Company, amendment of Articles of Association and regulations of the Company, etc. Shareholders have the right to vote at meetings according to the number of shares owned by each shareholder, whereby one share is for one vote and no particular share allows them privilege to limit the rights of other shareholders.

Apart from the above mentioned rights of the shareholders, Tipco Asphalt has carried out additional tasks to encourage and facilitate shareholders in the exercising of their rights.

- Providing essential, clear and up-to-date information for shareholders regarding the Company's business. Even though some information is not required to be disclosed by law, if Tipco Asphalt considers that it is of significance to the shareholders, the Company will notify shareholders of the information through Tipco Asphalt's website and SET.
- All shareholders will receive significant and sufficient detailed information concerning the date and the agenda prior to the date of the shareholders' meeting. Such information will be posted on Tipco Asphalt's website around two months before the related documents are submitted to shareholders at least than 14 days prior to the meeting. The shareholders' right to attend the meetings and the right to vote on

commenced are able to vote on the agenda item being considered provided that a resolution is not yet made. They will constitute part of the quorum starting from the agenda item that they are in attendance and may exercise their voting rights unless the meeting states otherwise.

- Prior to the Annual General Meeting No. 1/2013, shareholders of the Company have the right to suggest issues to be included in the agenda of the ordinary general meeting of shareholders for the year 2013. Shareholders have been allowed to exercise such right from 1st November 2012 to 31st January 2013 for the consideration of the Board of Directors. Should the proposed issue be included on the meeting agenda, the Company will specify



resolutions will be clearly stated in the notice of the meeting submitted by the Company.

- In a case where shareholders are unable to attend a meeting, they are entitled to appoint a representative e.g. an independent director or a person to act as their proxy, using any proxy form attached to the notice of the meeting. The Company has prepared the proxy forms in compliance with the specifications defined by the Ministry of Commerce in which the shareholders can exercise their voting rights as wished. These forms can also be downloaded from Tipco Asphalt's website. In addition, Tipco Asphalt provides shareholders with the duty stamp to be sealed on the proxy form for their convenience. Shareholders who arrive after the meeting has

in the notice of the meeting that such agenda was proposed by a shareholder. However, in case the proposed issue is rejected, the Company will inform shareholders of the reasons at the ordinary general meeting of shareholders. Moreover, any shareholder is entitled to nominate any qualified candidates for the election as a Board member in advance. The Nomination and Remuneration Committee will consider the proposed nominees together with other nominated persons according to the Company's criteria for the nomination of directors. The committee then presents the nominees to the Board for consideration before proposing them to the shareholders' meeting for approval.

- On the date of the meeting, the Company uses the barcode system for registration to ensure convenience of shareholders as each reference number is already included in the registration form and proxy form. In addition, for each agenda, the Company will collect the ballot paper from the shareholders who vote “disapprove” or “abstain” in order to deduct the votes from the total entitled voting rights. The Company also applies the barcode system to perform the calculation in order to ensure immediate voting results promptly for announcement right after the end of each agenda. Shareholders are entitled to verify each voting result after the meeting.
- One-third of the directors must retire from office on a rotation basis in each ordinary general meeting of shareholders and the election of directors to replace the retired directors takes place during the meeting. However, if the numbers of candidates exceed the number of directors required, each candidate is then elected individually. During the meeting, shareholders are entitled to freely propose the name of an individual for directorship of the Company.
- At the meetings, shareholders are allowed to freely express their opinions, give suggestions, and raise questions on any agenda item before casting votes to ensure that shareholders have sufficient detailed information on the matter. Should shareholders have questions or inquiries, specialists in specific fields are available to answer queries under the responsibility of the Board.
- An agenda on the Board’s remuneration is included to inform the shareholders of the amount and type of remuneration received by each director including meeting allowance and the Board’s bonus. The detailed information can be found on page 81.

Equitable Treatment of Shareholders

The Company provides equitable treatment to every individual shareholder, major or minor, as well as institutional or foreign investors. To that effect, Tipco Asphalt strives to find means to ensure equality especially for minor shareholders. These means are:

Internal Information Control

The Board of Directors has established measures to control the usage and prevent the misuse of internal information (insider trading) for the personal benefit of the concerned person, namely the Board of Directors, Tipco Asphalt top executives and employees working in related departments (including their spouses and children who are minors). All concerned persons are recommended to refrain from trading the Company shares for a one-month period prior to the release of the Company’s quarterly and annual financial statements (blackout period). In addition, the Board of Directors will monitor all required actions in accordance with the related standards. Any changes in shareholding of directors must be reported in the Board of Directors’ meetings.

In this regard, it will be included in the agenda of the Board of Directors meeting on a quarterly basis.

Conflict of Interest Prevention

The Board has established policies and measures as follows:

- Tipco Asphalt has a clear and transparent shareholder structure. There is no cross-holding of major shareholders, thereby, preventing any conflict of interests or transfer of benefits to one party or another. The shareholder structure of Tipco Asphalt and its subsidiaries is published in the Company’s annual report, also the Board member’s ordinary shares.

- There is a clear separation of duties and responsibilities of the Board, the management, and shareholders, thereby, ensuring no overlapping of their duties and responsibilities. The directors or executives who may have interests in any agenda under consideration must not attend the meeting nor vote on such an agenda. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.
- The Company has an established policy governing the use of internal information and has incorporated it into employee regulations with penalties for the executives or employees in the event the internal information is disclosed to the public or used for personal benefit.
- Tipco Asphalt Code of Conduct includes the additional guidelines that prohibit employees from using the Company's assets or spending working hours to search, contact or conduct share-trading activities on a regular basis for personal gain or for others without justifiable reasons and not for Tipco Asphalt's interests.

The Company will treat all shareholders equally and in a proper manner. By law, shareholders are provided with adequate information at least seven days before the meeting date with accurate, detailed information on the various agenda items along with a proxy form. The Company provides shareholders with proxy form to appoint another individual or one of the Company's Independent Directors to attend and vote on their behalf. Any opinions and questions relevant to the agenda from minority shareholders can be made directly to the Chairman of the Audit Committee via email to ind_dir@tipcoasphalt.com.

The Role of Stakeholders in Corporate Governance

Company Directors place great emphasis on appreciating the contributions of all stakeholders: shareholders, employees, customers, suppliers, creditors, business partners and even competitors. All stakeholders are invited to work with the Company toward shared goals and mutual benefits, while making Tipco Asphalt a competitive and successful business.

We therefore adhere to the principle of fulfilling corporate social responsibilities as well as contractual obligations that the Company is a party to, as they pertain to our stakeholder relationships.

Shareholders

Shareholders have basic rights stipulated by law and by Company regulations, such as the right to expect a fair return, to request a determination of the number of shares, to receive share certificates, and to attend, vote and freely express their opinions at shareholders' meetings.

Tipco Asphalt also believes that shareholders, as owners of the Company, have the right to make suggestions and comments on the affairs of the Company. It is a responsibility of the Independent Directors to receive such an input. Each comment and suggestion is carefully considered and presented to the Board of Directors.

Employees

The Company truly believes that employees are Tipco Asphalt's most valuable asset and is determined to ensure that every employee is proud of and confident in the organization. During 2012, Company activities promoted a collaborative working environment to drive innovation and enhance competence by preparing employees to work globally and cope with volatile economic situations.

At the same time, the Company focuses on promoting a beneficial workplace with attention to employees' health, safety, working conditions and competitive remuneration. To encourage long-term savings by employees, the Company joined the Provident Fund Scheme of CIMB - Principal Assets management Co., Ltd.

Customers

To develop and maintain sustainable relationships, the Company is determined that customers should enjoy the maximum benefits in terms of service, quality, and price. A new Customer Support Office opened in 2012 to provide product information, solve problems, and receive any complaints in a way that can improve quality and ensure total satisfaction.

Business Partners

Operating within a competitive business context requires building and maintaining trust. Tipco Asphalt strictly adheres to its Company Code of Conduct, honors its promises and upholds its commitments to trading partners in all ways, including quality products and on-time delivery

Competitors

The Company also operates within a competitive business context by being fair and strictly following both laws and its own Code of Conduct in its dealings in the industry and market. The Company has never been in any disputes with its competitors.

Creditors

The Company practices business under the terms of its loans and obligations to creditors and depositors. The Company, moreover, initiates various measures to maintain good relations with creditors.

Disclosure and Transparency

Disclosure of the Company's general and financial

information is done accurately, completely and transparently in a timely manner. Disclosed information in the Annual Report and SEC Form 56-1 is reviewed by the Company's Directors, executives and members of the Audit Committee, annotated by the Board of Directors and the external auditor, and posted on the Company's website (www.tipcoasphalt.com). Reports are also made on major shareholders, shareholding interests of Directors and Executives, remuneration of Directors and details of board meetings. The Company prohibits any Directors, executives or employees from using internal information for personal gain or benefit.

Realizing the importance of transparent information disclosure, the Company has set and supervises clear policies, approved by the Board of Directors, concerning communication with external parties. For disclosures on important information, the Company uses various communication channels and disseminates regularly through the public media. Other means by which shareholders and stakeholders are apprised or given access to Company information include:

- Disclosures filed with the Stock Exchange of Thailand (SET) such as financial statements, resignations of Directors, etc.
- Information is posted on the Company's website at www.tipcoasphalt.com, in the Investor Relations section.
- Information is disseminated electronically to employees via e-mail and the Company's intranet.
- Company visits from shareholders, investors, analysts, and fund managers are welcomed.
- Information requests, comments and inquiries related to investor relation should be made by contacting Mr. Chaiwat Srivalwat (Managing Director) at tel. +66 2273 6646, fax. +66 2271 3417, or by email at investors@tipcoasphalt.com

Kemaman Refinery : an asphalt dedicated refinery that produces over 1 million tons of asphalt per annum



Responsibilities of the Board

Board of Directors

The members of the Board of Directors of Tipco Asphalt PCL are as follows:

1. Mrs. Anurat Tiamtan	Chairperson
2. Mr. Nopporn Thepsithar	Independent Director
3. Mr. Chainoi Puankosoom	Independent Director
4. Mr. Parnchalerm Sutatam	Independent Director
5. Mr. Nipphon Suthimai	Independent Director
6. Mrs. Anne-Marie Machet	Independent Director
7. Mr. Koh Ban Heng	Independent Director
8. Mr. Herve Le Bouc	Director
9. Mr. Jacques Leost	Director
10. Mr. Jacques Pastor	Executive Director
11. Mr. Hugues de Champs	Executive Director
12. Mr. Jacques Marechal	Executive Director
13. Mr. Sitilarb Supsakorn	Executive Director
14. Mr. Somchit Sertthin	Chief Executive Officer
15. Mr. Chaiwat Srivalwat	Managing Director



Directors with Authority to Sign on Behalf of the Company

The authorized Directors who can bind the Company consist of two groups of Directors. To bind the Company requires one Director from Group A and another Director from Group B to jointly sign and affix the Company's seal. The Directors in Group A are Mr. Jacques Pastor, Mr. Hugues de Champs, Mr. Herve Le Bouc and Mr. Jacques Marechal. The Directors in Group B are Mrs. Anurat Tiamtan, Mr. Somchit Sertthin, Mr. Sitilarb Supsakorn and Mr. Chaiwat Srivalwat.

Qualifications for Directors

To serve as members of the Board of Directors, individuals must meet the following qualifications:

1. Possess an unblemished record.
2. Apply both vision and a broad business perspective.
3. Exhibit good interpersonal skills, a sense of justice and an amenable personality.
4. Apply effective communication skills.
5. Demonstrate systematic business thinking and decision making.
6. Understand financial matters, commerce or industry, and show business management experience.
7. Have prior experience as a director of a company or state enterprise.

Guidelines for Selection of Directors

1. Individual candidates must possess the qualifications as specified above.
2. Overall, the Board of Directors should be comprised of persons with a variety of skills that are of benefit to the determination of corporate direction and guidance.

Term of Office for Directors and Executive Directors of the Board of Directors

1. The term of office for Directors of the Board of Directors
 - 1.1 Retirement age is 75.
 - 1.2 A member will be allowed to retain his/her directorship after his/her 75th birthday and remain as Director until his/her three-year term expires.



2. The term of office for Executive Directors

2.1 Retirement age is 55.

2.2 After the age of 55, the term of service can be extended (by the Board of Directors) to the age of 70 with the first extension running for four years maximum; subsequent extensions are for a period of two years each.

Responsibilities of the Board

The Company has determined the roles, duties and responsibilities of the Board of Directors. The Board defines the Company's vision and strategies clearly, covering marketing, production, management, human resources, finance and budgeting in order to measure their performance against the Key Performance Indicators (KPI) and budget.

Furthermore, operations are periodically audited by the internal audit team, whose report of significant findings is scrutinized, and any corrective measures determined, under the close supervision of the Audit Committee and Board of Directors.

Scope of Authority of the Board of Directors

1. The Board of Directors must conduct the business according to the Company's bylaws, objectives, regulations and shareholders' resolutions with honesty and in accordance with the Company's best interest.
2. Each Director has to inform the Company promptly if there is any conflict of interest with the Company, or if he or she holds, acquires or divests shares or debentures in the Company or its subsidiaries.
3. The Board of Directors has authority to set policies and to scrutinize investment plans of the Company. The Chief Executive Officer is authorized to control the operations of all departments to conform to the Company's policies in order to maximize efficiency in the business and for the shareholders.

Requirement for Appointment to the Board of Directors

In selecting persons to be appointed as the Company's Directors, the Nomination and Remuneration Committee is empowered to select and screen qualified persons. However, the persons who will be appointed as the Company's Directors must have the necessary qualifications under Section 68 of the Public Companies Act B.E. 2535 (including its amendments) and the Company's Articles of Association. The requirements, nomination, appointment and dismissal of the Company's Directors are summarized as follows:

1. The number of Directors is fixed by a shareholders' meeting resolution. The total number of Directors must not be less than 10 persons but not more than 15 persons. One half of the number of Directors must reside in Thailand. The Board of Directors may authorize one or more persons to perform any act on behalf of the Board of Directors but cannot authorize any other person to perform any act as a Director. Any act carried out by such authorized person will be deemed to have been performed by the Board of Directors and the Company will be bound by such an act. In performing their duties, the Board of Directors is entitled to remuneration which will be paid in the form of salary, meeting fees, bonus and allowance.
2. A shareholders' meeting resolution, having not less than three-fourths of the total attending and eligible shareholders' votes for the Board of Directors' meeting resolution, has the power to determine the names of the authorized Directors. The authorized Directors who can bind the Company comprises of two groups of Directors and to bind the Company requires one Director from the first group and another Director from the second group to jointly sign and affix the Company's seal.

3. The shareholders' meeting must elect the Directors in accordance with the following procedures and rules:
 - 3.1 The shareholders' meeting must vote to elect Directors one person at a time
 - 3.2 In exercising the voting rights for election of each Director, each shareholder will have voting rights according to the number of shares held with one share equal to one vote.
 - 3.3 In exercising the voting rights for the election of each Director, the person who obtains the highest votes and received not less than three-fourth of the total votes of attending and eligible shareholders will be elected as a Director.
4. At every Annual General Meeting of the Shareholders, one-third of the Directors, or if it is not, a multiple of three, then the number nearest to one-third must retire from office. There must be a drawing by lots to determine the Directors who will retire in the first and second years following the registration of the Company. In each subsequent year, the Directors who occupy the position for the longest period must retire. A retiring Director is eligible for re-election.
5. Any Director wishing to resign must submit a resignation letter to the Company which will become effective on the date the Company receives the letter. A Director who resigns as described above may notify the Public Companies Registrar of his/her resignation.
6. If there is any vacancy among Directors other than retirement by rotation, the Board of Directors may at its next meeting elect a person who is qualified and is not subject to any restriction imposed under Section 68 of the Public Companies Act B.E. 2535 to fill the vacancy except where the remaining term of the vacant directorship is less than two months. The term of a new Director

replacing a vacant directorship will be equal to the remaining term of that vacant directorship. The resolution of the Board of Directors as specified above must be passed by three-fourths or more of the votes cast by the remaining Directors.

7. A shareholders' meeting may remove any Director before the expiration of his/her term by passing a resolution having the approval of not less than three-fourths or more of the total attending and eligible number of shareholders and such shareholders must hold in aggregate 75% or more of the total number of shares held by attending and eligible shareholders.

Balance of Non-Executive Directors

The Board of Directors has 15 members, consisting of:

Executive Directors	6
Non-executive Directors	3
Independent Directors	6

Separation of Position

The positions of Chairperson of the Board of Directors and Chief Executive Officer are not held by the same individual.

Board Meetings

Board meetings are scheduled to be held a minimum of four times per year. Invitation letters were sent with complete agenda details and related documents for consideration prior to the meetings. The minutes of each Board of Directors meeting is recorded in writing and arranged for the safe keeping of such certified minutes at 25th Floor, Tipco Tower, 118/1 Rama 6 Rd., Samsen Nai, Phayathai, Bangkok 10400. Directors approved these minutes and they are made available for review.

Attendance of Board of Directors Meetings, Audit Committee Meetings and Nomination and Remuneration Committee Meetings for 2012 by the Directors is summarized as follows:

Names	Title	Number of Meetings Attended (times)		
		Board of Directors	Audit Committee	Nomination and Remuneration Committee
Mrs. Anurat Tiamtan	Chairperson	5/5	-	-
Mr. Nipphon Suthimai	Independent Director (Chairman of the Audit Committee)	5/5	8/9	-
Mr. Parnchalerm Sutatam	Independent Director	5/5	9/9	-
Mr. Nopporn Thepsithar ¹	Independent Director (Chairman of Nomination and Remuneration Committee)	3/3	5/6	0/0
Mr. Chainoi Puankosoom ¹	Independent Director	3/3	6/6	-
Mrs. Anne-Marie Machet	Independent Director	4/5	-	0/0
Mr. Koh Ban Heng ²	Independent Director	5/5	-	-
Mr. Herve Le Bouc ²	Director	-/5	-	-
Mr. Jacques Leost ^{2,3}	Director	3/5	-	-
Mr. Jacques Pastor	Executive Director	5/5	-	2/2
Mr. Hugues de Champs	Executive Director	5/5	-	-
Mr. Sitilarb Supsakorn	Executive Director	4/5	-	-
Mr. Somchit Serththin	Chief Executive Officer	5/5	-	2/2
Mr. Chaiwat Srivalwat	Managing Director	5/5	-	-
Mr. Jacques Marechal ¹	Executive Director	3/3	-	-

Remarks:

1. Mr. Chainoi Puankosoom, Mr. Nopporn Thepsithar, and Mr. Jacques Marechal were elected to replace Mr. Pahol Chindakul, Mr. Thaweesin Devahastin Na Ayudhya, and Mr. Emmanuel Scheer as the Company's Director at Annual General Meeting of Shareholders No. 1/2012 held on 27th April 2012. Mr. Chainoi Puankosoom and Mr. Nopporn Thepsithar were appointed as members of the Audit Committee while Mr. Nopporn Thepsithar and Mrs. Anne-Marie Machet were appointed as members of the Nomination and Remuneration Committee at Board of Directors' Meeting No.3/2012 held on 11th May 2012.
2. Mr. Hervé Le Bouc and Mr. Jacques Leost are Directors who work and reside in France and Mr. Koh Ban Heng is a director who work and reside in Singapore. The Company invited them to be Directors of the Company to assist in promoting confidence with its trading partners overseas.
3. Mr. Jacques Leost joined a Board of Directors meeting No. 3/2012 via video conference on 11th May 2012.

The Board of Directors has recorded the minutes of each meeting in writing and arranged for the safe keeping of such certified minutes at 25th Floor, Tipco Tower, 118/1 Rama 6 Rd., Samsen Nai, Phayathai, Bangkok 10400.

Positions in Subsidiaries and Associated Companies

Company officers holding management and authorized positions in subsidiaries, associated companies or other companies are as follows:

Name	Tipco Asphalt Public Company Limited	Subsidiaries												Associate	Others				
		Tipco Maritime Co., Ltd.	Delta Shipping Co., Ltd.	Alpha Maritime Co., Ltd.	Thai Bitumen Co., Ltd.	Bitumen Marine Co., Ltd.	Raycol Asphalt Co., Ltd.	Tasco Shipping Co., Ltd.	Tasco International (Hong Kong) Ltd.	Tipco Asphalt (Cambodia) Co., Ltd.	Kemaman Oil Corporation Sdn Bhd	Kemaman Bitumen Company Sdn Bhd	Colasie Co., Ltd.	The Tipco Foods PCL.	Thanomwongse Service Co., Ltd.	Ekachai Container Terminal Co., Ltd.	Siam Container Transport and Terminal Co., Ltd.	Tipco F & B Co., Ltd.	Thai Slurry Seal Co., Ltd.
Mrs. Anurat Tiamtan	X													X	X	X	X	X	
Mr. Nopporn Thepsithar	/																		
Mr. Chainoi Puankosoom	/																		
Mr. Panchalerm Sutatam	/																		
Mr. Niphon Suthimai	/																		
Mrs. Anne-Marie Machet	/																		
Mr. Koh Ban Heng	/																		
Mr. Herve Le Bouc	/																		
Mr. Jacques Leost	/																		
Mr. Jacques Pastor	//	/	/	/	/	/	X	/	/	/			/						/
Mr. Sitilarb Supsakorn	//	/	/	/	/									/	/	/	/		
Mr. Somchit Sertthin	//	/	/	/	/	/		/	X				/	/		/	/		
Mr. Chaiwat Srivalwat	//	X	X	X	X	X	/	X	/	X	X	X							
Mr. Hugues de Champs	//	/	/	/	/	/	/	/	/	/	/	/							/
Mr. Jacques Marechal	//				/		/	/	/										
Mr. Chayongsak Pisitpong		/	/	/	/	/		/	/	/									
Ms. Auchcha Rattrakultip		/	/	/		/	/	/											/
Mr. Koh Lai Huat											/	/							

Notes:

X = Chairperson

/ = Director

// = Executive Director

Independent Directors

The Board of Directors has six Independent Directors as follows:

1. Mr. Nopporn Thepsithar
2. Mr. Chainoi Puankosoom
3. Mr. Parnchalerm Sutatam
4. Mr. Nipphon Suthimai
5. Mrs. Anne-Marie Machet
6. Mr. Koh Ban Heng

Guidelines for Selection of Independent Directors

1. All Independent Directors have been appointed according to the Guidelines of SEC. Candidates must possess the requisite qualifications as stated by the Company. A Director should perform his or her duties and express opinions using independent judgment and integrity by taking into consideration the benefit of the Company as a priority. The individual should not consider the interests of majority shareholders, individual shareholders or himself or herself.
2. A candidate must possess the complete set of characteristics specified by the Stock Exchange of Thailand and Tipco Asphalt's Code of Good Conduct, as follows:
 - 2.1 Does not have shareholding in excess of 1% of the total number of shares with voting rights in the Company, businesses in the Group, associated companies or with persons with possible conflict of interest (including connected persons as per Measure 258 of the Securities Act);
 - 2.2 Does not have any involvement in Company management, is not an employee or consultant receiving a regular monthly salary, nor an individual with controlling authority in the Company, nor have businesses within the Group or associated companies. This extends to persons who may have possible conflict of interest, and candidates must have had no interest or stake as aforementioned for a period of not less than two year;
 - 2.3 The nominee may not have any business relation; have no interest or stake-whether direct or indirect-in financial or management matters of the Company, businesses within the Group, associated companies or persons with a possible conflict of interest of a nature that may compromise independence;
 - 2.4 The nominee must not be a close relative of management members, majority shareholders in the Company, those doing business within the Group, associated companies or persons with possible conflict of interest, nor may the individual be an appointee to maintain the interest of Directors or major shareholders;
 - 2.5 The individual is obliged to disclose any relations to the Board of Directors which may compromise independence.

Tipco Asphalt's Definition of Independent Director

The Company adopts the above guidelines recommended by the SEC. The Company has 6 Independent Directors. An Independent Director is a Director holding not more than 1 percent of paid - up capital of the Company; does not take part in the management of the Company; is not an employee, staff member or advisor who receives a regular salary from the Company or controlling persons or conflict persons; who have no business related to the Company such as customer, supplier, creditor, debtor; who has no direct or indirect benefit or interest in finance and management of the Company; who is

not appointed as a representative to safeguard the interests of a Company director, majority shareholders or shareholders who are related to the Company's majority shareholders.

The Company Secretary

The Board of Directors appointed Mr. Pornsatian Saowapaksoontorn, Group Manager - Corporate Affairs and Planning, on 24th November 2011 as Company Secretary to take responsibility as set forth by law. The Company Secretary reports functionally to the Chairperson of the Board of Directors and operationally to the Managing Director.

Roles and Duties of Company Secretary

Corporate Secretary has the important roles as follows:

- Act as a Consultant and Secretary of board of directors and other committees.
- Act as a Corporate Governance and Compliance Officer.
- Act as a Corporate Communication Officer by being the center of communication among the Company's directors, management and stakeholders.
- Act as a Controller of Management Functions in following up on all the resolutions of board of director into practice.
- Act as a Co-ordinator with Thailand Security Depository Co., Ltd. the Company's registrar.

Duties of Corporate Secretary:

- To adhere to good corporate governance.
- To plan meetings and propose relevant agenda
- To manage the Board of Directors' meeting and coordinate with the minutes recorder in conducting the meeting in a proper manner and in line with the Company's regulations
- To administer the Shareholders' meeting in line within the legal framework
- To give advises on legal matters, Public Companies Act and all other rules and regulations of listed companies, the Company's affidavits aiming at full compliance with relevant laws

- To make sure that the resolutions of Board of Directors are adhered to
- Become a contact point providing information to Directors and third parties
- All matters concerning the Company's registrar and related document in safe keeping

The Board of Directors' Sub-Committees

The Board has appointed Board committees to study and review specific matters. At present, Tipco Asphalt has four committees appointed by the Board of Directors: the Executive Committee; the Audit Committee; the Nomination and Remuneration Committee and the Risk Management Committee.

1. Executive Committee

The Company established an Executive Committee to assume full executive responsibilities on behalf of the Board of Directors in order to have flexibility in management and operations. Members of the Executive Committee are as follows:

1. Mrs. Anurat Tiamtan	Chairperson
2. Mr. Jacques Pastor	Member
3. Mr. Somchit Sertthin	Member
4. Mr. Chaiwat Srivalwat	Member
5. Mr. Chayongsak Pisitpong	Member
6. Mr. Koh Lai Huat	Member
7. Mr. Hugues de Champs	Member
8. Mr. Jacques Marechal	Secretary

Note : Mr. Jacques Marechal was appointed as the Executive Committee member in place of the resigned Mr. Emmanuel Scheer at the Board of Directors' meeting No. 4/2012, on 10th August 2012.

The Executive Committee has responsibilities as established by the Board of Directors. The Chairperson of the Executive Committee has the highest authority to set operational policies related to the Company, while the Chief Executive Officer has the highest authority for implementation

Scope of Authority of the Executive Committee

The Executive Committee, pursuant to the resolutions of the Board of Directors of the Company, is responsible for the following:

1. Proposing agenda for meetings of the Board of Directors and counseling the Board of Directors on major decisions
2. Establishing the policies and operating procedures of the Company
3. Managing, making decisions and directing the business and affairs of the Company.

2. Audit Committee

The Company has a process that inspects and controls the business by appointing four Independent Directors to the Audit Committee.

- | | |
|----------------------------|-----------|
| 1. Mr. Niphon Suthimai | Chairman |
| 2. Mr. Parnchalerm Sutatam | Member |
| 3. Mr. Nopporn Thepsithar | Member |
| 4. Mr. Chainoi Puankosoom | Member |
| Mr. Joseph Soosay | Secretary |

All members of the audit committee have adequate expertise and experience to review creditability of the financial reports.

Terms of Office of the Audit Committee

The Audit Committee directly reports to the Board of Directors. The Audit Committee has a three-year term and new members will be appointed by the Board of Directors at the end of the term.

Scope of Authority of the Audit Committee

The role of the Audit Committee, as assigned by the Company Board of Directors, is as follows:

1. Review the reporting of the Company's financial statements for their accuracy and adequacy.
2. Review the suitability and effectiveness of the Company's internal control system, internal audit function and the independence of the Internal Audit Department, while providing concurrence to the appointments, transfers, and terminations of the Head of the Internal Audit Department or any other department responsible for performing internal audit responsibilities.
3. Review the Company's compliance to any regulations on securities, the regulations of the SET and any other regulations relevant to the Company's business.
4. Consider, propose and select the independent external auditor to the Company Board of Directors with recommendation on his remuneration. In addition, the Audit Committee participates in



the meeting with the external auditor at least once a year without presence of the Company Management.

5. Consider the Company's business transactions with related parties or any transaction that may lead to potential conflicts of interest in compliance with the relevant rules and regulations of the SET to ensure their rationality and maximum benefit to the Company.
6. Issue a report of the Audit Committee, to be signed by the Chairman of the Audit Committee and disclosed in the Company's Annual Report, and shall at least contain comments in the following areas:
 - 6.1 Accuracy, adequacy and credibility of the Company's financial statements.
 - 6.2 Adequacy of the Company's internal control system.
 - 6.3 Compliance to any regulations on securities, the regulations of the SET and other regulations relevant to the Company's business.
 - 6.4 Appropriateness of the external auditor.
 - 6.5 Transactions of possible conflicts of interests.
 - 6.6 Meetings of the Audit Committee and contributions of members.
 - 6.7 Overall comments from performing in accordance to this Charter.
 - 6.8 Other transactions that shareholders or other investors should be aware of in accordance to the role and responsibility assigned by the Company Board of Directors.
7. Perform any other task as assigned by the Company's Board of Directors with the approval of the Audit Committee.
8. Perform duties in ensuring the success and effectiveness of the Company's operations, as well as overseeing the management of enterprise risks of the Company (which will include advising

the Board of Directors, management, and the Risk Management Committee on matters related to enterprise risk management).

Requirements for Appointment of the Audit Committee

1. The Board of Directors may appoint at least three Independent Directors as the Audit Committee, provided that one of the members of the Audit Committee must have accounting knowledge. The Audit Committee must elect one of the members to be the Chairman.
2. The term of an Audit Committee member is three years.
3. The Audit Committee must be independent in carrying out the work and will be directly responsible to the Board of Directors.
4. The status of the Audit Committee member will cease upon any member's death, resignation, dismissal or retirement by rotation.
5. The Audit Committee's remuneration will be decided by the Board of Directors.
6. There must be at least four Audit Committee meetings each year, with results reported to the Board of Directors.

3. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of four Directors of whom two Directors are Independent. One of the Independent Directors is appointed as the committee Chairman. Members of the Nomination and Remuneration Committee are as follows:

1. Mr. Nopporn Thepsithar	Chairman
2. Mrs. Anne-Marie Machet	Member
3. Mr. Jacques Pastor	Member
4. Mr. Somchi Sertthin	Member

Scope of Authority of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee's functions are:

1. To screen and select the appropriate persons as members of the Board of Directors and to present the selected individuals to the Board of Directors, who then submit names to the shareholders' meeting for approval.
2. To screen and select appropriate qualified persons to be nominated as the Chief Executive Officer, Managing Director and Executive Director and then propose their names to the Board of Directors for approval.
3. To screen the remuneration of the Company's Directors to the Board of Directors and to further propose same to the shareholders' meeting for approval.
4. To propose the remuneration packages for the Chief Executive Officer, Managing Director and Executive Directors and then make proposals to the Board of Directors for approval.

4. The Risk Management Committee

The detailed information can be found in Risk Management and Risk Factors section on page 38

Good Corporate Governance Self Assessment

The Company has undertaken the Corporate Governance Self Assessment Based on the Principles of Good Corporate Governance, relying on the Stock Exchange of Thailand (SET), as a vital tool for reviewing and improving the Company's performance and providing reference data for corporate governance rating.

The exercise also helps to increase the operational effectiveness of the Company when the assessment results are analyzed and evaluated to indicate the level of achievement of objectives and opportunities for improvement.

Board Self Assessment

The Board Self Assessment form provided by the SET is for consideration by the boards of listed companies. The main objective of the self assessment form is to evaluate the performance of the board, as a team, and of Directors, as a collective body, in light of recognized best practices and principles of good corporate governance.

The six categories covered by the Board Self Assessment Form are as follows:

1. Structure and characteristics of the board
2. Roles and responsibilities of the board
3. Conduct of board meetings
4. The board's performance of duties
5. Relationship with management
6. Self-development of Directors and executive development

The company scored 3.4 out of 4 or "Very Good" rating on the Board Self Assessment evaluation in 2011.

Director's Orientation

For new Directors, the Company arranges orientation program to inform him/her of its business policies, capital structure, shareholding structure, business performance, information systems and related laws and regulations. Moreover, each Director receives a Director's Handbook and other information. The new Director will also receive briefing from the CEO and/or Managing Director on the Company policies, relevant information (including the capital structure, shareholders, performance, and processes in use at the Company), laws, regulations, a marketing/operational overview, and update on performance.

Succession Plan

The Nomination and Remuneration Committee has been assigned by the Board to be responsible for a succession plan, especially to ensure that the Company has an appropriate succession plan in place for the positions of the CEO, MD and other senior executives, and to make

recommendations to the Board for approval. Nomination for appropriate leaders has been recognized as a priority by the Board in order to strengthen the Company's management and ensure continued progress.

Executive Officers

The Company's executive officers are as follows:

- | | |
|----------------------------------|--|
| 1. Mr. Somchit Sertthin | Chief Executive Officer |
| 2. Mr. Jacques Pastor | Executive Director |
| 3. Mr. Chaiwat Srivalwat | Managing Director |
| 4. Mr. Chayongsak Pisitpong | Chief Director - Finance |
| 5. Mr. Sitilarb Supsakorn | Executive Director |
| 6. Ms. Auchcha Rattrakultip | Director - Finance, Credit Control and Legal |
| 7. Mr. Kasidis Chareancholwanich | Director - Business and Support |
| 8. Mr. Praveen Penmanee | Director - Operations |
| 9. Mr. Koh Lai Huat | Director - Accounting and Budgeting |
| 10. Mr. Vivek Dwivedi | Director - Marine Group |
| 11. Mr. Jacques Marechal | Director - Finance and International Legal Affairs |

- | | |
|--------------------------------|--|
| 12. Mr. Ismail Bin Abdul Hamid | Director - International Sales and Marketing |
| 13. Mr. Hugues de Champs | Director - Joint Ventures and Subsidiaries |
| 14. Mrs. Udomporn Punpatch | Director - Human Resources |

Performance Assessment of Top Executives

The Nomination and Remuneration Committee assesses the performance of the CEO based on the Company's operating results, implementation of the Board's policies, BSC (Balanced Scorecard) performance and the overall socio-economic circumstances. The Nomination and Remuneration Committee will then consider the appropriate remuneration for the Executive Directors and propose such amount to the Board for approval.

Policy on Directorships at Other listed Companies

The Board of Directors has established guidelines that none of the Company's Directors and Executives Directors may hold directorships at more than 5 listed companies in addition to serving on the Board of Tipco Asphalt PCL.



Remuneration for the Board and Executives

1. Total cash remuneration in 2012 for the Board of Directors, Audit Committee and the Nomination and Remuneration Committee was Baht 7,302,000.

Name	Position	2011 (Baht)		2012 (Baht)	
		Fixed	Variable	Fixed	Variable
1. Mrs. Anurat Tiamtan	• Chairperson	400,000	400,000	400,000	400,000
2. Mr. Nippon Suthimai	• Independent Director • Chairman of the Audit Committee	464,000	200,000	530,000	200,000
3. Mr. Nopporn Thepsithar	• Independent Director • Audit Committee Member • Chairman of the Nomination and Remuneration Committee	0	0	318,000	150,000
4. Mr. Parnchalerm Sutatam	• Independent Director • Audit Committee Member	464,000	200,000	488,000	200,000
5. Mr. Chainoi Puankosoom	• Independent Director • Audit Committee Member	0	0	318,000	150,000
6. Mrs. Anne-Marie Machet	• Independent Director • Nomination and Remuneration Committee Member	200,000	200,000	200,000	200,000
7. Mr. Koh Ban Heng	• Independent Director	100,000	100,000	200,000	200,000
8. Mr. Herve Le Bouc	• Director	200,000	200,000	200,000	200,000
9. Mr. Jacques Pastor	• Executive Director • Nomination and Remuneration Committee Member	220,000	200,000	220,000	200,000
10. Mr. Jacques Leost	• Director	150,000	150,000	200,000	200,000
11. Mr. Hugues de Champs	• Executive Director	0	0	200,000	200,000
12. Mr. Sitilarb Supsakorn	• Executive Director	200,000	200,000	200,000	200,000
13. Mr. Jacques Marechal	• Executive Director	0	0	150,000	150,000
14. Mr. Somchit Sertthin	• Executive Director • Nomination and Remuneration Committee Member	220,000	200,000	220,000	200,000
15. Mr. Chaiwat Srivalwat	• Executive Director	200,000	200,000	200,000	200,000

Name	Position	2011 (Baht)		2012 (Baht)	
		Fixed	Variable	Fixed	Variable
Retired Directors by Rotation					
16. Mr. Thaweesin Devahastin Na Ayudhya	<ul style="list-style-type: none">Audit CommitteeIndependent DirectorChairman of the Nomination and Remuneration Committee	484,000	200,000	190,000	0
17. Mr. Pahol Chindakul	<ul style="list-style-type: none">Chairman of the Audit CommitteeIndependent DirectorNomination and Remuneration Committee Member	550,000	200,000	220,000	0
18. Mr. Emmanuel Scheer	<ul style="list-style-type: none">Executive Director	200,000	200,000	50,000	0
19. Mr. Thierry Defrene	<ul style="list-style-type: none">Executive Director	200,000	200,000	0	0
Total		4,252,000	3,050,000	4,504,000	3,050,000

Note :

- Mr. Nipphon Suthimai was appointed as Chairman of the Audit Committee in May 2012
- Mr. Nopporn Thepsithar, Mr. Chainoi Puankosoom, and Mr. Jacques Marechal received the remuneration after their appointments as Directors at the Annual General Meeting No. 1/2012 held on 27th April 2012.
- The remuneration of total Baht 460,000 was paid to 3 Directors prior to their retirements, namely, Mr. Emmanuel Scheer, Mr. Thaweesin Devahastin Na Ayudhya, and Mr. Pahol Chindakul.
- Variable Remuneration payments not exceeding one time of the total annual fixed remuneration to all the Board of Director members shall be considered and paid by the Company. As the company was profitable in 2012, the variable remuneration of 2012 was Baht 3,050,000.

- There was no non-financial remuneration for Directors in 2012.
- Other remuneration - None
- Total remuneration in 2011 and 2012 for 14 Executive Directors and Executive Officers, which included salary, bonus, retirement fund and provident fund was Baht 77.88 Million and Baht 86.82 Million respectively.

Litigation against the Board of Directors

There is no record of litigation against the Board of Directors during the past 13 years.

Tasco Amarit, the newest member of
our 7 oceangoing asphalt tanker fleet with
cargo capacity of 6,550 tons





■ Internal Controls and Internal Audit

Internal Controls

The Company places great importance on internal control and audit both at the managerial and the operational levels; supported by good corporate governance and systematic risk management.

The Company defines and develops an efficient and effective internal controls system according to international standards in terms of setting an appropriate control environment, performing risk assessments, implementing control practices, making use of appropriate information technology, communication systems, and continuous monitoring and assessments.

The organizational structure is designed to suit a business plan, with clear responsibility outlines, with the availability of Procedure Manuals and Approval Authority limits for each level of operations to enable proper control. Moreover, the company encourages all employees to constantly follow the internal controls. These are to be regularly updated to keep up with the changing business environment.

Internal Audit

The Company's Internal Audit Department is committed to the International Standards for the Professional Practice of Internal Auditing ('Standards') as issued by the Institute of Internal Auditors. This has been embraced in the Company's new Internal Audit Charter (as approved in 2012).

The Company's Internal Audit Department examines internal controls, operations, security of assets and adherence to policies and procedures including those of subsidiaries. The Internal Audit Department establishes plans consistent with the profile of previous audit observations as well as the risk profile of the Company.

Internal audit results are regularly reported (not less than once a quarter) to the Audit Committee.



Inland Transportation: Over 300 truck tankers with GPS tracking system to serve customers in all regions of Thailand



Related Companies, Details and Amount		FY 2012	Pricing Policy	FY 2011
Sales and Services Provided to	Thanomwongse Service Co.,Ltd	289.5	Market price	
	Thai Slurry Seal Co.,Ltd	246.0		
	Tipco Foods PCL	13.6		
	Tipco F&B Co., Ltd.	1.3		2,702
	Tipco Biotec Co., Ltd.	0.6		
	Colas S.A. (Colas S.A. Sami Bitumen Technology and Highway Resources)	2,631.0		
	Colas S.A. (Highway Resources)	1,658.0		
	subtotal	4,840.0		2,702
Services Provided to	Colas S.A. (AD Shipping and Retailink)	0.6	Market price	8
	Tipco Foods PCL	0.4		
	Thanomwongse Service	2.0		
	Thai Slurry Seal	2.0		
	subtotal	5.0		8
	Grand Total Revenue	4,845.0		2,710
Rental and Service Expenses Paid to	Ekachai Container Terminal Co.,Ltd	4.6	Market price	
	Thanomwongse Service Co.,Ltd	20.0		63
	Colas S.A.	10.0		
	Tipco F&B Co., Ltd.	5.0		
		1.4		
	subtotal	41.0		63
Technical and Administrative Assistance Fee Paid to	Colas S.A.	42.0	Technical and Administrative Assistance	41
	Grand Total Expenses	83.0		104

■ Report of the Audit Committee

The Audit Committee consists of four independent directors who are knowledgeable and experienced in law, business administration, accounting, management and engineering. The Committee is chaired by Mr. Niphon Suthimai, with Mr. Parnchalerm Sutatam, Mr. Nopporn Thepsithar and Mr. Chainoi Puankosoom making up the remaining three members. Mr. Nopporn and Mr. Chainoi were appointed into the Audit Committee during 2012, following the departures of two outgoing members (Mr. Pahol Chindakul and Mr. Thaweesin Devahastin Na Ayudhya; who had completed their three-year terms on the Committee).

This year, the Committee had performed its duties as assigned by the Board of Directors, while adhering to the Company's Audit Committee Charter which is aligned to the regulations of the Stock Exchange of Thailand (SET). Given the Company's strong growth (especially in international markets), the Committee focused on conformance to good corporate governance as well as good internal controls by:

- Focusing on preventive controls as well as the promotion of leading business practices in audit reviews to foster improved work performance (and especially in minimizing errors);
- Promoting a risk-based approach for internal audit activity at the Company.

During 2012, the Committee held nine meetings, for which attendance by executives, the external auditor and the Internal Audit Department can be summarized as follows:

	Attendance By		
	Executives	External Auditor	Internal Audit Department
Monthly Meetings	4	-	5
Quarterly Meetings	3	3	3
Quarterly Meetings (without the presence of Management)	-	1	1

Review of financial reports

The Committee reviewed quarterly, annual and consolidated financial statements with Management and the external auditors. Among other activities, the Committee held discussions with the external auditor to ascertain the completeness of accuracy of the presentation of the Company's financial statements, key accounting adjustments, adequacy of accounting methods, scope of the audit, accuracy and adequacy of disclosures, as well as the external auditor's

independence. The outcome of these discussions contributed to the Committee's satisfaction that the Company's financial statements had complied with all relevant accounting standards and regulations. Consequently, the Committee was satisfied that the accounting procedures and financial statements were both accurate and reliable, and that adequate and timely information had been disclosed in the financial statements for the benefit of investors and other users of the statements.

Risk management

During 2012, the Company embarked on a project to implement a systematic enterprise risk management ("ERM") approach across the whole Company. This included the establishment of a formal ERM framework consisting of an ERM policy and related procedures. Towards the end of 2012, a preliminary risk register was developed to highlight the key risks affecting the organization. In this regard, the Audit Committee's focus was in ensuring that these risks were satisfactorily comprehended into the Annual Internal Audit Plan for 2013.

Review of internal control effectiveness

The Audit Committee has reviewed the adequacy, appropriateness and effectiveness of the internal control system from the 2012 audit results of the Internal Audit Department on the Company and its subsidiaries. The Audit Committee is satisfied that the internal control system of the Company and its subsidiaries is adequate and effective for its business. The Audit Committee also evaluated the adequacy of the internal control system in accordance to The Securities and Exchange Commission and noted that an adequate, appropriate and effective system of internal control has been implemented.

Review of good corporate governance

The Committee has been satisfied that the Company has complied to the relevant laws, regulations (including regulations of the SET) and agreements with external parties (as necessary). The Committee was also satisfied that the significant related party business transactions have been disclosed in the financial statements and the notes thereon in accordance to the requirements of the SET and the Securities Exchange Commission. The Audit Committee agreed with the external auditor that such transactions conformed to the agreed criteria of normal business conduct.

Oversight of internal audit

The Audit Committee reviewed the reports of the Internal Audit Department as well as the completion of planned projects against the annual internal audit plan. The Committee was satisfied that the internal audit projects were generally completed as planned; and where this was not the case, such projects were duly included into the audit plan for the subsequent year. The Committee also focused on the timely and satisfactory completion of action plans as committed to by management to address the underlying risks.

Appointment of the external auditor for 2013

The Audit Committee has considered the appointment of Ernst & Young as the Company's external auditor for another year and also reviewed their proposed fees for 2013. Consequently, the Audit Committee proposed these to the Board for approval by the shareholders at the Annual General Meeting of 2013.



(Niphon Suthimai)
Chairman of the Audit Committee

■ Report of the Board of Directors' Responsibilities for Financial Statements

The Company's Board of Directors is responsible for the consolidated and the financial statements of Tipco Asphalt Public Company Limited and other financial information appears in the Annual Report pertaining to the Company and its subsidiaries. The financial statements are prepared in accordance with Generally Accepted Accounting Principles while the Accounting Policies are selected for their appropriateness and consistently implemented. The financial statements are also prepared with careful considerations and best possible estimates while significant information is sufficiently and transparently disclosed in the notes for the benefits of shareholders and other investors.

The Board of Directors had appointed the Audit Committee, comprised of independent directors whose qualifications are in accordance to requirements of the

Stock Exchange of Thailand, to review the accuracy and sufficiency of the Company's financial reports and the disclosures of related transactions and the adequacy and efficiency of internal control system. Opinion of the Audit Committee is reported in the Audit Committee's report published in this Annual Report.

The Board of Directors comments that the Company consolidated financial statements and the Company financial statements of 31st December 2012 that were jointly reviewed by the Audit Committee, Management and external auditors had stated the proper financial and operating performances, and in accordance with the Generally Accepted Accounting Principles.



(Mrs. Anurat Tiamtan)
Chairperson



(Mr. Chaiwat Srivalwat)
Managing Director

■ Management Discussion and Analysis

Operational Analysis

The Company and its subsidiaries, “the Group” reported a 2012 consolidated net profit of Baht 642 million compared to a (restated) net profit of Baht 578 million in 2011. It was another good operational performance records in Tipco Asphalt’s recent history despite very challenging operating environments in 2012.

Consolidated sales for the year 2012 recorded an outstanding performance at Baht 38.4 billion, a significant increase of 69% from the previous year, commanding a solid presence in Asia region’s asphalt market. This performance set another sale record in Tipco Asphalt’s history, mainly driven by its export sales in international markets whilst the domestic sales also delivered yet another outstanding performance. The Group continued to ride on the economic growth in this Asia region by maintaining firm grip on its marketing network in 16 countries notably in China, Indonesia, Malaysia, Vietnam and Australia. On the other hand, the sales in domestic market have fully recovered from the worst flood in Thailand. This growth was made possible with the availability of bitumen and fuel oil products from the Group’s bitumen refinery in Malaysia.

The Group’s consolidated gross profit margin in 2012 was 5.06% compared to 7.1% in 2011. The reduction of its Gross Profit margin were due to the sales products mix and increase of crude cost in the first half of 2012, attributable to the geopolitical tension caused by US sanction against IRAN and the later threatened to block the Strait of Hormuz

thereby potentially disrupt the key supply route of crude from Middle East. The world crude market responded with Brent crude price shot up to above USD 126/bbl in early March 2012 representing 13% or USD 14/bbl of war premium in crude cost.

Weather through oil price volatility during 2012 was quite a challenge with the help of various hedging products under the stringent and prudent hedging policy. The Brent price was trading at USD 112/bbl in the beginning of January 2012, touched a high of USD 126/bbl briefly in March 2012 as mentioned above, but plunged to below USD 90/bbl in June 2012 due to Eurozone sovereign debts crisis plus worsening China GDP outlook. Again, Brent market price rebounded to above USD116/bbl in 3rd Quarter and finally ended within an expected range at USD 111.11/bbl for the year 2012. The hedging cost of Baht 806 million were partly due to the “marked to market” valuation reflects the volatility of fair value accounting for crude stocks in hand. It was a mixture of fair value accounting loss rather than cashflow as the positive net realizable value in the crude inventory could not be recognized accordingly. However, most of this hedging cost due to market volatility was recovered subsequently in the physical products sales.

The Group used USD short term loan funding as a natural hedge for all crude shipments against its future USD cashflow receivables. When these USD transactions were recorded in Thai Baht, the Group made a significant FX gain

of Baht 567 million attributable to the volatility of Baht/USD rate during the year. Baht/USD rate was trading at Baht/USD 31.47 in the beginning of January 2012, Baht strengthened to Baht/USD 30.20 in February corresponding to the highest Brent market price, but weakened back to Baht/USD 31.95 in June 2012 when the Brent market price was at its lowest point as mentioned in the above paragraph. This FX gain should be viewed as a compensating factor partially to mitigate the hedging cost above as the strength and weakness of USD did occasionally affect inversely the Brent market price.

In 2012, selling and administrative expenses stood at Baht 108.8 million, and Baht 594.1 million, representing 0.29% and 1.58% of sales, respectively. Comparatively, these expenses in 2011 stood at Baht 123.9 million, and Baht 589.1 million or 0.55%, and 2.64% of sale. These expenses were tightly controlled in spite of higher sales revenue.

The Net Profit attributable to Equity holders of the Company for the year 2012 was Baht 642 million compared to Baht 578 million in 2011, representing Baht 4.21 and Baht 3.79 earnings per share respectively.

Financial Analysis

Financial status of the Group at the end of 2012 can be summarized as follows;

The management of the Group fully recognizes the high investment CAPEX and working capital in the Group's new refinery business. Effective working capital management has been one of the key challenges in 2012. With the higher volume of heavy crude intake in 2012, efforts were made to shorten "asset to cash conversion" cycle to reduce trade debt associated with each crude cargo purchased. As a result, cash flow in 2012 was strong and the Company continues to manage cash and trade collection closely in order to minimize external borrowings and interest expenses. The Group continues to receive full support from commercial banks in both stock and other working capital financing. In order to reduce interest cost and FX exposure, the Group has switched to USD loan funding that matching its USD assets and resulting a lower WACC for the Group. With the increase of its crude procurement activity towards the year end, the Group's consolidated debt to equity ratio (D/E ratio) has inevitably increased from 2.40 to 2.70. However, the D/E ratio (total liability/equity) excluding crude inventory funding has improved from 1.66 to 1.10.

Runway repairing project at Suvarnabhumi International Airport, using our Jet Fuel Resistant Modified Asphalt





■ Independent Auditor's Report

To the Shareholders of Tipco Asphalt Public Company Limited

I have audited the accompanying consolidated financial statements of Tipco Asphalt Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Tipco Asphalt Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

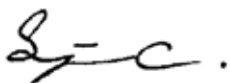
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tipco Asphalt Public Company Limited and its subsidiaries and of Tipco Asphalt Public Company Limited as at 31 December 2012, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy made due to the early adoption of Thai Accounting Standard 12 Income Tax and Note 5 to the financial statements regarding the change in accounting policy for inventories. My opinion is not qualified in respect of this matter.



Siraporn Ouankun
Certified Public Accountant (Thailand) No. 3844
Ernst & Young Office Limited
Bangkok: 11 February 2013

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2012

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		Note	As at 31 December 2012	As at 31 December 2011 (restated)	As at 1 January 2011 (restated)	As at 31 December 2012	As at 31 December 2011 (restated)
Assets							
Current assets							
Cash and cash equivalents	8	739,597,042	1,001,818,734	299,920,234	44,140,952	430,513,964	20,319,068
Current investments		-	-	52,106,331	-	-	1,341,120
Trade and other receivables	9	5,347,921,360	3,687,503,063	1,974,906,078	5,442,063,490	1,626,387,848	2,053,245,003
Short-term loans to related parties	10	-	-	-	40,243,540	25,426,686	5,161,084
Inventories	11	7,048,482,865	5,755,843,305	3,499,879,647	6,443,284,016	4,792,644,210	290,151,577
Price hedging contracts	37	27,359,301	67,791,020	-	27,359,301	67,791,020	-
Forward exchange contracts	37	7,801,110	3,845,478	33,191,002	6,650,434	1,476,921	1,652,256
Other current assets		104,971,269	70,073,650	111,562,705	35,455,728	40,579,176	19,421,075
Total current assets		13,276,132,947	10,586,875,250	5,971,565,997	12,039,197,461	6,984,819,825	2,391,291,183
Assets held for sales - Vessel	12	45,423,693	-	-	-	-	-
Non-current assets							
Deposits with financial institutions							
with restrictions	21	-	66,038,240	72,572,960	-	-	-
Investments in subsidiaries	13	-	-	-	3,827,571,247	4,627,139,803	4,576,753,996
Investment in associate	14	60,648,740	41,639,567	26,728,900	18,403,580	18,403,580	18,403,580
Investment properties	15	199,432,500	204,200,000	273,450,000	101,197,924	101,745,153	68,490,887
Property, plant and equipment	16	4,595,800,707	4,247,666,676	3,962,164,150	490,569,772	505,856,576	623,331,436
Goodwill	13	146,293,504	146,293,504	146,293,504	-	-	-
Other intangible assets -							
Computer software		19,972,993	7,735,064	10,489,063	17,981,683	2,466,533	1,908,243
Leasehold rights	17	207,872,195	220,175,110	212,589,564	4,102,239	4,330,141	4,558,043
Deferred tax assets - net	29	106,845,698	153,176,102	359,190,444	44,776,746	44,828,317	38,173,560
Other non-current assets		11,331,624	11,948,686	40,822,841	5,380,932	5,251,693	17,857,789
Total non-current assets		5,348,197,961	5,098,872,949	5,104,301,426	4,509,984,123	5,310,021,796	5,349,477,534
Total assets		18,669,754,601	15,685,748,199	11,075,867,423	16,549,181,584	12,294,841,621	7,740,768,717

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

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2012

(Unit: Baht)

		Consolidated financial statements			Separate financial statements			
		Note	As at 31 December 2012	As at 31 December 2011 (restated)	As at 1 January 2011 (restated)	As at 31 December 2012	As at 31 December 2011 (restated)	As at 1 January 2011 (restated)
Liabilities and shareholders' equity								
Current liabilities								
Short-term loans from financial institutions		18	8,236,833,408	3,784,809,127	2,338,748,570	8,158,509,798	2,360,331,137	574,542,431
Trade and other payables		19	2,202,837,490	3,485,909,495	747,225,288	2,212,017,359	2,968,515,785	428,609,118
Short-term loans from related parties		10	-	-	-	-	-	94,300,000
Current portion of liabilities under finance lease agreements			8,595,644	12,230,076	10,645,976	4,618,291	7,132,917	5,384,365
Current portion of long-term loans		20	596,304,373	480,388,584	440,672,549	322,383,480	303,633,480	203,633,480
Income tax payable			69,328,878	24,330,283	36,846,145	38,501,527	18,729,136	18,535,705
Cash received from former co-venturer		13	-	-	50,765,211	-	-	-
Price hedging contracts		37	12,708,499	27,996,342	143,635,479	12,708,499	27,996,342	-
Forward exchange contracts		37	502,902	13,763,714	7,112,334	492,279	6,362,769	171,888
Other current liabilities			26,039,584	86,572,337	207,915,071	16,776,473	49,597,346	21,603,217
Total current liabilities			11,153,150,778	7,915,999,958	3,983,566,623	10,766,007,706	5,742,298,912	1,346,780,204
Non-current liabilities								
Liabilities under finance lease agreements - net of current portion			13,415,586	12,767,587	14,593,707	9,938,202	6,227,778	5,392,791
Long-term loans - net of current portion		20	2,371,819,402	3,073,593,282	3,095,327,506	1,103,408,346	2,164,541,826	2,468,175,306
Interest rate swap contracts		20	19,445,155	10,082,962	27,112,769	19,445,155	8,218,729	14,510,105
Provision for long-term employee benefits		22	69,231,320	65,128,682	58,555,688	56,821,784	52,778,439	47,758,574
Total non-current liabilities			2,473,911,463	3,161,572,513	3,195,589,670	1,189,613,487	2,231,766,772	2,535,836,776
Total liabilities			13,627,062,241	11,077,572,471	7,179,156,293	11,955,621,193	7,974,065,684	3,882,616,980

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

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2012

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		Note	As at 31 December 2012	As at 31 December 2011 (restated)	As at 1 January 2011 (restated)	As at 31 December 2012	As at 31 December 2011 (restated)
Shareholders' equity							
Share capital	23						
Registered							
170,043,729 ordinary shares (31 December 2011: 169,002,429 ordinary shares and 1 January 2011: 152,547,663 ordinary shares) of Baht 10 each		1,700,437,290	1,690,024,290	1,525,476,630	1,700,437,290	1,690,024,290	1,525,476,630
Issued and fully paid							
152,548,068 ordinary shares (1 January 2011: 152,547,663 ordinary shares) of Baht 10 each		1,525,480,680	1,525,480,680	1,525,476,630	1,525,480,680	1,525,480,680	1,525,476,630
Premium on share capital		886,112,274	886,112,274	886,091,137	886,112,274	886,112,274	886,091,137
Non-controlling interests of subsidiary acquired by the Company at price lower than book value	2	6,237,755	6,237,755	6,237,755	-	-	-
Change in the Company's interest in subsidiary which not resulted in loss of control	13	12,904,468	12,904,468	-	-	-	-
Capital reserve for share-based payment transactions	25	13,140,737	4,644,652	-	13,140,737	4,644,652	-
Retained earnings							
Appropriated - statutory reserve	26	140,503,000	115,503,000	94,203,000	140,503,000	115,503,000	94,203,000
Unappropriated		2,024,808,519	1,598,218,783	1,041,660,964	2,032,966,638	1,794,744,386	1,362,538,043
Other components of shareholders' equity		(184,521,435)	(135,290,406)	(239,756,317)	(4,642,938)	(5,709,055)	(10,157,073)
Equity attributable to owners of the Company		4,424,665,998	4,013,811,206	3,313,913,169	4,593,560,391	4,320,775,937	3,858,151,737
Non-controlling interests of the subsidiaries		618,026,362	594,364,522	582,797,961	-	-	-
Total shareholders' equity		5,042,692,360	4,608,175,728	3,896,711,130	4,593,560,391	4,320,775,937	3,858,151,737
Total liabilities and shareholders' equity		18,669,754,601	15,685,748,199	11,075,867,423	16,549,181,584	12,294,841,621	7,740,768,717

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

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011 (restated)	2012	2011 (restated)
Revenues					
Sales and service income		37,663,155,183	22,303,811,809	35,898,367,645	6,887,662,659
Other income					
Dividend income from subsidiaries	13	-	-	204,947,351	236,418,513
Dividend income from associate	14	-	-	16,789,105	18,920,803
Income from liquidation of subsidiary	13	-	-	26,659,535	-
Gain on exchange	37	567,189,427	26,143,187	517,221,811	-
Compensation received from claims for damages	27	50,308,840	609,091,182	-	-
Others		98,310,237	80,762,164	72,772,845	80,534,420
Total revenues		38,378,963,687	23,019,808,342	36,736,758,292	7,223,536,395
Expenses					
Cost of sales and services		35,754,713,865	20,720,376,352	34,773,472,639	6,137,321,666
(Gain) loss from price hedging contracts	37	805,913,511	325,980,217	804,611,289	(124,896,987)
Reduce cost of inventory to net realisable value (reversal)	11	1,081,594	(945,855)	560,977	(148,682)
		36,561,708,970	21,045,410,714	35,578,644,905	6,012,275,997
Selling expenses		108,782,788	123,898,586	60,759,321	58,627,401
Administrative expenses		594,138,146	589,158,621	386,061,700	356,961,051
Other expenses					
Allowance for doubtful accounts (reversal)		31,475,421	3,519,871	(7,227,555)	18,280,960
Loss on exchange	37	-	-	-	48,452,701
Impairment loss of assets held for sales	12	4,800,298	-	-	-
Impairment loss of investment properties	15	4,767,500	198,935,174	-	95,885,174
Impairment loss of property, plant and equipment	16	20,834,537	1,182,718	-	1,182,718
Total expenses		37,326,507,660	21,962,105,684	36,018,238,371	6,591,666,002
Profit before share of profit from investment in associate, finance cost and income tax expenses		1,052,456,027	1,057,702,658	718,519,921	631,870,393
Share of profit from investment in associate	14	35,323,425	33,952,035	-	-
Profit before finance cost and income tax expenses		1,087,779,452	1,091,654,693	718,519,921	631,870,393
Finance cost		(282,340,477)	(238,334,556)	(225,094,917)	(133,302,942)
Profit before income tax expenses		805,438,975	853,320,137	493,425,004	498,567,451
Income tax expenses	29	(129,589,957)	(291,720,359)	(39,518,542)	(45,061,108)
Profit for the year		675,849,018	561,599,778	453,906,462	453,506,343
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currencies		(60,204,158)	124,632,783	-	-
Change in fair value of interest rate swap contract		1,610,686	7,095,747	1,610,686	7,095,747
Income tax effect	29	(544,569)	(2,647,729)	(544,569)	(2,647,729)
Other comprehensive income for the year		(59,138,041)	129,080,801	1,066,117	4,448,018
Total comprehensive income for the year		616,710,977	690,680,579	454,972,579	457,954,361

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

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011 (restated)	2012	2011 (restated)
Profit attributable to:					
Equity holders of the Company		642,273,946	577,857,819	453,906,462	453,506,343
Non-controlling interests of the subsidiaries		33,575,072	(16,258,041)		
		675,849,018	561,599,778		
Total comprehensive income attributable to:					
Equity holders of the Company		593,042,917	682,323,730	454,972,579	457,954,361
Non-controlling interests of the subsidiaries		23,668,060	8,356,849		
		616,710,977	690,680,579		
Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company	32	4.21	3.79	2.98	2.97

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

For the year ended 31 December 2012

Consolidated financial statements												
Equity attributable to owners of the Company												
	Non-controlling interests of subsidiary acquired by the Company at price lower than book value	Change in the Company's interest in subsidiary which not resulted in loss of control	Capital reserve for share-base payment transactions	Other components of equity				Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries			
				Retained earnings		Fair value of interest rate swap contract	Exchange differences on translation of financial statements in foreign currencies			Total other components of shareholders' equity		
				Appropriated - statutory reserve	Unappropriated							
Issued and paid-up share capital	Premium on share capital											
Balance as at 31 December 2010 - previously reported	1,525,476,630	886,091,137	6,237,755	-	-	778,249,405	(14,510,105)	(229,599,244)	(244,109,349)	3,046,148,578	581,861,873	3,628,010,451
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	-	352,392,390	4,353,032	-	4,353,032	356,745,422	3,258,397	360,003,819
Cumulative effect of change in accounting policy for inventories (Note 5)	-	-	-	-	-	(32,522,235)	-	-	-	(32,522,235)	(225,217)	(32,747,452)
Balance as at 31 December 2010 - as restated	1,525,476,630	886,091,137	6,237,755	-	-	94,203,000	1,098,119,560	(229,599,244)	(239,756,317)	3,370,371,765	584,895,053	3,955,266,818
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings	-	-	-	-	-	(56,458,596)	-	-	-	(56,458,596)	(2,097,092)	(58,555,688)
Balance as at 1 January 2011 - as restated	1,525,476,630	886,091,137	6,237,755	-	-	94,203,000	1,041,660,964	(229,599,244)	(239,756,317)	3,313,913,169	582,797,961	3,896,711,130
Increase in share capital (Note 23)	4,050	21,137	-	-	-	-	-	-	-	25,187	-	25,187
Change in the Company's interest in subsidiary which not resulted in loss of control (Note 13)	-	-	-	12,904,468	-	-	-	-	-	12,904,468	37,012,032	49,916,500
Share-based payment transactions (Note 25)	-	-	-	-	4,644,652	-	-	-	-	4,644,652	-	4,644,652
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(33,802,320)	(33,802,320)
Total comprehensive income for the year (restated)	-	-	-	-	-	577,857,819	4,448,018	100,017,893	104,465,911	682,323,730	8,356,849	690,680,579
Appropriation of statutory reserve (Note 26)	-	-	-	-	-	21,300,000	(21,300,000)	-	-	-	-	-
Balance as at 31 December 2011 - as restated	1,525,480,680	886,112,274	6,237,755	12,904,468	4,644,652	115,503,000	1,598,218,783	(5,709,055)	(135,290,406)	4,013,811,206	594,364,522	4,608,175,728
Balance as at 31 December 2011 - previously reported	1,525,480,680	886,112,274	6,237,755	12,904,468	4,644,652	115,503,000	1,436,063,037	(7,414,358)	(136,995,709)	3,849,950,157	592,984,911	4,442,935,068
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	-	-	151,129,433	-	1,705,303	152,834,736	1,211,497	154,046,233
Cumulative effect of change in accounting policy for inventories (Note 5)	-	-	-	-	-	-	11,026,313	-	-	11,026,313	168,114	11,194,427
Balance as at 31 December 2011 - as restated	1,525,480,680	886,112,274	6,237,755	12,904,468	4,644,652	115,503,000	1,598,218,783	(5,709,055)	(135,290,406)	4,013,811,206	594,364,522	4,608,175,728
Share-based payment transactions (Note 25)	-	-	-	-	8,496,085	-	-	-	-	8,496,085	-	8,496,085
Dividend paid (Note 35)	-	-	-	-	-	-	(190,684,210)	-	-	(190,684,210)	-	(190,684,210)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(6,220)	(6,220)
Total comprehensive income for the year	-	-	-	-	-	-	642,273,946	1,066,117	(50,297,146)	593,042,917	23,668,060	616,710,977
Appropriation of statutory reserve (Note 26)	-	-	-	-	-	25,000,000	(25,000,000)	-	-	-	-	-
Balance as at 31 December 2012	1,525,480,680	886,112,274	6,237,755	12,904,468	13,140,737	140,503,000	2,024,808,519	(4,642,938)	(184,521,435)	4,424,665,998	618,026,362	5,042,692,360

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

Tipco Asphalt Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2012

(Unit: Baht)

	Separate financial statements								
	Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Retained earnings		Other component of equity			
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Fair value of interest rate swap contracts	Total other shareholders' equity	component of equity
Balance as at 31 December 2010 – previously reported	1,525,476,630	886,091,137	-	94,203,000	1,395,020,112	(14,510,105)	(14,510,105)	3,886,280,774	
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	33,820,528	4,353,032	4,353,032	38,173,560	
Cumulative effect of change in accounting policy for inventories (Note 5)	-	-	-	-	(18,544,023)	-	-	(18,544,023)	
Balance as at 31 December 2010 – as restated	1,525,476,630	886,091,137	-	94,203,000	1,410,296,617	(10,157,073)	(10,157,073)	3,905,910,311	
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings	-	-	-	-	(47,758,574)	-	-	(47,758,574)	
Balance as at 1 January 2011 – as restated	1,525,476,630	886,091,137	-	94,203,000	1,362,538,043	(10,157,073)	(10,157,073)	3,858,151,737	
Increase in share capital (Note 23)	4,050	21,137	-	-	-	-	-	25,187	
Share-based payment transactions (Note 25)	-	-	4,644,652	-	-	-	-	4,644,652	
Total comprehensive income for the year (restated)	-	-	-	-	453,506,343	4,448,018	4,448,018	457,954,361	
Appropriation of statutory reserve (Note 26)	-	-	-	21,300,000	(21,300,000)	-	-	-	
Balance as at 31 December 2011 – as restated	1,525,480,680	886,112,274	4,644,652	115,503,000	1,794,744,386	(5,709,055)	(5,709,055)	4,320,775,937	
Balance as at 31 December 2011 – previously reported	1,525,480,680	886,112,274	4,644,652	115,503,000	1,751,297,017	(7,414,358)	(7,414,358)	4,275,623,265	
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	43,123,014	1,705,303	1,705,303	44,828,317	
Cumulative effect of change in accounting policy for inventories (Note 5)	-	-	-	-	324,355	-	-	324,355	
Balance as at 31 December 2011 – as restated	1,525,480,680	886,112,274	4,644,652	115,503,000	1,794,744,386	(5,709,055)	(5,709,055)	4,320,775,937	
Share-based payment transactions (Note 25)	-	-	8,496,085	-	-	-	-	8,496,085	
Dividend paid (Note 35)	-	-	-	-	(190,684,210)	-	-	(190,684,210)	
Total comprehensive income for the year	-	-	-	-	453,906,462	1,066,117	1,066,117	454,972,579	
Appropriation of statutory reserve (Note 26)	-	-	-	25,000,000	(25,000,000)	-	-	-	
Balance as at 31 December 2012	1,525,480,680	886,112,274	13,140,737	140,503,000	2,032,966,638	(4,642,938)	(4,642,938)	4,593,560,391	

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

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011 (restated)	2012	2011 (restated)
Cash flows from operating activities:				
Profit before tax	805,438,975	853,320,137	493,425,004	498,567,451
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	418,850,240	405,168,063	80,230,131	85,033,049
Write-off withholding tax	1,177,404	172,881	-	-
Allowance for doubtful accounts (reversal)	31,475,421	3,519,871	(7,227,555)	18,280,960
Reduce cost of inventory to net realisable value (reversal)	1,081,594	(945,855)	560,977	(148,682)
Dividend income from subsidiaries	-	-	(204,947,351)	(236,418,513)
Dividend income from associate	-	-	(16,789,105)	(18,920,803)
Income from liquidation of subsidiary	-	-	(26,659,535)	-
Unrealised gain on exchange rate	(46,386,441)	(77,495,243)	(22,931,806)	(7,969,796)
Gain on sales of equipment	(2,761,185)	(26,364,266)	(3,054,992)	(14,319,344)
Loss from written off of equipment	-	10,909,175	-	2,046,817
Impairment loss of assets held for sales	4,800,298	-	-	-
Impairment loss of investment properties	4,767,500	198,935,174	-	95,885,174
Impairment loss of property, plant and equipment	20,834,537	1,182,718	-	1,182,718
Share of profit from investment in associate	(35,323,425)	(33,952,035)	-	-
Share-based payment transactions	8,496,085	4,644,652	6,065,341	3,258,845
Provision for long-term employee benefits	10,269,170	10,136,168	8,125,296	8,034,873
Change in fair value of forward exchange contracts	(17,216,444)	35,996,904	(11,044,004)	6,366,217
Change in fair value of price hedging contracts	25,143,876	(183,430,156)	25,143,876	(39,794,678)
Change in fair value of interest rate swap contract recognised in profit or loss	22,637,827	(9,934,060)	11,664,947	-
Interest expenses	250,515,438	212,688,620	204,792,744	130,011,344
Profit from operating activities before changes in operating assets and liabilities	1,503,800,870	1,404,552,748	537,353,968	531,095,632
(Increase) decrease in operating assets				
Trade and other receivables	(1,737,761,316)	(1,696,432,852)	(3,815,246,272)	(576,801,411)
Inventories	(1,293,721,153)	(2,255,017,803)	(1,651,200,783)	(4,502,343,951)
Other current assets	(73,572,920)	6,331,101	(23,104,662)	(11,749,062)
Other non-current assets	(93,104,560)	3,361,482	9,568,118	(17,234,127)
Increase (decrease) in operating liabilities				
Trade and other payables	(1,280,789,497)	2,755,430,264	(621,566,429)	2,474,130,372
Other current liabilities	(78,364,177)	(124,905,962)	(35,730,661)	24,826,156
Cash flows from (used in) operating activities	(3,053,512,753)	93,318,978	(5,599,926,721)	(2,078,076,391)
Cash paid for interest expenses	(260,374,184)	(214,252,553)	(210,800,565)	(129,362,528)
Cash paid for corporate income tax	(38,476,765)	(110,008,915)	(20,239,149)	(53,212,825)
Net cash used in operating activities	(3,352,363,702)	(230,942,490)	(5,830,966,435)	(2,260,651,744)

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

Tipco Asphalt Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011 (restated)	2012	2011 (restated)
Cash flows from investing activities:				
Decrease in restricted bank deposits	66,065,220	56,133,919	-	-
Cash receipt from redemption of investment in amortising debentures	-	1,341,120	-	1,341,120
Decrease in amounts due from related parties	-	-	-	992,745,570
Cash paid for investment in subsidiary	-	-	(98,000,000)	(49,000,000)
Cash receipt from liquidation of subsidiary	-	-	968,450	-
Cash receipt from share capital reduction of subsidiary	-	-	800,000,000	-
Dividend received from subsidiaries	-	-	204,947,351	236,418,513
Dividend received from associate	16,789,105	18,920,803	16,789,105	18,920,803
Decrease in short-term loans to related parties	-	-	(15,000,000)	(20,265,602)
Acquisition of equipment	(725,051,764)	(624,843,912)	(38,721,697)	(74,199,627)
Acquisition of computer software	(17,212,991)	(1,721,100)	(16,688,664)	(1,706,389)
Proceeds from sales of equipment	6,612,691	32,932,298	3,329,980	18,425,787
Net cash from (used in) investing activities	(652,797,739)	(517,236,872)	857,624,525	1,122,680,175
Cash flows from financing activities:				
Increase in short-term loans from banks	4,483,942,513	1,520,708,943	5,824,946,986	1,851,396,745
Decrease in short-term loan from related party	-	-	-	(94,300,000)
Cash paid under finance lease agreements	(9,452,812)	(9,376,057)	(4,950,336)	(5,321,987)
Cash drawdown from long-term loans	700,128,119	799,432,164	-	-
Repayment of long-term loans	(1,244,331,016)	(841,287,735)	(1,042,383,480)	(203,633,480)
Cash receipt from increase share capital	-	25,187	-	25,187
Dividend paid to shareholders	(190,644,272)	-	(190,644,272)	-
Dividend paid to non-controlling interests of subsidiaries	(6,220)	(33,802,320)	-	-
Net cash from financing activities	3,739,636,312	1,435,700,182	4,586,968,898	1,548,166,465
Exchange differences on translation of financial statements in foreign currencies	3,303,437	14,377,680	-	-
Net increase (decrease) in cash and cash equivalents	(262,221,692)	701,898,500	(386,373,012)	410,194,896
Cash and cash equivalents at beginning of year	1,001,818,734	299,920,234	430,513,964	20,319,068
Cash and cash equivalents at end of year	739,597,042	1,001,818,734	44,140,952	430,513,964
Supplemental cash flows information				
Non-cash transactions				
Acquisition of assets through finance lease	6,811,771	9,309,169	5,927,191	7,776,159
Accounts payable from purchase of equipment	15,079,974	3,317,965	-	-
Settlement of loan to subsidiary with dividend received (Note 10)	-	-	-	192,498,653
Transfer of short-term loans from banks to a subsidiary by off-setting with amounts due (Note 10)	-	-	-	2,294,751,527
Settlement of income from liquidation of subsidiary with account payable (Note 10)	-	-	125,690,385	-
Transfer of cash receipt from Aras to investment by non-controlling interests of the subsidiaries (Note 13)	-	49,916,500	-	-

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

Tipco Asphalt Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2012

1. General information

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2012</u>	<u>2011</u>
<u>Domestic subsidiaries</u>				
Surat Bitumen Co., Ltd.	Manufacture and distribution of asphalt products (Dissolution and completion of liquidation during 2012)	Thailand	-	99.99
Raycol Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	Thailand	41.44	41.44
Thai Bitumen Co., Ltd.	Holding company and manufacture and distribution of asphalt products	Thailand	99.99	99.99
Tipco Maritime Co., Ltd.	Shipping management and agency	Thailand	99.97	99.97
Alpha Maritime Co., Ltd.	Marine transportation	Thailand	99.99	99.99
Bitumen Marine Co., Ltd.	Marine transportation	Thailand	99.99	99.99
Delta Shipping Co., Ltd.	Marine transportation	Thailand	99.99	99.99
Tasco Shipping Co., Ltd.	Marine transportation	Thailand	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2012</u>	<u>2011</u>
<u>Overseas subsidiaries</u>				
Kemaman Oil Corporation Sdn Bhd (KOC)	Holding company	Malaysia	63.12	63.12
(11.30% owned by the Company and 51.82% owned by Thai Bitumen Co., Ltd.)				
Kemaman Bitumen Company Sdn Bhd	Manufacture and distribution of asphalt products	Malaysia	82.77	82.07
(41.98% owned by the Company, 12.52% (2011: 11.82%) owned by Thai Bitumen Co., Ltd. and 44.80% owned by KOC)				
KBC Energy Pte. Ltd. (Owned by KOC)	Dormant	Singapore	63.12	63.12
Tipco Asphalt (Cambodia) Co., Ltd.	Manufacture and distribution of asphalt products	Cambodia	100.00	100.00
Tasco International (Hong Kong) Ltd.	Holding company	Hong Kong	100.00	100.00
<u>Subsidiaries owned by Tasco International (Hong Kong) Ltd.</u>				
Langfang Tongtai Road Material Co., Ltd.	Manufacture and distribution of asphalt products	China	51.00	51.00
Zhenjiang Tipco Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	China	51.00	51.00
Tipco Asphalt (Xinhui) Co., Ltd.	Manufacture and distribution of asphalt products	China	100.00	100.00

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

2.3 The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.

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

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

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

The management of the Company and its subsidiaries believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for TAS 21 (revised 2009) "The Effects of Changes in Foreign Exchange Rate". However, the Company and its subsidiaries have early adopted TAS 12 "Income Taxes" before the effective date.

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

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

At present, the management is still evaluating the impact on the financial statements in the year when this standard is adopted.

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

Accounting Treatment Guidance for Transfers of Financial Assets 1 January 2013

Accounting Standard Interpretation:

SIC 29 Service Concession Arrangements: Disclosures 1 January 2014

Financial Reporting Standard Interpretations:

TFRIC 4 Determining whether an Arrangement contains a Lease 1 January 2014

TFRIC 12 Service Concession Arrangements 1 January 2014

TFRIC 13 Customer Loyalty Programs 1 January 2014

The management of the Company and its subsidiaries is evaluating the first-year impact to the financial statements of the accounting treatment guidance and accounting standard interpretations and has yet to reach a conclusion.

4. Adoption of new accounting standards during the year and cumulative effect of changes in accounting policies due to the adoption of new accounting standard

In 2012, the Company and its subsidiaries elected to early adopt Thai Accounting Standard 12 *Income Taxes*. This accounting standard is effective for fiscal years beginning on or after 1 January 2013.

This accounting standard requires an entity to identify temporary differences arising from discrepancies between the carrying amount of an asset or liability in the accounting records and its tax base in order to recognise the tax effects as deferred tax assets or liabilities, subject to certain recognition criteria.

However, the Company and its subsidiaries selected to adopt this accounting policy in the current year and restated the prior year's financial statements, presented for comparative purposes, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The change has the following effect to profit for the year 2012 and 2011:

(Unit : Million Baht)

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Increase (decrease) in net profit attributable to equity holders of the Company	(48)	(201)	1	9
Increase (decrease) in basic earnings per share (Baht per share)	(0.31)	(1.32)	0.01	0.06

The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

5. Change in accounting policy for inventories

During the current year, the Company and its subsidiaries changed its accounting policy in respect of the method used for calculating the value of its raw material and finished goods from the first-in, first-out method to the weighted average method in order to more properly reflect unit costs of such inventories, and such change has already been approved by the Revenue Department.

In this regard, the Company and its subsidiaries have restated the previous year's financial statements as though the method used for calculating the value of its raw material and finished goods had originally been recorded using the weighted average method. The Company and its subsidiaries are unable to determine the effect of the accounting change to profit for the year 2012. However, the change has the effect of increasing the profit of the Company and its subsidiaries for the year 2011 by Baht 44 million (0.29 Baht per share) (Separate financial statements: increasing profit by Baht 19 million or 0.12 Baht per share). The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

6. Significant accounting policies

6.1 Revenue recognition

Sales of goods

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

Rendering of services

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

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

Interest income

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

Dividends

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

6.2 Cash and cash equivalents

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

6.3 Trade and other receivables

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

6.4 Inventories

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

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

6.5 Assets held for sales – Vessel

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

6.6 Investments

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

6.7 Investment properties

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

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

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

6.8 Property, plant and equipment/Depreciation

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

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

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

Depreciation is included in profit or loss.

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

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

6.9 Borrowing costs

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

6.10 Intangible assets - computer software

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

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

6.11 Goodwill

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

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

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

6.12 Leasehold rights

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

The amortisation is included in profit or loss.

6.13 Related party transactions

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

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

6.14 Long-term leases

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

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

6.15 Foreign currencies

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

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

6.16 Impairment of assets

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

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, such reversal is recognised in profit or loss.

6.17 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its local subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have

been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

6.18 Equity-settled share-based payment transactions

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

6.19 Provisions

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

6.20 Income Tax

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

Current tax

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

Deferred tax

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

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

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

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

6.21 Derivatives

Forward exchange contracts

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

Price hedging contracts

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

Interest rate swap contracts

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

7. Significant accounting judgments and estimates

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

Recognition and derecognition of assets and liabilities

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

Leases

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

Allowance for doubtful accounts

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

Net realisable value of inventories

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

Fair value of financial instruments

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

Impairment of investments

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

Investment properties

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

Property plant and equipment/Depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their

recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

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

Deferred tax assets

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

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

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

Cost of share-based payment transactions

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

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	4,414	4,493	3,120	3,057
Bank deposits	735,183	488,326	41,021	87,457
Bill of exchange	-	509,000	-	340,000
Total	739,597	1,001,819	44,141	430,514

As at 31 December 2012, bank deposits in saving accounts, fixed deposits and bill of exchange carried interests between 0.20 and 2.40 percent per annum (2011: between 0.15 and 3.25 percent per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade receivables - related parties (Note 10)</u>				
Aged on the basis of due dates				
Not yet due	453,024	823,477	1,139,533	460,799
Past due				
Up to 3 months	448,143	43,035	1,019,038	57,583
3 - 6 months	-	-	83,755	-
6 - 9 months	176	-	-	-
Total trade receivables - related parties	901,343	866,512	2,242,326	518,382
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	3,521,307	2,170,662	2,646,853	811,422
Past due				
Up to 3 months	731,293	357,905	460,384	104,768
3 - 6 months	51,350	101,383	14,881	53,862
6 - 9 months	22,591	25,954	2,537	17,688
9 - 12 months	70,262	15,590	5,514	8,281
Over 12 months	114,826	127,810	92,791	104,289
Total	4,511,629	2,799,304	3,222,960	1,100,310
Less: Allowance for doubtful accounts	(132,390)	(101,107)	(81,025)	(88,252)
Total trade receivables - unrelated parties, net	4,379,239	2,698,197	3,141,935	1,012,058
Total trade receivables - net	5,280,582	3,564,709	5,384,261	1,530,440
<u>Other receivables</u>				
Amounts due from related parties (Note 10)	7,809	8,698	16,497	24,600
Accounts receivable from price				
hedging contracts	39,410	78,837	39,410	69,454
Other receivables	20,120	35,259	1,895	1,894
Total other receivables	67,339	122,794	57,802	95,948
Trade and other receivables - net	5,347,921	3,687,503	5,442,063	1,626,388

10. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	5,211	704	Cost plus certain margin
Margin on sales of raw materials	-	-	-	2	Cost plus certain margin
Rental and service income	-	-	20	19	Contract price
Technical assistance fee income	-	-	12	14	Contract price
Interest income	-	-	-	2	2.8 percent per annum (2011: 5.0 percent per annum)
Dividend income	-	-	205	236	
Purchases of goods	-	-	1,631	568	Cost plus certain margin
Rental and service expenses	-	-	670	137	Contract price
<u>Transactions with associate</u>					
Dividend income	17	19	17	19	
<u>Transactions with related companies</u>					
Sales and service income	4,840	2,702	4,633	726	Market price / contract price
Rental and service income	5	8	2	2	Contract price
Rental and service expenses	41	63	35	35	Contract price
Technical assistance fee expenses	42	41	25	24	Contract price

The balances of the accounts between the Company and its subsidiaries and those related companies as at 31 December 2012 and 2011 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade and other receivables- related parties</u> (Note 9)				
Subsidiaries	-	-	1,364,109	281,547
Related companies (common shareholders and directors)	909,152	875,210	894,714	261,435
Total trade and other receivables - related parties	909,152	875,210	2,258,823	542,982
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	40,244	25,427
Total short-term loans to related parties	-	-	40,244	25,427
<u>Trade and other payables - related parties</u> (Note 19)				
Subsidiaries	-	-	338,560	321,663
Related companies (common shareholders and directors)	47,273	42,584	35,412	31,730
Total trade and other payables - related parties	47,273	42,584	373,972	353,393

Loans to related parties

As at 31 December 2012 and 2011, the balances of loans between the Company and its subsidiaries and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at 31 December 2011	Increase during the year	Unrealise loss on exchange rate	Balance as at 31 December 2012
Loans to related parties	Related by				
Alpha Maritime Co., Ltd.	Subsidiary	20,000	15,000	-	35,000
Kemaman Oil Corporation Sdn Bhd.	Subsidiary	5,427	-	(183)	5,244
Total		25,427	15,000	(183)	40,244

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

During 2012, Surat Bitumen returned share capital to the Company amounting to Baht 127 million by returning cash of Baht 1 million. For the remaining amount, Surat Bitumen entered into a memorandum to transfer the amount due between Surat Bitumen and Thai Bitumen to the Company, and such amount was offset with the amount due to Thai Bitumen.

Directors and management's benefits

During 2012 and 2011, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	104	90	89	75
Post-employment benefits	4	4	4	4
Share-based payment transactions (Note 25)	4	2	3	2
Total	<u>112</u>	<u>96</u>	<u>96</u>	<u>81</u>

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 21 to the financial statements.

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements							
	Cost		Reduce cost to net realisable value				Inventories - net	
	As at 31 December 2012	As at 31 December 2011 (restated)	As at 1 January 2011 (restated)	As at 31 December 2012	As at 31 December 2011 (restated)	As at 1 January 2011 (restated)	As at 31 December 2011 (restated)	As at 1 January 2011 (restated)
Finished goods	1,487,167	1,109,989	1,273,863	(157)	-	(945)	1,109,989	1,272,918
Raw materials	2,338,736	2,241,179	2,178,293	(730)	-	-	2,241,179	2,178,293
Packaging materials, spare parts and factory supplies	110,403	102,462	49,075	(2,529)	(2,334)	(2,335)	100,128	46,740
Goods in transit	3,115,593	2,304,547	1,929	-	-	-	2,304,547	1,929
Total	7,051,899	5,758,177	3,503,160	(3,416)	(2,334)	(3,280)	5,755,843	3,499,880

(Unit: Thousand Baht)

	Separate financial statements							
	Cost		Reduce cost to net realisable value				Inventories - net	
	As at 31 December 2012	As at 31 December 2011 (restated)	As at 1 January 2011 (restated)	As at 31 December 2012	As at 31 December 2011 (restated)	As at 1 January 2011 (restated)	As at 31 December 2011 (restated)	As at 1 January 2011 (restated)
Finished goods	1,353,790	962,072	195,790	-	-	(148)	962,072	195,642
Raw materials	1,964,899	1,505,786	75,268	-	-	-	1,505,786	75,268
Packaging materials, spare parts and factory supplies	20,926	22,025	18,838	(2,085)	(1,524)	(1,525)	20,501	17,313
Goods in transit	3,105,754	2,304,285	1,929	-	-	-	2,304,285	1,929
Total	6,445,369	4,794,168	291,825	(2,085)	(1,524)	(1,673)	4,792,644	290,152

12. Assets held for sales - Vessel

The net book value of the vessel held for sales as at 31 December 2012 is presented below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Cost	152,753
<u>Less</u> Accumulated depreciation	(102,529)
<u>Less</u> Impairment loss	(4,800)
Net book value	45,424

A reconciliation of the net book value of vessel held for sales for 2012 is presented below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Net book value at beginning of year	-
Reclassified from property, plant and equipment to assets held for sales (Note 16)	50,224
Impairment loss recorded during the year	(4,800)
Net book value at end of year	45,424

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

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

13. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Investment cost of the Company		Dividend received during the year by the Company	
	2012 (Million Baht)	2011 (Million Baht)	2012 (%)	2011 (%)	2012	2011	2012	2011
<u>Domestic subsidiaries</u>								
Surat Bitumen Co., Ltd.	-	100	-	99.99	-	99,999	-	212,499
Raycol Asphalt Co., Ltd.	111	111	41.44	41.44	193,200	193,200	-	23,920
Thai Bitumen Co., Ltd.	1,500	2,300	99.99	99.99	1,499,917	2,299,917	187,450	-
Less: Provision for impairment loss of investment					(60,775)	(60,775)		
Tipco Maritime Co., Ltd.	2	2	99.97	99.97	1,999	1,999	17,497	-
Alpha Maritime Co., Ltd.	18	18	99.99	99.99	17,999	17,999	-	-
Bitumen Marine Co., Ltd.	150	150	99.99	99.99	149,999	149,999	-	-
Delta Shipping Co., Ltd.	80	80	99.99	99.99	79,999	79,999	-	-
Tasco Shipping Co., Ltd.	290	192	99.99	99.99	289,999	191,999	-	-

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Investment cost of the Company		Dividend received during the year by the Company	
	<u>2012</u> (Million Baht) (Except for other specified currency)	<u>2011</u> (Million Baht)	<u>2012</u> (%)	<u>2011</u> (%)	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Overseas subsidiaries</u>								
Tasco International (Hong Kong) Ltd.	30.97	30.97	100.00	100.00	130,008	130,008	-	-
Add: Additional investment cost from the acquisition of subsidiary under common control	Million HKD	Million HKD			115,849	115,849		
Kemaman Oil Corporation Sdn Bhd (KOC)	151.96	151.96	63.12	63.12	173,677	173,677	-	-
(11.30% owned by the Company and 51.82% owned by Thai Bitumen Co., Ltd.)	million ringgit	million ringgit						
Kemaman Bitumen Company Sdn Bhd (KBC)	305.55	305.55	82.77	82.07	1,231,719	1,231,719	-	-
(41.98% owned by the Company, 12.52% (2011: 11.82%) owned by Thai Bitumen Co., Ltd. and 44.80% owned by KOC)	million ringgit	million ringgit						
Tipco Asphalt (Cambodia) Co., Ltd.	20.00	20.00	100.00	100.00	165	165	-	-
	million riel	million riel						
Investments in subsidiaries								
Cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees (Note 25)					3,823,755	4,625,754	204,947	236,419
Total investments in subsidiaries					3,816	1,386		
					3,827,571	4,627,140		

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

During 2012 and 2011, the Company recorded cost of share-based payment transactions, under warrants to purchase new ordinary shares of the Company issued to the subsidiaries' employees (Note 25) amounted to Baht 2.4 million and Baht 1.4 million, respectively, as a cost of investments in subsidiaries.

Surat Bitumen Company Limited (Surat Bitumen)

On 13 December 2010, the Board of Directors approved the entire business transfer of Surat Bitumen Company Limited to Thai Bitumen Company Limited, effective on 1 April 2011. Surat Bitumen filed for deregistration with the Ministry of Commerce on 15 December 2011. During 2012, the liquidator of Surat Bitumen returned share capital to the shareholders and completed the liquidation process on 3 September 2012. The Company received the return of share capital amounting to Baht 127 million (Note 10) and recorded the cash receipt net of investment in Surat Bitumen, as "Income from liquidation of subsidiary" in profit or loss of the current year.

Investment in Thai Bitumen Company Limited (Thai Bitumen)

On 27 August 2012 extraordinary shareholders' meeting No. 3/2012 of Thai Bitumen passed a resolution to approve the reduction of its registered and paid up share capital by Baht 800 million, through the retirement of 8 million shares of Baht 100 each. After the share reduction process, Thai Bitumen's registered and paid-up capital will consist of 15 million shares of Baht 100 each, totaling Baht 1,500 million. Thai Bitumen completed the share reduction process and registered changed share capital with the Ministry of Commerce on 27 September 2012 and also returned the reduction of capital to the Company on 28 September 2012.

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

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

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

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

1. In January 2007, the Company and Thai Bitumen entered into a Call Option Agreement with SHB, granting an option to SHB to purchase 31.35 million redeemable convertible preference shares of KOC at 1 ringgit per share (24.7 million shares held by Multi Strategies Sdn Bhd: MSSB, a subsidiary of Thai Bitumen and 6.65 million shares held by Thai Bitumen) within 10 January 2008. At the due date of the option, SHB offered a related company, Aras Jalinan Sdn Bhd (Aras), the opportunity to exercise the option instead, as stipulated in the Settlement Agreement dated 11 January 2008. In accordance with the Settlement Agreement, Thai Bitumen has converted the 6.65 million preference shares to ordinary shares and sold the ordinary shares at cost plus interest to Aras. In addition, on 11 January 2008, Thai Bitumen also had MSSB convert its 24.7 million preference shares to ordinary shares and transferred MSSB to Aras.
2. Under the Call Option Agreement, if SHB did not exercise the option to purchase such preference shares, Thai Bitumen and MSSB had the option to purchase all of the ordinary shares held by SHB in KOC. Therefore, during January 2008, Thai Bitumen purchased all 950,001 ordinary shares of KOC held by SHB at 1 ringgit per share, for a total of 950,001 ringgit, plus interest as stipulated in the Call Option Agreement. Under the Call Option Agreement, this is regarded as a cancellation of the joint venture in KOC with SHB. However, the ordinary shares purchased by Thai Bitumen are to be sold to Aras in accordance with the Settlement Agreement.
3. Thai Bitumen requested a conversion of 31.35 million redeemable convertible preference shares of KOC (RCPS-B) at 1 ringgit per share. The preference shares were converted to ordinary shares of KOC in January 2008.
4. As discussed in No. 1 above, on 11 January 2008, the Company, Thai Bitumen and Aras entered into Settlement Agreement whereby Aras increased its interest in KOC, such that within 31 March 2008 the proportionate shareholdings of the Company and Thai Bitumen, and Aras in KOC would be 50:50. Under the agreement, Aras had to comply with the following conditions:
 - 1) increase its interest in the capital of KOC by 19 million ringgit (19 million shares) on 11 January 2008;
 - 2) increase its interest in the capital of KOC by 5 million ringgit (5 million shares) by 28 February 2008;
 - 3) increase its interest in the capital of KOC by 7.35 million ringgit (7.35 million shares) by 31 March 2008;

- 4) acquire from Thai Bitumen 6.65 million ringgit of ordinary shares of KOC (6.65 million shares) and pay interest at 1.5% per annum (from 7 February 2007 until 11 January 2008), by 31 March 2008;
- 5) acquire from Thai Bitumen 950,001 ringgit of ordinary shares of KOC (950,001 shares) and pay interest at 15% per annum (from 11 January 2008 until the date of transfer of the shares to Aras), by 31 March 2008.

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

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

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

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

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

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

On 6 June 2008, the High Court of Malaya cancelled the demission to convent the extraordinary general meeting of KOC. The Company and Thai Bitumen therefore held the extraordinary general

directors proposed by the Company and Thai Bitumen. However, in June 2008, Aras filed an appeal against the High Court decision.

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

Currently, the Appeal Court in Malaysia is during the consideration of the petition filed by Aras Jalinan Sdn Bhd (Aras) regarding the convention of the extraordinary general meeting of KOC. The management of the Company and Thai Bitumen believe that the outcome of the Appeal Court, of which the result has yet been reached, will not affect the value of the investments and the equity interests of the Company and Thai Bitumen in KOC and KBC.

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

In October 2012, Thai Bitumen and Tan Sri Halim Saad (TSH) settled out of court whereby TSH agreed to transfer one share in Titan Field Sdn Bhd (Titan Field) (the sole shareholder of Special Oils & Emulsion Sdn Bhd (SOE), which holds 1.4 percent of shares in KBC) with a value of 1 ringgit, or equivalent to 50 percent of shareholding in Titan Field, to Thai Bitumen. TSH transferred the share to Thai Bitumen on 30 October 2012. As a result of the share transfer, the Company and Thai Bitumen's shareholding in KBC increased by 0.7 percent, from 82.07 percent to 82.77 percent. However, the Company and Thai Bitumen did not recognise such change, as the Company and Thai Bitumen do not have any control nor influence in Titan Field.

As at 31 December 2012, the value of the Company's investment costs in KOC and KBC accounted for under the cost method in the separate financial statements were higher than the Company's attributable equity interest in these subsidiaries. The Company believes that the recoverable benefits from these investments will exceed their costs. Therefore no allowance for impairment is made in the accounts.

14. Investment in associate

14.1 Details of associate:

(Unit : Thousand Baht)

Company's name	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	<u>2012</u> (%)	<u>2011</u> (%)	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Colasie Co., Ltd. (Registered under the law of France) (Holding company)	40	40	18,404	18,404	60,649	41,640
Total investment in associate			18,404	18,404	60,649	41,640

(Unit : Thousand Baht)

Company's name	Separate financial statements					
	Shareholding percentage		Cost		Carrying amounts based on cost method	
	<u>2012</u> (%)	<u>2011</u> (%)	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Colasie Co., Ltd.	40	40	18,404	18,404	18,404	18,404
Total investment in associate			18,404	18,404	18,404	18,404

14.2 Share of profit and dividend received

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

(Unit : Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate during the year		Dividend received during the year by the Company	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Colasie Co., Ltd.	35,323	33,952	16,789	18,921
Total	35,323	33,952	16,789	18,921

14.3 Summarised financial information of associate

Financial information of the associate is summarised below.

(Unit: Million Euro)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit for the	
	as at		as at		as at		for the year		year ended 31	
	31 December		31 December		31 December		ended		December	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Colasie Co., Ltd.	1.04	1.04	2.61	3.29	0.01	0.02	2.26	2.09	2.20	2.07

15. Investment properties

The net book value of investment properties as at 31 December 2012 and 2011 are presented below.

(Unit : Thousand Baht)

	Consolidated financial statements		
	Land, buildings and equipment awaiting sales	Land awaiting sales	Total
As at 31 December 2012:			
Cost	268,377	383,608	651,985
<u>Less</u> Accumulated depreciation	(138,692)	-	(138,692)
<u>Less</u> Allowance for diminution in value	(95,885)	(217,975)	(313,860)
Net book value	<u>33,800</u>	<u>165,633</u>	<u>199,433</u>
As at 31 December 2011:			
Cost	268,377	383,608	651,985
<u>Less</u> Accumulated depreciation	(138,692)	-	(138,692)
<u>Less</u> Allowance for diminution in value	(95,885)	(213,208)	(309,093)
Net book value	<u>33,800</u>	<u>170,400</u>	<u>204,200</u>

(Unit : Thousand Baht)

	Separate financial statements		
	Land, buildings and equipment awaiting sales		Total
		Land for rent	
As at 31 December 2012:			
Cost	268,377	76,960	345,337
<u>Less</u> Accumulated depreciation	(138,692)	(9,562)	(148,254)
<u>Less</u> Allowance for diminution in value	(95,885)	-	(95,885)
Net book value	33,800	67,398	101,198
As at 31 December 2011:			
Cost	268,377	76,960	345,337
<u>Less</u> Accumulated depreciation	(138,692)	(9,015)	(147,707)
<u>Less</u> Allowance for diminution in value	(95,885)	-	(95,885)
Net book value	33,800	67,945	101,745

A reconciliation of the net book value of investment properties for 2012 and 2011 is presented below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Net book value at beginning of year	204,200	273,450	101,745	68,491
Reclassified from property, plant and equipment to investment properties (Note 16)	-	129,685	-	129,685
Depreciation charged during the year	-	-	(547)	(546)
Impairment loss recorded during the year	(4,767)	(198,935)	-	(95,885)
Net book value at end of year	199,433	204,200	101,198	101,745

The fair value of the investment properties as at 31 December 2012 and 2011 are stated below:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Land for rent	-	-	141,000	141,000
Land, buildings and equipment awaiting sales	33,800	33,800	33,800	33,800
Land awaiting sales	165,633	170,400	-	-

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

The land awaiting sales is an asset of Thai Bitumen Company Limited for the asphalt refinery plant project, which the subsidiary terminated in 1999 and for which it is seeking a buyer. In November 2011, the subsidiary arranged for an independent professional valuer to reappraise the value of the land using the Sales Comparison Approach, with the valuer appraising the assets at Baht 170.4 million. As a result of the appraisal, the subsidiary recorded impairment loss of the assets amounting to Baht 103.1 million as an expense in profit or loss for 2011. In September 2012, the subsidiary received a letter from Land Office relating to investigation of revocation of some title deeds that had been issued illegally. The case currently has not been concluded. However, the subsidiary recorded impairment loss on the land of approximately Baht 4.8 million as an expense in profit or loss for 2012.

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	Total
Cost							
As at 1 January 2011	764,485	727,865	3,718,554	756,143	795,719	318,885	7,081,651
Additions	1,135	18,443	47,289	58,580	382,879	94,467	602,793
Disposals/write-off	(3,956)	(507)	(8,958)	(84,278)	(52,929)	(16)	(150,644)
Transfer in (transfer out)	-	-	27,133	7,765	-	(34,898)	-
Transfer from deferred expenses for vessel repair	-	-	-	-	59,384	-	59,384
Transfer to investment properties (Note 15)	(134,295)	(126,841)	(6,473)	(768)	-	-	(268,377)
Interest capitalised	-	-	-	-	-	5,550	5,550
As at 31 December 2011	627,369	618,960	3,777,545	737,442	1,185,053	383,988	7,330,357
Additions	1,608	-	66,693	22,955	12,266	762,743	866,265
Disposals/write-off	(332)	-	(6,113)	(33,395)	-	-	(39,840)
Transfer in (transfer out)	5,075	6,500	3,923	49,592	716,677	(781,767)	-
Transfer to assets held for sales (Note 12)	-	-	(2,934)	(955)	(148,864)	-	(152,753)
Interest capitalised	-	-	-	-	-	15,920	15,920
As at 31 December 2012	633,720	625,460	3,839,114	775,639	1,765,132	380,884	8,019,949

	Consolidated financial statements					
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation
Accumulated depreciation						Total
As at 1 January 2011	286,590	406,331	1,290,645	650,094	267,552	-
Depreciation for the year	21,065	31,149	205,263	40,248	63,847	-
Accumulated depreciation on disposal/write-off	-	(192)	(7,955)	(88,395)	(38,406)	-
Transfer from deferred expenses for vessel repair	-	-	-	-	31,128	-
Transfer to investment properties (Note 15)	(42,757)	(88,797)	(6,383)	(755)	-	-
As at 31 December 2011	264,898	348,491	1,481,570	601,192	324,121	-
Depreciation for the year	17,466	24,973	217,179	39,161	77,556	-
Accumulated depreciation on disposal/write-off	(251)	-	(5,916)	(30,097)	-	-
Transfer to assets held for sales (Note 12)	-	-	(2,234)	(946)	(99,349)	-
As at 31 December 2012	282,113	373,464	1,690,599	609,310	302,328	-
						3,257,814

	Consolidated financial statements					
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation
						Total
Allowance for impairment loss						
As at 1 January 2011	-	-	-	-	-	-
Increase during the year	1,183	-	-	-	-	1,183
As at 31 December 2011	1,183	-	-	-	-	1,183
Increase during the year	-	-	20,835	-	-	20,835
As at 31 December 2012	1,183	-	20,835	-	-	22,018
Translation adjustments						
As at 1 January 2011	-	(6,701)	(182,724)	(2,137)	-	(218,277)
Translation adjustments during the year	-	15,617	159,133	1,974	-	157,042
As at 31 December 2011	-	8,916	(23,591)	(163)	-	(61,235)
Translation adjustments during the year	-	(5,771)	(77,077)	(233)	-	(83,081)
As at 31 December 2012	-	3,145	(100,668)	(396)	-	(144,316)
Net book value						
As at 31 December 2011	361,288	279,385	2,272,384	136,087	860,932	4,247,667
As at 31 December 2012	350,424	255,141	2,027,012	165,933	1,462,804	4,595,801
Depreciation for the year						
2011 (Baht 289 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						361,572
2012 (Baht 281 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						376,335

(Unit: Thousand Baht)

	Separate financial statements					
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation
Cost						Total
As at 1 January 2011	573,711	333,072	488,675	546,083	90,922	2,044,907
Additions	453	2,122	13,101	51,165	-	75,649
Disposals/write-off	(3,957)	-	(914)	(48,473)	(4,507)	(57,851)
Transfer in (transfer out)	-	-	140	2,360	-	-
Transfer from deferred expenses for vessel repair	-	-	-	-	9,891	9,891
Transfer to investment properties (Note 15)	(134,295)	(126,841)	(6,473)	(768)	-	(268,377)
As at 31 December 2011	435,912	208,353	494,529	550,367	96,306	1,804,219
Additions	3,090	5,732	7,165	21,395	-	44,203
Disposals/write-off	(332)	-	(2,881)	(22,017)	-	(25,230)
Transfer in (transfer out)	63	644	1,249	16,796	-	-
As at 31 December 2012	438,733	214,729	500,062	566,541	96,306	1,823,192

	Separate financial statements					
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation
						Total
Accumulated depreciation						
As at 1 January 2011	201,517	226,930	474,232	481,320	37,576	-
Depreciation for the year	15,565	15,717	6,460	22,518	4,752	-
Accumulated depreciation on disposal/ write-off	-	-	(908)	(48,338)	(2,363)	-
Transfer from deferred expenses for vessel repair	-	-	-	-	893	-
Transfer to investment properties (Note 15)	(42,757)	(88,796)	(6,383)	(756)	-	-
As at 31 December 2011	174,325	153,851	473,401	454,744	40,858	-
Depreciation for the year	12,792	8,867	7,594	25,300	4,563	-
Accumulated depreciation on disposal/ write-off	(251)	-	(2,874)	(21,731)	-	-
As at 31 December 2012	186,866	162,718	478,121	458,313	45,421	-

(Unit: Thousand Baht)

	Separate financial statements					
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation
						Total
Allowance for impairment loss						
As at 1 January 2011	-	-	-	-	-	-
Increase during the year	1,183	-	-	-	-	1,183
As at 31 December 2011	1,183	-	-	-	-	1,183
As at 31 December 2012	1,183	-	-	-	-	1,183
Net book value						
As at 31 December 2011	260,404	54,503	21,128	95,622	55,448	505,857
As at 31 December 2012	250,684	52,011	21,941	108,228	50,885	490,570
Depreciation for the year						
2011 (Baht 23 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						65,012
2012 (Baht 26 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						59,116

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

During the year 2012, borrowing costs totaling approximately Baht 16 million were capitalised as cost of the vessel (2011: Baht 6 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 5% (2011: 4%).

As at 31 December 2012, certain building and equipment items had been fully depreciated but were still in use. The original cost of those assets amounted to approximately Baht 1,436 million (2011: Baht 1,290 million) (The Company Only: Baht 898 million, 2011: Baht 896 million).

17. Leasehold rights

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

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

The book value of the leasehold rights as at 31 December 2012 and 2011 can be summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cost	254,299	254,299	6,837	6,837
<u>Less</u> Accumulated amortisation	(39,122)	(33,692)	(2,735)	(2,507)
Translation adjustment	(7,305)	(432)	-	-
Net book value	<u>207,872</u>	<u>220,175</u>	<u>4,102</u>	<u>4,330</u>

A reconciliation of the net book value of leasehold rights for the years 2012 and 2011 is presented below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Net book value at beginning of year	220,175	212,590	4,330	4,558
Amortisation	(5,697)	(5,438)	(228)	(228)
Translation adjustments	(6,606)	13,023	-	-
Net book value at end of year	<u>207,872</u>	<u>220,175</u>	<u>4,102</u>	<u>4,330</u>

18. Short-term loans from financial institutions

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trust receipts	8,158,510	3,597,157	8,158,510	2,360,331
Loans in renminbi	29,498	130,853	-	-
Loans in US Dollars	48,825	56,799	-	-
Total	<u>8,236,833</u>	<u>3,784,809</u>	<u>8,158,510</u>	<u>2,360,331</u>

As at 31 December 2012, the Company and its local subsidiaries have short-term loans from local banks, which carry interest at the rates ranging from 0.9 to 1.2 percent per annum (2011: 1.2 to 2.0 percent per annum).

In addition, overseas subsidiaries have short-term loans from overseas financial institutions, which carry interest at the rates ranging from 5.2 to 7.9 percent per annum (2011: 2.4 to 7.9 percent per annum).

19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade payables - related parties (Note 10)	11,165	1,251	339,036	317,874
Trade payables - unrelated parties	1,894,277	3,098,871	1,748,531	2,493,787
Amounts due to related parties (Note 10)	36,108	41,333	34,936	35,519
Accounts payable from price hedging contracts	-	114,537	-	39,380
Other payables for purchase of machineries	15,080	3,318	-	-
Accrued expenses	191,548	154,640	73,849	70,284
Other payables	54,659	71,959	15,665	11,672
Total trade and other payables	<u>2,202,837</u>	<u>3,485,909</u>	<u>2,212,017</u>	<u>2,968,516</u>

20. Long-term loans

(Unit: Thousand Baht)								
Loan	Borrower	Lender	Interest rate	Repayment schedule	Consolidated financial statements		Separate financial statements	
					<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Long-term loans in Baht								
(1)	The Company	Local bank	Fixed rate	Monthly installments of Baht 0.3 million each, commencing April 2009 to March 2014	4,541	8,175	4,541	8,175
(2)	The Company	Local bank	Rate referenced to THBFIX	Quarterly installments of Baht 200 million for 2011 and Baht 240 million for 2012 to 2015	720,000	960,000	720,000	960,000
(3)	The Company	Local bank	Fixed rate for the first two years and for the third to the eighth years at a rate referenced to THBFIX (2011: Fixed rate for the first two years and for the third to the eighth years at a rate referenced to MLR)	Quarterly installments, as stipulated in the agreement, commencing June 2012	701,250	1,500,000	701,250	1,500,000
(4)	Bitumen Marine Company Limited	Local bank	Rate referenced to THBFIX	Quarterly installments of Baht 9.2 million each, commencing December 2010 to September 2013	27,470	64,150	-	-
(5)	Tasco Shipping Company Limited	Local bank	Fixed rate for the first three years and for the fourth to the eighth years at a rate referenced to BIBOR	Quarterly installments as stipulated in the agreement, commencing May 2012	185,400	-	-	-

(Unit: Thousand Bant)

Loan	Borrower	Lender	Interest rate	Repayment schedule	Consolidated financial statements		Separate financial statements	
					2012	2011	2012	2011
(6)	Alpha Maritime Company Limited	Local bank	Fixed rate for the first three years and for the fourth to the fifth years at a rate referenced to BIBOR	Quarterly installments as stipulated in the agreement, commencing April 2012	47,550	-	-	-
Long-term loans in USD								
(7)	Tasco Shipping Company Limited	Local bank	Rate referenced to USD LIBOR (2011: Rate referenced to Japanese Yen LIBOR)	Quarterly installments as stipulated in the agreements, commencing October 2012	503,777	288,684	-	-
(8)	Kemaman Bitumen Company Sdn Bhd	Bank in Malaysia	Rate referenced to Lender's Cost of Funds	Quarterly installments of USD 0.83 million each, commencing November 2011 to August 2016	381,363	499,770	-	-
(9)	Kemaman Bitumen Company Sdn Bhd	Bank in Malaysia	Rate referenced to Lender's Cost of Funds	Quarterly installments of USD 1.10 million each, commencing November 2012 to August 2017	389,545	225,804	-	-
Long-term loan in Renminbi								
(10)	Zhenjiang Tipco Asphalt Company Limited	A shareholder of the lender	No interest rate	Repayment at call	7,227	7,399	-	-
Total					2,968,123	3,553,982	1,425,791	2,468,175
Less: Current portion					(596,304)	(480,389)	(322,383)	(303,633)
Long-term loans - net of current portion					2,371,819	3,073,593	1,103,408	2,164,542

Loan No. (3) of the Company: In May 2012, the Company amended long-term loan agreement from a local bank to change the interest rate of long-term loan amounting to Baht 1,500 million from interest rate with referenced to MLR as specified in the long-term loan agreement to interest rate with referenced to THBFIX. In addition, in September 2012, the Company repaid such long-term loan amounted to Baht 720 million before the repayment schedule specified in its loan agreement.

Loan No. (7) of Tasco Shipping Company Limited: In July 2012, a subsidiary amended long-term loan agreement from a local bank to change currency from Japanese Yen to United States Dollar and the interest rate of long-term loan from interest rate with referenced to Japanese Yen LIBOR as specified in the long-term loan agreement to interest rate with referenced to USD LIBOR.

Loan covenants

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

Interest rate swap agreements

In May 2009, the Company entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan from a local bank to a fixed rate interest at 4.365 percent per annum. As at 31 December 2012, the notional amount of Baht 720 million (2011: Baht 960 million) was outstanding. The notional amount reduces on a quarterly basis in accordance with the long-term loan repayment schedule of the Company in (2), starting from May 2009 and matures in November 2015.

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

21. Credit facilities

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

- a) The guarantees by the Company, its subsidiaries and a shareholder of a subsidiary.

- b) The pledges/mortgages by the assets of subsidiaries of which the net book value as at 31 December 2012 and 2011 of the assets are summarised below.

(Unit : Million Baht)

	Consolidated financial statements	
	<u>2012</u>	<u>2011</u>
Deposits with financial institutions with restrictions	-	66
Leasehold rights - net	151	187
Property, plant and equipment - net	2,880	2,908
Computer software - net	1	5

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

22. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Balance at beginning of year	65,129	58,556	52,778	47,759
Defined benefit plans:				
Current service cost	7,641	7,697	6,023	6,079
Interest cost	2,324	2,117	1,889	1,729
Benefits paid during the year	(4,234)	(2,887)	(2,580)	(2,506)
Long service awards:				
	(1,629)	(354)	(1,288)	(283)
Balance at end of year	<u>69,231</u>	<u>65,129</u>	<u>56,822</u>	<u>52,778</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current service cost	7,857	7,927	6,175	6,241
Interest cost	2,412	2,209	1,950	1,794
Total expense recognised in profit or loss	10,269	10,136	8,125	8,035
Line items under which such expenses are included in profit or loss				
Cost of sales	1,232	1,420	628	1,075
Selling and administrative expenses	9,037	8,716	7,497	6,960

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated/Separate	
	financial statements	
	<u>2012</u>	<u>2011</u>
	(% per annum)	(% per annum)
Discount rate	3.9	3.9
Future salary increase rate (depending on age of employee)	3.0 - 8.0	3.0 - 8.0
Staff turnover rate (depending on age of employee)	0.0 - 14.0	0.0 - 14.0

23. Share capital

The Annual General Meeting of the shareholders held on 27 April 2012 approved the following resolutions.

Decrease of share capital

Decrease the Company's registered capital by Baht 1,587,000 from Baht 1,690,024,290 (169,002,429 ordinary shares of Baht 10 each) to Baht 1,688,437,290 (168,843,729 ordinary shares of Baht 10 each), by decreasing the ordinary shares reserved for the exercise of ESOP-W1 of 158,700 shares at the par value of Baht 10 each.

The Company registered the capital decrease on 15 May 2012.

Increase of share capital

- 1) Increase the Company's registered capital by Baht 12,000,000 from Baht 1,688,437,290 (168,843,729 ordinary shares of Baht 10 each) to Baht 1,700,437,290 (170,043,729 ordinary shares of Baht 10 each), through the issue of 1,200,000 new ordinary shares of Baht 10 each.
- 2) Allocate and reserve the 1,200,000 new ordinary shares to support the exercise of the ESOP-W2 warrants (Note 25).

The Company registered the capital increase on 16 May 2012.

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

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

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

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

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

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

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

The 2012 and 2011 annual general meetings of the shareholders each approved the issuance of 1,200,000 warrants to purchase new ordinary shares of the Company to the executive directors and/or employees of the Company and its subsidiaries, without charge. Details of these issues of ESOP warrants are summarised below.

	<u>ESOP-W1</u>	<u>ESOP-W2</u>
Annual General Meeting of the shareholders		
date	5 April 2011	27 April 2012
Exercise price	62.19 Baht per share	49.13 Baht per share
Issue date	18 April 2011	18 May 2012
Number of warrants subscribed	1,041,300 warrants	1,128,700 warrants
Number of warrants unsubscribed	158,700 warrants	71,300 warrants

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

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

The Company plans to cancel the unallocated ESOP-W2 specified above later.

The expenses recognised for employee services received during 2012 and 2011 of the Company and its subsidiaries were totaled Baht 8 million and Baht 5 million, respectively (Separate financial statements Baht 6 million and Baht 3 million, respectively).

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

	<u>ESOP-W1</u>	<u>ESOP-W2</u>
Fair value of options granted	Baht 12.1 per share	Baht 5.41 per share
Dividend yield	3.75%	2.58%
Expected stock volatility	40.0%	45.4%
Risk-free interest rate	2.82%	3.30%
Expected life of share options	2 years	2 years
Model used	Black-Scholes	Black-Scholes

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

26. Statutory reserve

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

27. Compensation received from claims for damages

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

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

28. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
		(restated)		(restated)
Salary and wages and other employee benefits	613	499	290	267
Depreciation and maintenance expenses	507	406	108	94
Costs related to production of goods and services (excluding of staff cost and depreciation)	35,070	19,941	34,289	5,701

29. Income tax

Income tax expenses for the years ended 31 December 2012 and 2011 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statement		financial statement	
	<u>2012</u>	<u>2011</u> (restated)	<u>2012</u>	<u>2011</u> (restated)
Current income tax:				
Current income tax charge	77,989	86,251	40,012	54,364
Deferred tax:				
Relating to origination and reversal of temporary differences	(11,267)	(18,558)	(5,452)	(23,488)
Utilisation of tax loss carried forward during the year	50,061	177,139	-	-
Effects of changes in the applicable tax rates	12,807	46,888	4,959	14,185
Income tax expense reported in the statement of comprehensive income	129,590	291,720	39,519	45,061

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2012 and 2011 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statement		financial statement	
	<u>2012</u>	<u>2011</u> (restated)	<u>2012</u>	<u>2011</u> (restated)
Deferred tax relating to change in fair value of interest rate swap contract	371	2,129	371	2,129
Effects of changes in the applicable tax rates	174	519	174	519
	545	2,648	545	2,648

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2012 and 2011 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statement		Separate financial statement	
	<u>2012</u>	<u>2011</u> (restated)	<u>2012</u>	<u>2011</u> (restated)
Accounting profit before tax	805,439	853,320	493,425	498,567
Income tax at Thai corporate income tax rate of 23% (2011: 30%)	185,251	255,996	113,488	149,570
Adjustment in respect of current income tax of previous year	60	-	-	-
Utilisation of previously unrecognised tax losses	(50,065)	-	-	-
Effects of changes in the applicable tax rates	12,807	46,888	4,959	14,185
Difference in tax rate in group companies	(47,143)	(34,957)	(31,217)	(49,951)
Effects of:				
Non-deductible expenses	30,174	25,112	3,904	8,405
Additional expense deductions allowed	(616)	(546)	(616)	(546)
Exemption of income	(878)	(773)	(50,999)	(76,602)
Total	28,680	23,793	(47,711)	(68,743)
Income tax expenses reported in the statement of comprehensive income	129,590	291,720	39,519	45,061

The tax rate enacted at the end of the reporting period of the Company and its subsidiaries is 0% to 25% (2011: 0% to 30%).

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

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31	As at 31	As at 1
	December 2012	December 2011 (restated)	January 2011 (restated)
Deferred tax assets			
Provision for long-term employee benefits	13,846	13,026	17,567
Allowance for doubtful accounts	25,559	22,441	26,194
Reduce cost of inventories to net realisable value	521	537	745
Allowance for asset impairment	63,018	71,375	33,047
Fair value of price hedging contracts	2,542	6,439	43,091
Unused tax losses	-	50,061	242,436
Others	10,723	7,126	6,706
Total	116,209	171,005	369,786
Deferred tax liabilities			
Fair value of price hedging contracts	(5,472)	(15,592)	-
Difference depreciation for tax purpose	(2,331)	(1,368)	(639)
Fair value of forward exchange contracts	(1,560)	(869)	(9,957)
Total	(9,363)	(17,829)	(10,596)
Deferred tax assets - net	106,846	153,176	359,190

(Unit: Thousand Baht)

	Separate financial statements		
	As at 31 December 2012	As at 31 December 2011 (restated)	As at 1 January 2011 (restated)
Deferred tax assets			
Provision for long-term employee benefits	11,364	10,556	14,328
Allowance for doubtful accounts	15,031	18,809	19,435
Reduce cost of inventories to net realisable value	417	350	502
Allowance for asset impairment	19,414	22,326	-
Fair value of price hedging contracts	2,542	6,439	-
Others	4,795	3,353	4,405
Total	53,563	61,833	38,670
Deferred tax liabilities			
Fair value of price hedging contracts	(5,472)	(15,592)	-
Difference depreciation for tax purpose	(1,984)	(1,073)	-
Fair value of forward exchange contracts	(1,330)	(340)	(496)
Total	(8,786)	(17,005)	(496)
Deferred tax assets - net	44,777	44,828	38,174

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company reflected the changes in tax rates in its deferred tax calculation, as presented above.

As at 31 December 2012 the two subsidiaries have deductible temporary differences and unused tax losses totaling Baht USD 80 million and 5 million ringgit (2011: USD 85 million and 4 million ringgit), on which deferred tax assets have not been recognised as these subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

30. Promotional privileges

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

	Exemption from corporate income tax for 8 years commencing from	50% reduction of corporate income tax rate for 5 years commencing from
Tipco Asphalt Public Company Limited		
Manufacture of asphalt	13 August 1998	14 August 2006
	1 December 2000	2 December 2008
Thai Bitumen Company Limited		
(Transferred from Surat Bitumen Company Limited)		
Manufacture of asphalt	24 August 1998	25 August 2006
Raycol Asphalt Company Limited		
Manufacture of asphalt	2 May 2001	3 May 2009
Bitumen Marine Company Limited		
Marine transportation	24 June 2003*	-
	9 February 2006*	-
Tasco Shipping Company Limited		
Marine transportation	24 May 2011*	-
	19 December 2012*	-
Alpha Maritime Company Limited		
Marine transportation	28 June 2011*	-

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

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

31. Tax privileges for maritime commerce

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

income from international marine transportation under Announcement of the Director-General of the Revenue Department No. 72.

32. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued. However, there is no calculation of diluted earnings per share since the exercise prices to purchase ordinary shares of the Company are higher than the average market price of the Company's shares for the year.

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

	Consolidated		Separate	
	Financial statements		financial statements	
	<u>2012</u>	<u>2011</u> (restated)	<u>2012</u>	<u>2011</u> (restated)
Profit for the year (Thousand Baht)	642,274	577,858	453,906	453,506
Weighted average number of ordinary shares (Thousand shares)	152,548	152,548	152,548	152,548
Earnings per share (Baht per share)	4.21	3.79	2.98	2.97

33. Segment information

The Company and its subsidiaries' business operations involve three principal segments: (1) manufacture and sale of asphalt and petroleum products (2) marine transportation (3) investment and others. The business operations are carried on both in Thailand and overseas. However, during the years ended 31 December 2012 and 2011, the Company and its subsidiaries did not have significant business transactions and outstanding balances relating to the marine transportation and investment and other business segments. Therefore financial information by segment has been presented only by geographic area, as follow:

(Unit: Million Baht)

	Thailand		Overseas		Elimination of inter-segment revenues		Consolidation	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)
Revenue from external customers	33,542	19,329	4,121	2,975	-	-	37,663	22,304
Inter segment revenues	4,057	2,296	1,118	510	(5,175)	(2,806)	-	-
Total revenue	37,599	21,625	5,239	3,485	(5,175)	(2,806)	37,663	22,304
Segment operating income	547	728	124	(135)	(29)	(15)	642	578

(Unit: Million Baht)

	Thailand		Overseas		Elimination of inter-segment revenues		Consolidation	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)
Property plant and equipment	2,025	1,776	2,477	2,472	-	-	4,502	4,248
Other assets							14,168	11,438
Total assets							18,670	15,686

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

34. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund on a monthly basis. The fund, which is managed by CIMB-Principal Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During 2012, the Company and its subsidiaries contributed Baht 8 million (2011: Baht 8 million) to the fund (Separate financial statements: Baht 7 million, 2011: Baht 6 million).

35. Dividend

On 27 April 2012, the Annual General Meeting of the shareholders approved the payment of a dividend for the year 2011 of Baht 1.25 per share, or a total of Baht 190,684,210 to the Company's shareholders. Dividends were paid to the shareholders on 16 May 2012.

36. Commitments and contingent liabilities

36.1 Capital commitment

As at 31 December 2012 and 2011, the Company and its subsidiaries had outstanding capital commitments relating to the purchase of land, machinery, equipment, computer software and vessel, as follows:

Foreign currency	Consolidated financial statements		Separate financial statements	
	<u>2012</u> (Million)	<u>2011</u> (Million)	<u>2012</u> (Million)	<u>2011</u> (Million)
Baht	6	19	5	-
Ringgit	18	9	-	-
Yen	-	1,090	-	-
US Dollar	12	-	-	-

36.2 Operating lease commitments

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

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

	Consolidated financial statements				Separate financial statements	
	Million Baht		Million ringgit		Million Baht	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Payable within:						
1 year	31	40	1	1	32	28
2 to 5 years	45	6	-	1	39	5

36.3 Long-term service commitments

Service agreements with Colas S.A. to receive management and marketing services and advice on methods and systems of management and technical assistance in the manufacture of Asphalt Emulsion and Modified Asphalt:

<u>Counterparty</u>	<u>Agreement term</u>	<u>Expiry date</u>	<u>Fee</u>
The Company	5 years	31 December 2017	Annual lump sum administrative fee of Euro 145,000 plus a technical assistance fee equivalent to 0.75 percent of the consolidated revenues of the Company generated from the stipulated products
A subsidiary	5 years	30 September 2017	Annual fee of at least Baht 8 million

36.4 Crude oil purchase commitments

As at 31 December 2012, the Company had outstanding commitment in respect of the purchase of crude oil approximately 0.8 million barrels (2011: 0.8 million barrels).

36.5 Bank guarantees

As at 31 December 2012 and 2011, there were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business which are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(Million)	(Million)	(Million)	(Million)
Baht	3	3	2	3
Ringgit	5	2	-	1
Renminbi	5	5	5	5

37. Financial instruments

37.1 Financial risk management

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

Credit risk

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

Interest rate risk

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

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

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2012					
	Fixed interest		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	rates					
	Within 1 year	1-5 years				
Financial Assets						
Cash and cash equivalents	-	-	59	681	740	0.2 - 2.4
Trade and other receivables	-	-	-	5,348	5,348	-
Financial liabilities						
Short-term loans from financial institutions	8,237	-	-	-	8,237	0.9 - 7.9
Trade and other payables	-	-	-	2,203	2,203	-
Liabilities under finance lease agreements	9	13	-	-	22	2.7 - 75.9
Long-term loans	4	1	2,956	7	2,968	2.2 - 4.6

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2011					
	Fixed interest		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	rates					
	Within 1 year	1-5 years				
Financial Assets						
Cash and cash equivalents	519	-	76	407	1,002	0.2 - 3.3
Trade and other receivables	-	-	-	3,688	3,688	-
Deposits with financial institutions with restrictions	-	-	66	-	66	0.8 - 2.6
Financial liabilities						
Short-term loans from financial institutions	3,785	-	-	-	3,785	1.3 - 3.7
Trade and other payables	-	-	-	3,486	3,486	-
Liabilities under finance lease agreements	12	13	-	-	25	1.0 - 63.0
Long-term loans	4	4	3,539	7	3,554	1.2 - 4.5

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2012					
	Fixed interest		Floating interest	Non-interest	Total	Interest rate (% p.a.)
	rates					
	Within 1 year	1-5 years	rate	bearing		

Financial Assets

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

Financial liabilities

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

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2011					
	Fixed interest		Floating interest	Non-interest	Total	Interest rate (% p.a.)
	rates					
	Within 1 year	1-5 years	rate	bearing		

Financial Assets

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

Financial liabilities

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

Foreign currency risk

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

The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2012	2011	2012	2011	2012	2011
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	87	57	306	128	30.6	31.7
Renminbi	1	1	-	-	4.9	5.0
Yen	-	-	7	701	0.4	0.4
Ringgit	26	8	7	5	10.0	10.0

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2012	2011	2012	2011	2012	2011
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	118	23	288	77	30.6	31.7
Renminbi	1	1	-	-	4.9	5.0
HK Dollar	1	1	-	-	4.0	4.1
Ringgit	-	-	1	1	10.0	10.0

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

As at 31 December 2012						
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)		
US Dollar	30.6	18.6	29.1	18.6	30.6 - 32.1 Baht per 1 US Dollar	30.6 - 30.9 Baht per 1 US Dollar

As at 31 December 2011						
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)		
US Dollar	21.3	9.8	13.2	1.7	30.1 - 31.8 Baht per 1 US Dollar	30.1 - 31.9 Baht per 1 US Dollar
Euro	-	10.0	-	10.0	-	1.3 US Dollar per 1 Euro

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

Risk from fluctuation in raw materials and finished goods prices

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

As at 31 December 2012 and 2011, the outstanding price hedging contracts which maturity date within one year are summarised below.

(Unit: Million Baht)

	Consolidated/Separate financial statement	
	2012	2011
<u>Contracts presented as assets</u>		
Contracts to sell raw materials	-	13
Contracts to sell finished goods	13	55
Four-ways collar options to purchase raw materials	14	-
Total price hedging contracts presented as assets	27	68
<u>Contracts presented as liabilities</u>		
Contracts to purchase raw materials	-	17
Contracts to sell raw materials	-	1
Contracts to sell finished goods	13	10
Total price hedging contracts presented as liabilities	13	28

37.2 Fair value of financial instruments

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

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

38. Capital management

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

The Group manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2012, the Group's debt-to-equity ratio was 2.70:1 (2011: 2.40:1) and the Company's was 2.60:1 (2011: 1.85:1).

39. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 11 February 2013.

The confirmation for the complete correctness of the payment to auditor
For the year ended 31 December 2012

Audit fee

No.	Company	Name of auditor	Audit fee (Baht)
1.	Tipco Asphalt Public Company Limited	Ernst & Young Office Limited (by Ms. Siraporn Ouannunkun)	1,900,000.-
2.	Surat Bitumen Company Limited	Ernst & Young Office Limited (by Mr. Supachai Phanyawattano)	90,000.-
3.	Raycol Asphalt Co., Ltd.	Ernst & Young Office Limited (by Mr. Supachai Phanyawattano)	500 ,000 .-
4.	Thai Bitumen Company Limited	Ernst & Young Office Limited (by Mr. Supachai Phanyawattano)	1,050,000.-
5.	Bitumen Marine Company Limited	Ernst & Young Office Limited (by Mr. Supachai Phanyawattano)	300 ,000.-
6.	Tipco Maritime Company Limited	Ernst & Young Office Limited (by Mr. Supachai Phanyawattano)	240,000 .-
7.	Alpha Maritime Company Limited	Ernst & Young Office Limited (by Mr. Supachai Phanyawattano)	220,000.-
8.	Delta Shipping Company Limited	Ernst & Young Office Limited (by Mr. Supachai Phanyawattano)	240,000.-
9.	Tasco Shipping Company Limited	Ernst & Young Office Limited (by Mr. Supachai Phanyawattano)	315,000.-
Total audit fee			4,855,000.-

Non-audit fee

No.	Company	Non-audit service	Name of company service	Non-audit fee	
				Paid for the period	For Payment in the future
10.	Bitumen Marine Company Limited	Agreed-upon procedures - Compliance with conditions stipulated in the investment promotion certificate	Ernst & Young Auditing Office Limited (By Mr. Supachai Phanyawattano)	-	40,000.-
11.	Alpha Maritime Company Limited	Consultant for conversion to International Financial Reporting Standards	Ernst & Young Auditing Office Limited (By Mr. Supachai Phanyawattano)	-	40,000.-
12.	Tasco Shipping Company Limited	Agreed-upon procedures - Compliance with conditions stipulated in the investment promotion certificate	Ernst & Young Auditing Office Limited (By Mr. Supachai Phanyawattano)	-	40,000.-
13.	Tipco Asphalt Public Company Limited	Tax consult	Ernst & Young Corporate Services Limited	44,000.-	140,000.-
14.	Tipco Asphalt Public Company Limited	Consultant for conversion to International Financial Reporting Standards	Ernst & Young Corporate Services Limited	400,000.-	585,000.-
15.	Thai Bitumen Company Limited	Tax consult	Ernst & Young Corporate Services Limited	300,000.-	-
Total non - audit fee				744,000.-	845,000.-

Above information:

☒ Correct and complete. I hereby confirmed that there was no other service performed to the Company and Subsidiaries which generated any fee income to the auditing company which I am a partner of and/or from other related individuals and/or other related parties that I am aware of and is not disclosed in the above information.

☐ Incorrect and incomplete;

in amending the above information (if any), I hereby confirm that all the information in this report here with shows the compensation for auditing work and other services that the Company and Subsidiaries paid to the undersigned, the auditing firm which I am a partner, to related individuals or to related parties and to the auditing firm, are correct and complete.



(Ms. Siraporn Ouankun)
Ernst & Young Office Limited
The auditor of Tipco Asphalt Public Company Limited

■ Company Information

Head Office

Tipco Tower, 118/1 Rama 6 Road, Samsen Nai, Phayathai District, Bangkok 10400, Thailand.

Tel. +66 2273 6000 Fax. +66 2278 0043

Email : info@tipcoasphalt.com

Production Facilities

Domestic production facilities of the Tipco Asphalt Group are located as follows:

Nakhonratchasima >> 259 Soi Ror Por Chor 12032, Mittapap Road, Naklang,
Soongnoen, Nakhon Ratchasima 30380
Tel. +66 44 335 495-9, +66 2273 6000 Ext. 3
Fax. +66 44 335 495-9 Ext. 14, +66 44 335 050

Phitsanulok >> 271 Moo 15 Baan Wang Koom, Bangrakam, Phitsanulok 65140
Tel. +66 55 371 581-3, +66 2273 6000 Ext. 5
Fax. +66 55 371 461-2 Ext. 6360

Phunphin >> 139/5 Moo 3, Suratthani-Takuapa Road, Tharongchang,
(subsidiary) Phunphin District, Suratthani 84130
Tel. +66 77 357 214-6, +66 77 357 218, +66 2273 6000 Ext. 4
Fax. +66 77 357 217, +66 2273 6749 Ext. 4

Thathong >> 123 Moo 3, Suratthani-Kanchanadit Road, Bangkung, Muang
(subsidiary) District, Suratthani 84000
Tel. +66 77 224 683-5, +66 2273 6000 Ext. 7
Fax. +66 2273 6000 Ext. 5340

Rayong >> 93 Moo 5 Makumkoo, Nikompattana District, Rayong 21180
(subsidiary) Tel. +66 38 893 641-5
Fax. +66 38 893 640

Oil and Asphalt Terminals

The Company operates domestic asphalt terminals and oil depots at the following locations:

Phrapradaeng	>>	61 Moo 5, Suksawat Road, Bangjak, Phrapradaeng, Samut Prakan 10130 Tel. +66 2463 0169-70, +66 2817 5111-5, +66 2273 6000 กด 6 Fax. +66 2817 5117
Thathong	>>	123 Moo 3, Suratthani-Kanchanadit Road, Bangkung, Muang District, Suratthani 84000 Tel. +66 77 224 683-5, +66 2273 6000 Ext. 7 Fax. +66 77 922 575, +66 2273 6749 Ext. 7

Subsidiaries and Associate

Juristic entities in which the Company has equity in excess of 10%.

Subsidiaries in Thailand

Thai Bitumen Co., Ltd.

Nature of business	>>	Producer and distributor of asphalt product It is also a holding company for Kemaman Oil Corporation Sdn. Bhd. (KOC) and Kemaman Bitumen Company Sdn. Bhd. (KBC), Malaysia.
Head Office	>>	118/1 Rama VI Rd., Samsen Nai, Phayathai, Bangkok 10400 Tel. +66 2273 6000 Fax. +66 2273 6030
Thathong Plant	>>	123 Moo 3, Suratthani - Kanchanadit Road, Bangkung, Muang District, Suratthani 84000 Tel. +66 77 224 683-5, +66 2273 6000 Ext. 7 Fax. +66 77 922 575, +66 2273 6749 Ext. 7
Ordinary shares	>>	15,000,000
Registered capital	>>	Baht 1,500 million
Percentage holding	>>	99.99%

Bitumen Marine Co., Ltd.

Nature of business	>>	Marine transportation
Head Office	>>	118/1 Rama VI Rd., Samsen Nai, Phayathai, Bangkok 10400 Tel. +66 2273 6000 Ext. 6774 Fax. +66 2271 3370
Ordinary shares	>>	1,500,000
Registered capital	>>	Baht 150 million
Percentage holding	>>	99.99%

Delta Shipping Co., Ltd.

Nature of business	>>	Marine transportation
Head Office	>>	118/1 Rama VI Rd., Samsen Nai, Phayathai, Bangkok 10400 Tel. +66 2273 6000 Ext. 6774 Fax. +66 2271 3370
Ordinary shares	>>	800,000
Registered capital	>>	Baht 80 million
Percentage holding	>>	99.99%

Alpha Maritime Co., Ltd.

Nature of business	>>	Marine transportation
Head Office	>>	118/1 Rama VI Rd., Samsen Nai, Phayathai, Bangkok 10400 Tel. +66 2273 6000 Ext. 6774 Fax. +66 2271 3370
Ordinary shares	>>	180,000
Registered capital	>>	Baht 18 million
Percentage holding	>>	99.99%

Tipco Maritime Co., Ltd.

Nature of business	>>	Ship management and agency
Head Office	>>	118/1 Rama VI Rd., Samsen Nai, Phayathai, Bangkok 10400 Tel. +66 2273 6000 Ext. 6774 Fax. +66 2271 3370
Ordinary shares	>>	20,000
Registered capital	>>	Baht 2 million
Percentage holding	>>	99.97%

TASCO Shipping Co., Ltd.

Nature of business	>>	Marine transportation
Head Office	>>	118/1 Rama VI Rd., Samsen Nai, Phayathai, Bangkok 10400 Tel. +66 2273 6000 Ext. 6774 Fax. +66 2271 3370
Ordinary shares	>>	2,900,000
Registered capital	>>	Baht 290 million
Percentage holding	>>	99.99 %

Raycol Asphalt Co., Ltd.

Nature of business	>>	Producer and distributor of asphalt products
Head Office	>>	118/1 Rama VI Rd., Samsen Nai, Phayathai, Bangkok 10400 Tel. +66 2273 6000 Fax. +66 2273 6030
Rayong	>>	93 Moo 5 Makumkoo, Nikompattana District, Rayong 21180 Tel. +66 38 893 641-5 Fax. +66 38 893 640
Ordinary shares	>>	11,100,000
Registered capital	>>	Baht 111 million
Percentage holding	>>	41.44%

Foreign Subsidiaries**TASCO International (Hong Kong) Ltd.**

Nature of business	>>	Holding company for investments in China
Address	>>	Room 1A, 1st Floor, O.T.B. Building, 259-265 Des Voeux Road. Central, Hong Kong.
Registered capital	>>	Hong Kong Dollars 30.97 million
Percentage holding	>>	100%

Kemaman Oil Corporation Sdn. Bhd.

Nature of business	>>	Holding company for investment in an asphalt refinery in Malaysia
Address	>>	A-06-3A, Empire Tower, Empire Subang Jalan SS16/1, SS16 47500 Subang Jaya Selangor, Malaysia Tel. +603 5635 0998 Fax. +603 5635 0993
Registered capital	>>	Malaysian Ringgit 250.7 million
Percentage holding	>>	63.12% (11.30% owned by the Company and 51.82% owned by Thai Bitumen Co., Ltd)

Kemaman Bitumen Company Sdn. Bhd.

Nature of business	>>	Asphalt refinery in Malaysia
Address	>>	A-06-3A, Empire Tower, Empire Suban Jalan SS16/1,SS16 47500 Subang Jaya Selangor, Malaysia Tel. +603 5635 0998 Fax. +603 5635 0993 Email: info@kbc.com.my Website: www.kbc.com.my
Refinery address	>>	Plot PT 7195, Telok Kalong Industrial Area 24000 Kemaman Terengganu, Malaysia Registered capital >> Malaysian Ringgit 500 million
Percentage holding	>>	82.77% (44.81% held by Kemaman Oil Corporation Sdn. Bhd., 12.52% held by the Company and 11.82% held by Thai Bitumen Co., Ltd.)

Tipco Asphalt (Cambodia) Co., Ltd.

Nature of business	>>	Producer and distributor of asphalt products in Cambodia
Address	>>	No. 67, St. 322, Sangkat Boeung Keng Kang I,Khan Chamkamon, Phnom Penh, Cambodia Mobile: +855 12 73 99 88 Tel: +855 23 997 991 Fax: +855 23 997 992 Email : tac@tipcoasphalt.com
Registered capital	>>	Riel 20 million
Percentage holding	>>	100%

Associated Companies**Colasie Co., Ltd.**

Nature of business	>>	Holding company for investment in Asphalt Emulsion and Polymer Modified Asphalt plants in India
Address	>>	7, Place Rene Clair F-92653 Boulogne - Billancourt France Cedex
Registered capita	>>	Euro 1 million
Percentage holding	>>	40%

Other Important Information

Stock Code	>>	TASCO (Listed on the Stock Exchange of Thailand - SET)
Registration No	>>	0107535000044
No. of Shares Issued	>>	152,548,068 Shares
Registered Capital	>>	1,700,437,290 Baht
Paid Up Capital	>>	1,525,480,680 Baht
Website	>>	www.tipcoasphalt.com
Registrar of Shares	>>	Thailand Securities Depository Co., Ltd. 7 th Floor, The Stock Exchange of Thailand Building 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110 Tel. +66 2229 2878 Fax. +66 2654 5642, +66 2654 5645

Auditor	>>	Ms. Siraporn Ouuanunkun Certified Public Accountant Registration No. 3844 and/or
	>>	Mr. Termphong Opanaphan Certified Public Accountant Registration No. 4501 and/or
	>>	Mr. Khitsada Lerd wana Certified Public Accountant Registration No. 4958
	>>	Ernst & Young Office Limited 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110 Tel. +66 2264 0777, +66 2661 9190 Fax. +66 2264 0789-90, +66 2661 9192

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	>>	Mr. Tawatchai Jaranakaran
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New Phetchaburi Road Khwang Makkasan Khet Ratcha Thewi Bangkok 10400
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Consultant or

>> None

Contract Manager



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