

Rayong Purifier Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2012

1. General information

1.1 Corporate information

Rayong Purifier Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and trading of fuel oil and petrochemical products. The registered office of the Company, which is the head office, is located at 14th Floor, Shinawatra Tower 3, 1010 Viphavadi Rangsit Road, Khwang Chatuchak, Khet Chatuchak, Bangkok. The Company's branch, which is the plant, is located at 7/3 Pakorn Songkrohrad Road, Map-ta-phut, Muang Rayong, Rayong. In addition, the Company has 3 branches, which are oil depots, in Nakhonsawan, Chonburi and Rayong province.

The Company's major shareholder is Petro-Instruments Company Limited, a limited company under Thai laws, which as at 31 December 2012 and 2011 held 29.87% of the issued and paid-up capital of the Company.

On 30 March 2012, the 2012 Annual General Meeting of shareholders passed resolutions approving the cancellation of the allotment of 273 million additional ordinary shares through the issue of Taiwan Depositary Receipts (TDR) in the Republic of China (Taiwan), and approving the allotment of these shares by private placements.

As a consequence of the impact of cessation of the delivery of raw materials to the Company in February 2012, the Company has laid off employees and paid compensation in accordance with Labour Law, in order to downsize its business and reduce costs. In addition, Pure Biodiesel Co., Ltd. ("PBC") shut down its plant since it had no orders from its customers and lacked liquidity to operate its business, while Jaturatis Transport Co., Ltd. ("JTC"), SCT Petroleum Co., Ltd. ("SCT") and its 6 subsidiaries have ceased providing service and trading. PBC, JTC and SCT have laid off their employees while paying compensation in accordance with Labour Law.

1.2 Fundamental accounting assumptions

As discussed in Note 37.4 a) to the financial statements, the Company is involved in a significant commercial dispute and outstanding litigation with its major raw material supplier. At present, these are under formal arbitration proceedings and litigation, meaning their outcomes cannot be determined and depend on the future judicial process. As a consequence of the dispute, the major raw material supplier has stopped delivering raw materials to the Company since February 2012, which has forced the Company to cease production since it has been unable to find new suppliers of these raw materials. However, the Company is in the process of seeking out new business opportunities. This matter raises substantial doubt about the Company's ability to continue as a going concern and to realise assets and settle liabilities in the ordinary course of business, with uncertainty regarding the results of the commercial dispute and outstanding litigation, the ability to find a new source of raw materials, the possibility of relocating the plant to be close to this new source, the sale of assets and the search for new business opportunities. Therefore, the Company's financial statements have been prepared on the going concern basis, without making the adjustments to assets to their net realisable values and adjustments to liabilities to the amounts to be paid that would need to be made in the accounts if the Company were not be able to continue as a going concern.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions 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 Rayong Purifier Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”).

Company's name	Nature of business	Place of incorporation	Percentage of shareholding	
			2012	2011
			%	%
Pure Biodiesel Co., Ltd.*	Manufacture and distribution of biodiesel (B100) and crude glycerin	Thailand	100	100
Pure Thai Energy Co., Ltd. and its subsidiary	Trading of fuel oil	Thailand	100	100
SCT Petroleum Co., Ltd.*	Trading of fuel oil	Thailand	100	100
SCT Sahaphan Co. Ltd.	Distribution and maintenance of gas station equipment	Thailand	100	78
Jaturatis Transport Co., Ltd.*	Oil transportation	Thailand	100	-
Pure Intertrade Co., Ltd.	Trading of fuel oil	Thailand	100	-
RPC Management Co., Ltd. (formerly known as “Mitsumphon Petroleum Co., Ltd.”)	Trading of fuel oil	Thailand	70	-
Tossatis Logistics Co., Ltd. (formerly known as “Metro Petroleum Co., Ltd.”)	Trading of fuel oil	Thailand	100	-
Jatuchak Oil Co., Ltd.	Trading of fuel oil	Thailand	100	-
Pure Silica Mining Co., Ltd. (formerly known as “Benja Petroleum Co., Ltd.”)	Trading of fuel oil	Thailand	100	-
Thai Quartz Mining Co., Ltd. (formerly known as “Burapha Rungroch Petroleum Co., Ltd.”)	Trading of fuel oil	Thailand	100	-
RPC Global Co., Ltd. (formerly known as “Globalization Economic and Promotion Network Co., Ltd.”)	Trading of fuel oil and petrochemical products and investment	Hong Kong	100	-

* Business suspended as at 31 December 2012

- b) Subsidiaries are fully consolidated as from the date of acquisition, being 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 the Company.

Revenues from rental and service

Revenues from rental and service are recognised on a straight-line basis over the lease term.

Management fee income

Management fee income is recognised on an accrual basis in accordance with the terms and conditions specified in the contracts.

Interest income

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade receivables

Trade 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 experiences and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of average cost and net realisable value. Cost of finished goods produced includes raw materials, direct labour and production overheads.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in the income statement.
- b) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in the income statement.

4.6 Property, plant and equipment and depreciation

Land is stated at revalued amount. Plant and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land, factory buildings, machinery and factory equipment are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows.

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on assets" in other components of shareholders' equity. However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in the income statement. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in respect of the same asset in "Revaluation surplus on assets" in other components of shareholders' equity.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives.

Building improvements	5 - 30 years
Buildings	20 - 40 years
Machinery and equipment	5 - 20 years
Office furniture, fixture and equipment	3 - 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.7 Borrowing costs

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

4.8 Intangible assets and amortisation

Intangible assets acquired are recognised at cost on the date of acquisition. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

The useful lives of software are 5 and 10 years.

4.9 Related party transactions

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

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

4.10 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership to the lessee 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 the income statement over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

4.11 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 reporting period.

Gains and losses on exchange are included in determining income.

4.12 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 and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement. However in cases where property, plant and equipment were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

4.13 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

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 the Company's and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Termination benefits

The Company and its subsidiaries have obligations in respect of the termination of employment of employees before the normal retirement date.

Termination benefits are immediately recognised as an expense.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, retrospectively as though the Company and its subsidiaries initially recorded these employee benefit expenses.

4.14 Provisions

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

4.15 Income tax

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.

4.16 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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.

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 debts

In determining an allowance for doubtful debts, 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.

Property, plant and equipment and 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 and to review estimate useful lives and residual values when there are any changes.

The Company measures land, factory buildings, machinery and factory equipment at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost approach for factory buildings, machinery and factory equipment. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan 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.

Litigation

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

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash	20,957	14,107	235	271
Bank deposits	597,219	103,701	555,487	14,112
Bills of exchange	-	406,000	-	406,000
Total	618,176	523,808	555,722	420,383

As at 31 December 2012, bank deposits in savings accounts and fixed accounts carried interests between 0.63% and 3.40% per annum (2011: bank deposits in savings accounts and bills of exchange between 0.13% and 3.25% per annum).

7. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2012		2011	
	Cost	Fair value	Cost	Fair value
Deposits in fixed-term bank accounts				
Maturing within six-months	100,000	100,000	-	-
Total deposits in fixed-term bank accounts	100,000	100,000	-	-
Investment units in mutual funds				
Cost	128,406	128,995	90,300	90,409
Add: Unrealised gain	589	-	109	-
Investment units in mutual fund - net	128,995	128,995	90,409	90,409
Total current investments - net	228,995	228,995	90,409	90,409

(Unit: Thousand Baht)

	Separate financial statements			
	2012		2011	
	Cost	Fair value	Cost	Fair value
Deposits in fixed-term bank accounts				
Maturing within six-months	50,000	50,000	-	-
Total deposits in fixed-term bank accounts	50,000	50,000	-	-
Investment units in mutual funds				
Cost	82,902	83,321	90,300	90,409
Add: Unrealised gain	419	-	109	-
Investment units in mutual fund - net	83,321	83,321	90,409	90,409
Total current investments - net	133,321	133,321	90,409	90,409

As at 31 December 2012, bank deposits in fixed accounts carried interest at 3.40% per annum (2011: nil).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due				
Not over 3 months	67	77	-	270,422
3 - 6 months	-	470	-	-
Total trade receivables - related parties	67	547	-	270,422
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due				
Not over 3 months	63,839	589,452	-	383,864
3 - 6 months	1,017	573	-	-
6 - 12 months	2,058	329	-	-
Over 12 months	4,426	9,629	617	617
Total	71,340	599,983	617	384,481
Less: Allowance for doubtful debts	(4,679)	(9,145)	(617)	(617)
Total trade receivables - unrelated parties, net	66,661	590,838	-	383,864
Other receivables				
Advances - related parties	5,271	2,287	10,805	11,407
Accrued income	30,571	20,855	3,394	1,899
Others	7,868	10,066	388	3,910
Total	43,710	33,208	14,587	17,216
Less: Allowance for doubtful debts	(2,713)	(4,060)	-	(3,413)
Total other receivables - net	40,997	29,148	14,587	13,803
Total trade and other receivables, net	107,725	620,533	14,587	668,089

9. Related party transactions

The relationship between the Company and related parties are summarised below.

Name	Relationship
Pure Biodiesel Co., Ltd.	Subsidiary
Pure Thai Energy Co., Ltd. ("PTEC")	Subsidiary
SCT Petroleum Co., Ltd.	Subsidiary
SCT Sahaphan Co., Ltd.	Subsidiary
Jaturatis Transport Co., Ltd.	Subsidiary
Pure Intertrade Co., Ltd.	Subsidiary
RPC Management Co., Ltd.	Subsidiary
Tossatis Logistics Co., Ltd.	Subsidiary
Jatuchak Oil Co., Ltd.	Subsidiary
Pure Silica Mining Co., Ltd.	Subsidiary
Thai Quartz Mining Co., Ltd.	Subsidiary
RPC Global Co., Ltd.	Subsidiary
Super Pure Gas Co., Ltd.	Subsidiary of PTEC
Pure Sammakorn Development Co., Ltd.	Associate
Thai Good Petroleum Co., Ltd.	Associate
Sammakorn Plc.	Associate
KP Energy Group Co., Ltd.	Associate
Petro-Instruments Co., Ltd.	29.87% of shares held in the Company
Jazzy Creation Co., Ltd.	Common directors
Blue Planet Travel Co., Ltd.	Common directors
Alt Energy Co., Ltd.	Common directors
Humankind Co., Ltd.	Common directors
Mongkholchai Pattana Co., Ltd.	Common directors
World Entertainment Television Co., Ltd.	Common directors
Honest and Efficient Co., Ltd.	Common directors

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 those related parties.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Transactions with subsidiaries				
(Eliminated from the consolidated financial statements)				
Sales	-	-	222	8,807
Management fee income	-	-	11	11
Dividend income	-	-	44	-
Interest income	-	-	19	2
Other income - other services	-	-	5	39
Purchases of goods	-	-	2	595
Service fee expense	-	-	2	8
Transportation expense	-	-	17	134
Purchases of motor vehicles	-	-	72	-
Other expenses	-	-	11	-
Transactions with associates				
Other expenses	-	1	-	-
Land rental expense	2	-	-	-
Transactions with related parties				
Sales	1	1	-	-
Service income	-	1	-	-
Other expenses	1	2	-	1
Land rental expense	-	2	-	-
Interest expense	1	15	1	15

Transfer pricing policy for significant business transactions with related parties are summarised below.

Transactions	Transfer pricing policy
Sales	<p>The selling price is set out based on the market price with discount for oil wholesale business, provided according to the volumes of order.</p> <p>The selling price is set out based on the market price with the fixed rate marketing margin discount for oil retail business.</p> <p>The selling price is set out based on the market price for oil transportation business.</p> <p>The selling price is set out based on the market price with discount for manufacture and distribution of biodiesel business, provided according to the contract.</p>

Transactions	Transfer pricing policy
Management fee income	Calculation based on quantities of products sold for oil wholesale business. Contract price and at actual costs for oil retail business, oil transportation business, manufacture and distribution of biodiesel business, property rental and service business and distribution and maintenance of gas station equipment business.
Dividend income	As declared
Interest income	2.35% - 7.00% per annum (2011: 4.18% - 5.77% per annum) and the prime rate plus 3% per annum
Other income	Contract price Guarantee fee at a rate of 1% per annum
Purchases of goods	The purchase price is set out based on the market price with discount for oil wholesale business, providing according to the volumes of order. The purchase price is set out based on the market price for manufacture and distribution of biodiesel business and maintenance of gas station equipment business.
Purchases of motor vehicles	At net book value
Service fee expense	Contract price
Transportation expense	Contract price
Other expenses	Contract price
Interest expense	5.75% per annum (2011: 4.95% - 5.75% per annum)

Significant agreements with related parties

Purchases and sales of petroleum products agreements

In April 2010, the Company entered into purchases and sales of petroleum products agreements with two subsidiaries for trading of oil products. The selling price was set based on the market price with a discount applied in accordance with the agreements. The agreements were to continue in force until either party terminated them with written notice of the intention to terminate provided to the other party not less than 1 month in advance. During the year 2012, the Company terminated the agreement.

Management and administration agreements

In January 2012, the Company entered into management and administration agreements with various subsidiaries to provide consultation relating to human resources, administration, information technology, law and coordination with the government. The service fees were stipulated in the agreements, which were for a period of 1 year, ended in December 2012.

Guarantee agreements

The Company entered into the agreements with various subsidiaries to guarantee bank credit facilities of subsidiaries amounting to Baht 70 million. The guarantees are effective for as long as the underlying obligations have not been discharged by the subsidiaries. The Company charges a guarantee fee at a rate of 1% per annum.

Rental of oil depots agreement

In August 2009, the Company entered into an agreement with a subsidiary to provide oil depot rental services. Monthly service fees were stipulated in the agreement, which was for a period of 3 years (from 20 August 2009 to 19 August 2012). The agreement was to continue in force for period of 3 months each time until terminated by either party gave with written notice of intention to terminate of not less than 1 month. During the year 2012, the Company terminated the agreement.

Transportation service agreement

In June 2011, the Company entered into an agreement with a subsidiary whereby the subsidiary was to provide oil transportation services. Oil transportation service fees were charged in accordance with the rate stipulated in the agreement, which was effective from 1 June 2011 to 31 January 2012, and was to continue in force until terminated by either party with written notice of its intention to terminate of not less than 60 days. During the year 2012, the Company terminated the agreement.

Sales management agreement

In January 2011, the Company entered into a sales management agreement with a subsidiary whereby the subsidiary was to provide sales management services and source customers. A service fee was charged in accordance with the rate stipulated in the agreement, which was to continue in force until terminated by either party with written notice of its intention to terminate of not less than 1 month. During the year 2012, the Company terminated the agreement.

Brand using agreement

In January 2012, the Company entered into a memorandum with a subsidiary, whereby the subsidiary was to sell oil under “Pure” brand. The service fee was as stipulated in the agreement, which was for a period of 1 year, ended in December 2012.

As at 31 December 2012 and 2011, the balances of the accounts between the Company and those related companies are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Trade and other receivables - related parties (Note 8)				
Trade receivables - related parties				
Subsidiaries	-	-	-	270,422
Associates	12	18	-	-
Related companies (common directors)	55	60	-	-
Related person (The Company's director)	-	469	-	-
Total trade receivables - related parties	67	547	-	270,422
Other receivables - related parties				
Subsidiaries	-	-	5,788	11,077
Associates	460	494	213	287
Related companies (common directors)	7	1,793	-	43
Related person (The Company's director)	5,000	-	5,000	-
Total other receivables - related parties	5,467	2,287	11,001	11,407
Less: Allowance for doubtful debts	(196)	-	(196)	-
Total other receivables - related parties, net	5,271	2,287	10,805	11,407
Short-term loans to related parties				
Subsidiaries	-	-	368,988	15,000
Associate	1,524	1,578	1,524	1,578
Total short-term loans to related parties	1,524	1,578	370,512	16,578
Less: Allowance for doubtful debts	(1,524)	-	(16,524)	-
Total short-term loans to related parties, net	-	1,578	353,988	16,578

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Trade and other payables - related parties (Note 21)				
Trade payables - related parties				
Subsidiaries	-	-	-	24,306
Total trade payables - related parties	-	-	-	24,306
Other payables - related parties				
Subsidiaries	-	-	11,444	16,698
Associates	128	21	-	-
Related companies (common directors)	57	348	12	308
Related person (The Company's director)	-	292	-	282
Total other payables - related parties	185	661	11,456	17,288
Current portion of long-term loans from related parties				
Related companies (common directors)	-	101,500	-	101,500
Related persons (Related with the Company's directors)	-	105,500	-	105,500
Total current portion of long-term loans from related parties	-	207,000	-	207,000

Loans to related parties and loans from related parties

As at 31 December 2012 and 2011, the balance of loans between the Company and those related parties and the movements are as follows.

(Unit: Thousand Baht)

		Consolidated financial statements			
Short-term loans to	Relationship	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
Thai Good Petroleum Co., Ltd.	Associate	1,578	-	(54)	1,524
Less: Allowance for doubtful debt		-	(1,524)	-	(1,524)
Net		1,578	(1,524)	(54)	-

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans to	Relationship	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
Pure Biodiesel Co., Ltd.	Subsidiary				
SCT Petroleum Co., Ltd.	Subsidiary	10,000	955,985	(643,497)	322,488
Pure Thai Energy Co., Ltd.	Subsidiary	-	19,000	-	19,000
Jaturatis Transport Co., Ltd.	Subsidiary	-	590,000	(590,000)	-
SCT Sahaphan Co., Ltd.	Subsidiary	-	62,500	(46,000)	16,500
Thai Good Petroleum Co., Ltd.	Associate	5,000 1,578	34,000 -	(28,000) (54)	11,000 1,524
Total		16,578	1,661,485	(1,307,551)	370,512
Less: Allowance for doubtful debts		-	(16,524)	-	(16,524)
Net		16,578	1,644,961	(1,307,551)	353,988

(Unit: Thousand Baht)

		Consolidated financial statements			
Short-term loans from	Relationship	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
Related persons	The Company's directors	-	5,000	(5,000)	-
Total		-	5,000	(5,000)	-

(Unit: Thousand Baht)

		Consolidated financial statements/Separate financial statements			
Long-term loans from	Relationship	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
Petro-Instruments Co., Ltd.	Related company	72,500	-	(72,500)	-
Mongkholchai Pattana Co., Ltd.	Related company	23,000	-	(23,000)	-
World Entertainment Television Co., Ltd.	Related company	6,000	-	(6,000)	-
Related persons	Related with the Company's directors	105,500	-	(105,500)	-
Total		207,000	-	(207,000)	-

As at 31 December 2012, short-term loans to subsidiaries totaling Baht 369 million (2011: Baht 15 million) are in the form of unsecured promissory notes with maturities of 6 months, carrying interest at rates of 3.40% - 5.13% per annum (2011: 5.05% per annum).

As at 31 December 2012, short-term loan to an associate amounting to Baht 1.52 million, or USD 0.05 million (2011: 1.58 million, or USD 0.05 million) is in the form of an unsecured loan with a maturity of 1 year and carries interest at the prime rate plus 3% per annum. The principal and its interest are to be repaid in full within November 2011. Subsequently, in January 2012, the Company received a letter requesting an extension of the loan term to December 2012. However, as at 31 December 2012, the Company had not received repayment of the loan, and therefore set up allowance for doubtful debt for the full amount of the loan and interest receivable.

As at 31 December 2011, long-term loans from related parties totaling Baht 207 million were in the form of unsecured loans with maturities of 2 years, carrying interest at rate of 5.75% per annum and payable quarterly. The principal was to be repaid in full within September 2012. In February 2012, the Company repaid the whole balance of long-term loans.

Management benefit expenses

During the years ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Short-term employee benefits	23,955	100,677	17,092	78,484
Post-employment benefits	-	(10,507)	-	(10,507)
Termination benefits	10,560	34,011	9,968	28,027
Total	<u>34,515</u>	<u>124,181</u>	<u>27,060</u>	<u>96,004</u>

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2012	2011	2012	2011	2012	2011
	Finished goods	79,239	840,346	(8,569)	(537)	70,670
Raw materials	-	221,090	-	-	-	221,090
Supplies	2,797	3,471	-	-	2,797	3,471
Total	82,036	1,064,907	(8,569)	(537)	73,467	1,064,370

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2012	2011	2012	2011	2012	2011
	Finished goods	9,979	756,053	(7,878)	-	2,101
Raw materials	-	217,630	-	-	-	217,630
Supplies	2,797	3,471	-	-	2,797	3,471
Total	12,776	977,154	(7,878)	-	4,898	977,154

Inventories as at 31 December 2012 included oil of Baht 1 million reserved in accordance with the Ministry of Commerce regulations (2011: Baht 707 million).

11. Short-term loans to and interest receivable from unrelated parties

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	T.C.S. Oil Co., Ltd.	21,317	21,317	21,317
Others	400	3,100	400	3,100
Total	21,717	24,417	21,717	24,417
Less: Allowance for doubtful debts	(21,317)	(21,317)	(21,317)	(21,317)
Short-term loans to and interest receivable from unrelated parties - net	400	3,100	400	3,100

On 14 January 2006, the Company entered into a Petroleum Product Business Joint Venture Agreement with T.C.S. Oil Co., Ltd. (“TCS”) for the purpose of the joint oil business in Cambodia. The agreement is effective for a period of 15 years, expiring in 2020. The Company is obliged to provide fuel and a Baht 35 million loan to TCS. The loan is subject to fixed interest rate at 5% per annum and payable on a monthly basis. The repayment of loan principal is stipulated in the agreement. The Company will receive share of profit from the operating results of TCS, as specified in the agreement, upon receipt of full loan repayment. TCS was unable to commence its operations as originally planned, and the Company therefore ceased accrual of interest income from 1 January 2010.

12. Long-term loans to unrelated parties

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Credit line of Baht 3.50 million	2,133	2,593	-	-
Credit line of Baht 1.90 million	-	1,359	-	1,359
Others	1,000	-	1,000	-
Total	3,133	3,952	1,000	1,359
Less: Current portion	(487)	(887)	-	(428)
Non-current portion	2,646	3,065	1,000	931

The long-term loan facility of Baht 3.50 million represents a loan to an unrelated party to repay debt on behalf of a client, who has transferred a title deed of land to the subsidiary as collateral. The subsidiary has entered into a contract to sell the land back to the client when the client has repaid all debt. The loan and its interest are scheduled to be repaid in 86 monthly installments of Baht 50,000 each, ending in December 2016.

The long-term loan facility of Baht 1.90 million was an unsecured loan that carried interest at a rate of 4.50% per annum. The principal and its interest were scheduled to be repaid in 52 monthly installments of Baht 40,000 each, ending in December 2014. In June 2012, the Company received full settlement of the balance of this loan.

13. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Refund receivable from the Oil				
Stabilization Fund	-	46,391	-	42,302
Prepaid excise tax	-	2,886	-	2,886
Value added tax refundable	1,739	34,575	904	33,578
Prepaid corporate income tax	6,575	4,759	1,141	3,151
Prepaid expenses	12,344	21,801	2,391	10,626
Advances for purchases of inventories	-	41,997	-	-
Others	3,827	4,882	1,173	1,687
Total other current assets	24,485	157,291	5,609	94,230

14. Pledged deposits at banks

These represented fixed deposits pledged with the banks to secure credit facilities and as bonds in lawsuits with the court.

15. Investments in associates

15.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding		Cost		Consolidated		Separate	
			percentage				financial statements		financial statements	
			2012	2011	2012	2011	Carrying amounts based on equity method		Carrying amounts based on cost method	
			(%)	(%)			2012	2011	2012	2011
Thai Good Petroleum Co., Ltd.	Distribution of lubricant oil	Hong Kong	31.67	31.67	3,175	3,175	-	-	3,175	3,175
Pure Sammakorn Development Co., Ltd.	Real estate rental and service	Thailand	44.13	44.13	129,181	129,181	122,410	125,650	129,181	129,181
Sammakorn Plc.	Real estate development	Thailand	24.81	-	289,723	-	291,038	-	289,723	-
KP Energy Group Co., Ltd.	Production and distribution of electricity	Thailand	26.00	-	8,042	-	7,890	-	8,042	-
Total investments in associates							421,338	125,650	430,121	132,356
Less: Allowance for impairment							-	-	(3,175)	-
Investments in associates - net							421,338	125,650	426,946	132,356

Sammakorn Plc.

The Company's Board of Directors meeting held on 22 November 2012 approved a resolution to purchase 99 million of the ordinary shares of Sammakorn Plc. ("SAMCO") at Baht 2.60 per share, or a total cost of Baht 257.40 million from the existing shareholders. The Company invested in such company in November 2012, using its working capital to finance the investment. In addition, during November to December 2012, the Company purchased a further 12,639,600 shares at an average price of Baht 2.44 per share, or a total cost of Baht 30.83 million, through the Stock Exchange of Thailand.

The Extraordinary General Meeting of SAMCO's shareholders held on 13 December 2012 approved a resolution to increase its registered capital from Baht 450 million to Baht 650 million through the issue of 200 million additional ordinary shares (par value of Baht 1 each), a total of Baht 200 million, and allocate up to 150 million shares to the existing shareholders pro rata to their shareholding (rights offering) at a price of Baht 2.20 per share, in a ratio of 1 new share for every 3 existing shares. Up to 50 million shares plus the shares remaining from the allotment to the shareholders under the rights offering will be allocated to specific persons by private placement at prices that are not to be lower than either the price at which SAMCO's ordinary shares were offered to existing shareholders of SAMCO (rights offering) or 90% of the market price, pursuant to the relevant notifications of the Capital Market Supervisory Board. In January 2013, SAMCO offered a total of 139,410,340 shares, of which 37,213,200 were purchased by the Company. As a result, the Company's shareholding in SAMCO increased from 24.81% to 25.25%. SAMCO is principally engaged in the real estate development.

KP Energy Group Co., Ltd.

The Company's Board of Directors meeting held on 7 November 2012 approved a resolution to purchase 6,702 of the additionally issued ordinary shares of KP Energy Group Co., Ltd. ("KPEG") at Baht 1,200 per share, or a total cost of Baht 8.04 million. KPEG increased its registered capital from Baht 18.41 million to Baht 25.78 million through the issue of 7,369 additional ordinary shares (par value of Baht 1,000 each), a total of Baht 7.37 million. The Company invested in such company in November 2012, using its working capital to finance the investment. KPEG is principally engaged in the production and distribution of electricity.

15.2 Share of loss and dividend received

During the years, the Company has recognised its share of loss from investments in associates 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 (loss) from investments in associates during the year		Dividend received during the year	
	2012	2011	2012	2011
Thai Good Petroleum Co., Ltd.	-	(1,092)	-	-
Pure Sammakorn Development Co., Ltd.	(3,239)	(3,531)	-	-
Sammakorn Plc.	1,314	-	-	-
KP Energy Group Co., Ltd.	(152)	-	-	-
Total	(2,077)	(4,623)	-	-

15.3 Summarised financial information of associates

The financial information of the associates is summarised below.

(Unit: Thousand Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues for the years ended		Profit (loss) for the years ended	
	as at 31 December		as at 31 December		as at 31 December		31 December		31 December	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Thai Good Petroleum Co., Ltd.*	10,026	10,026	5,367	7,210	14,966	11,742	6,757	6,060	(4,905)	(7,353)
Pure Sammakorn Development Co., Ltd.	260,000	260,000	552,887	504,296	363,703	307,772	113,348	26,563	(7,340)	(8,002)
Sammakorn Plc.	450,000	-	3,113,262	-	1,252,056	-	123,047	-	5,299	-
KP Energy Group Co., Ltd.	25,780	-	22,376	-	1,201	-	67	-	(585)	-

* Investment in Thai Good Petroleum Co., Ltd. was determined on the basis of financial information as at 30 September 2012 and for the nine-month period ended 30 September 2012 provided by this company's management, that was unaudited by its external auditor. However, the value of the investment is immaterial.

15.4 Investment in an associate with capital deficit

The Company recognised share of loss from investment in an associate until the value of the investment approached zero. Subsequent loss incurred by this associate has not

been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of this associate. The amount of such unrecognised share of loss is set out below.

(Unit: Thousand Baht)

Company's name	Unrecognised share of loss			
	Share of loss		Cumulative share of loss up to	
	For the nine-month			
	period ended 30 September 2012	For the year ended 31 December 2011	30 September 2012	31 December 2011
Thai Good Petroleum Co., Ltd.	(1,553)	(1,237)	(2,790)	(1,237)

16. Investments in subsidiaries

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

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2012	2011	2012	2011	2012	2011	2012	2011
			%	%				
Pure Biodiesel Co., Ltd.	280,000	280,000	100	100	279,999	279,999	-	-
Pure Thai Energy Co., Ltd. and its subsidiary	140,000	99,995	100	100	140,000	99,994	-	-
SCT Petroleum Co., Ltd.	36,000	36,000	100	100	36,000	36,000	44,208	-
SCT Sahaphan Co., Ltd.	20,000	20,000	100	78	21,481	15,856	-	-
Jaturatis Transport Co., Ltd.	30,000	-	100	-	30,402	-	-	-
Pure Intertrade Co., Ltd.	500	-	100	-	654	-	-	-
RPC Management Co., Ltd.	500	-	70	-	406	-	-	-
Tossatis Logistics Co., Ltd.	500	-	100	-	579	-	-	-
Jatuchak Oil Co., Ltd.	500	-	100	-	652	-	-	-
Pure Silica Mining Co., Ltd.	500	-	100	-	658	-	-	-
Thai Quartz Mining Co., Ltd.	500	-	100	-	581	-	-	-
RPC Global Co., Ltd.	41	-	100	-	124	-	-	-
Total investments in subsidiaries					511,536	431,849	44,208	-
Less: Allowance for impairment					(30,402)	-		
Investments in subsidiaries - net					481,134	431,849		

As a consequence of the impact of cessation of the delivery of raw materials to the Company in February 2012, a meeting of the Company's Board of Directors held on 3 April 2012 approved a restructuring of the ordinary shareholding of 7 companies held by SCT Petroleum Co., Ltd., a 100%-held subsidiary of the Company, so that they are all 100% directly held by the Company. The share acquisition prices were the net book values as at 31 March 2012, or a total of Baht 34 million.

16.1 Pure Biodiesel Co., Ltd.

In early 2012, Pure Biodiesel Co., Ltd. ("PBC") shut down its plant since it had no orders from its customers and lacked liquidity to operate its business. PBC has laid off its employees while paying compensation in accordance with Labour Law.

PBC has received promotional privileges from the Board of Investment for the manufacture of bio-diesel, pursuant to the promotion certificate No. 1840(9)/2550 issued on 30 August 2007. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on net income from the promoted operations for a period of eight years from the date the promoted activity commenced generating revenues (from 12 January 2009 to 11 January 2017).

The PBC's operating revenues for the years 2012 and 2011 are below shown divided according to promoted and non-promoted operations.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2012	2011	2012	2011	2012	2011
Sales and services						
Domestic sales and services	23,742	1,627,353	9,829	886,200	33,571	2,513,553
Export sales	-	31,109	-	-	-	31,109
Total	<u>23,742</u>	<u>1,658,462</u>	<u>9,829</u>	<u>886,200</u>	<u>33,571</u>	<u>2,544,662</u>

16.2 Pure Thai Energy Co., Ltd.

In July 2012, Pure Thai Energy Co., Ltd. called up the remaining share capital, amounting to Baht 40 million, and the Company paid in this amount.

The Company's Board of Directors meeting, held on 9 August 2012, approved a resolution to establish Super Pure Gas Co., Ltd., a joint investment between Pure Thai Energy Co., Ltd. ("PTEC") and Super Central Gas Co., Ltd., principally engaged in distribution of LPG and CNG gas. The joint investment company is to have a registered capital of Baht 20 million (200,000 ordinary shares with par value of Baht 100 each), with PTEC holding 55% and the investment is to be financed from the working capital of PTEC. PTEC acquired the shares of that company in August 2012.

16.3 SCT Sahaphan Co., Ltd.

In October 2012, the Company increased its investment in SCT Sahaphan Co., Ltd., a 78%-held subsidiary of the Company, to a 100% holding, by purchasing 44,000 shares from the existing shareholders at their net book value as at 30 September 2012, for a total of Baht 6 million. The increase in the Company's investment is in accordance with a resolution of the Company's Board of Directors meeting held on 9 October 2012.

16.4 RPC Management Co., Ltd.

The Company's Board of Directors meeting, held on 3 April 2012, approved the sell of 1,500 shares of the investment in RPC Management Co., Ltd. (RPCM), a 100%-held subsidiary of the Company, to Khong-Charoen Transportation Co., Ltd., an unrelated company, at Baht 116.21 per share, or a total of Baht 174,315. The price is the net book value as at 31 March 2012. RPCM has a registered share capital of Baht 500,000 (5,000 ordinary shares with a par value of Baht 100 per share). The Company sold the investment and received the proceeds in July 2012. As a result of the sale, the Company's shareholding in that subsidiary decreased from 100% to 70%.

16.5 Thai Quartz Mining Co., Ltd.

The Company's Board of Directors meeting, held on 3 April 2012, approved an increase in the Company's investment in Thai Quartz Mining Co., Ltd. ("TQM"), whereby that company's registered capital will increase from Baht 0.5 million to Baht 10 million through the issue of 95,000 additional ordinary shares (par value of Baht 100 each), a total of Baht 9.5 million. The purpose of the increase in share capital is to provide funds for use as working capital.

16.6 RPC Global Co., Ltd.

In May 2012, the Company purchased all ordinary shares of RPC Global Co., Ltd. ("RPCG") at HKD 3 per share, for a total of HKD 30,000, or at cost of Baht 123,939. RPCG, a company incorporated in Hong Kong, is principally engaged in the trading of fuel oil and petrochemical products and investment. RPCG has a registered share capital amounting to HKD 10,000 (10,000 ordinary shares with a par value of HKD 1 per share). The share purchase was approved by the Company's Board of Directors meeting, held on 3 April 2012.

17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements									
	Revaluation basis			Cost basis						
	Land	Factory buildings and factory building improvements	Machinery and factory equipment	Office buildings and office building improvements	Buildings for rent and improvements	Gas station equipment	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Cost/revalued amount										
1 January 2011	173,457	176,647	2,000,319	162,340	355,733	71,260	96,184	240,931	11,173	3,288,044
Additions	-	-	1,003	-	-	551	1,102	132	114,512	117,300
Disposals	-	-	(169)	(2,762)	-	(22,035)	(2,001)	(2,972)	-	(29,939)
Transfers	-	62	9,019	3,953	-	5,738	20,441	83,096	(122,309)	-
Transferred to investment properties account	-	-	-	-	(355,733)	-	-	-	(2,385)	(358,118)
Lost control of a subsidiary	-	-	(28,666)	-	-	-	(22,249)	-	-	(50,915)
31 December 2011	173,457	176,709	1,981,506	163,531	-	55,514	93,477	321,187	991	2,966,372
Additions	2,660	-	-	6,120	-	4,349	446	2,294	20,801	36,670
Disposals	-	-	(31,667)	(20,746)	-	(7,856)	(6,666)	(290,795)	(676)	(358,406)
Transfers	-	-	-	9,995	-	8,621	971	1,517	(21,104)	-
31 December 2012	176,117	176,709	1,949,839	158,900	-	60,628	88,228	34,203	12	2,644,636
Accumulated depreciation										
1 January 2011	-	77,460	1,112,317	87,170	14,504	47,936	65,340	127,652	-	1,532,379
Depreciation for the year	-	7,084	85,901	12,264	-	9,075	12,482	40,154	-	166,960
Depreciation on disposals	-	-	(158)	(2,132)	-	(19,756)	(1,764)	(2,973)	-	(26,783)
Transferred to investment properties account	-	-	-	-	(14,504)	-	-	-	-	(14,504)
Lost control of a subsidiary	-	-	(4,086)	-	-	-	(7,477)	-	-	(11,563)
31 December 2011	-	84,544	1,193,974	97,302	-	37,255	68,581	164,833	-	1,646,489
Depreciation for the year	-	6,967	84,169	19,172	-	2,320	12,708	34,148	-	159,484
Depreciation on disposals	-	-	(31,226)	(16,670)	-	(6,795)	(5,586)	(178,369)	-	(238,646)
31 December 2012	-	91,511	1,246,917	99,804	-	32,780	75,703	20,612	-	1,567,327
Net book value										
31 December 2011	173,457	92,165	787,532	66,229	-	18,259	24,896	156,354	991	1,319,883
31 December 2012	176,117	85,198	702,922	59,096	-	27,848	12,525	13,591	12	1,077,309
Depreciation for the years										
2011 (Baht 135 million included in manufacturing cost and cost of services, and the balance in administrative expenses)										166,960
2012 (Baht 30 million included in manufacturing cost and cost of services, and the balance in administrative expenses)										159,484

(Unit: Thousand Baht)

	Separate financial statements							Total
	Revaluation basis			Cost basis				
	Land	Factory buildings and factory building improvements	Machinery and factory equipment	Office buildings and office building improvements	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	
Cost/revalued amount								
1 January 2011	138,660	108,594	1,488,442	57,688	37,095	15,022	6,171	1,851,672
Additions	-	-	169	-	86	132	1,705	2,092
Disposals	-	-	(168)	-	(1,013)	(22)	-	(1,203)
Transfers	-	-	6,872	135	369	-	(7,376)	-
31 December 2011	138,660	108,594	1,495,315	57,823	36,537	15,132	500	1,852,561
Additions	-	-	-	779	300	73,441	-	74,520
Disposals	-	-	(30,438)	(7,237)	(2,904)	(69,223)	(500)	(110,302)
31 December 2012	138,660	108,594	1,464,877	51,365	33,933	19,350	-	1,816,779
Accumulated depreciation								
1 January 2011	-	69,618	1,048,297	35,974	31,425	4,929	-	1,190,243
Depreciation for the year	-	2,912	49,485	3,888	2,188	3,063	-	61,536
Depreciation on disposals	-	-	(158)	-	(1,013)	(22)	-	(1,193)
31 December 2011	-	72,530	1,097,624	39,862	32,600	7,970	-	1,250,586
Depreciation for the year	-	2,794	49,699	3,580	1,870	8,334	-	66,277
Depreciation on disposals	-	-	(30,285)	(6,890)	(2,840)	(4,594)	-	(44,609)
31 December 2012	-	75,324	1,117,038	36,552	31,630	11,710	-	1,272,254
Net book value								
31 December 2011	138,660	36,064	397,691	17,961	3,937	7,162	500	601,975
31 December 2012	138,660	33,270	347,839	14,813	2,303	7,640	-	544,525
Depreciation for the years								
2011 (Baht 53 million included in manufacturing cost, and the balance in administrative expenses)								61,536
2012 (Baht 5 million included in manufacturing cost, and the balance in administrative expenses)								66,277

During 2008, the Company and its subsidiaries arranged for an independent professional valuer to appraise the value of certain assets on an asset-by-asset basis. The revaluation was concluded on 4 December 2008 and the basis of the revaluation was as follows.

- a) Land and factory buildings were revalued using the market approach and the depreciated replacement cost approach, respectively.
- b) Machinery and factory equipment were revalued using the depreciated replacement cost approach.

The reappraised value of the land, factory buildings, machinery and factory equipment was Baht 261 million more than their carrying amount. The Company and its subsidiaries recognised the increase of asset value in shareholders' equity under the heading of "Revaluation surplus on assets".

Had the land, factory buildings, machinery and factory equipment been carried in the financial statements based on historical cost, their net book values as of 31 December 2012 and 2011 would have been as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Land	140,366	137,706	102,909	102,909
Factory buildings and improvements	81,705	88,159	29,777	32,058
Machinery and factory equipment	567,529	631,951	212,446	242,110

During the year 2012, the management of the Company and its subsidiaries estimated the recoverable amounts of the property, plant and equipment. The basis of the revaluation was as follows.

- a) Land was revalued using the market approach.
- b) Factory buildings, machinery and factory equipment were revalued using the fair value less cost to sell approach.
- c) Gas station equipment was revalued using the discounted cash flow approach.

The reappraised values of the property, plant and equipment were higher than their net book values as presented in the consolidated financial statements and separate financial statements. Therefore, the Company and its subsidiaries have not recorded allowance for impairment of the property, plant and equipment.

As at 31 December 2012, the Company and its subsidiaries had vehicles under finance lease agreements with net book values amounting to Baht 7 million (2011: Baht 136 million), and in the separate financial statements of Baht 2 million (2011: Baht 6 million).

As at 31 December 2012, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 177 million (2011: Baht 153 million) in the consolidated financial statements and Baht 76 million (2011: Baht 96 million) in the separate financial statements.

Pure Biodiesel Co., Ltd. had mortgaged its land with structures thereon and pledged machinery, with a total net book value as at 31 December 2011 of Baht 391 million, as collateral to secure a bank credit facility (2012: nil since the subsidiary already repaid the whole amount of loans and redeemed all collateral).

As at 31 December 2012, the Company and its subsidiaries have temporarily ceased using their property, plant and equipment amounting to Baht 957 million (Separate financial statements: Baht 522 million).

18. Intangible assets

The net book value of intangible asset which is computer software as at 31 December 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Cost	26,964	26,957	21,791	21,791
Less: Accumulated amortisation	(16,757)	(14,117)	(14,854)	(12,750)
Net book value	10,207	12,840	6,937	9,041

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Net book value at beginning of year	12,840	15,985	9,041	11,524
Acquisition of computer software	7	205	-	24
Amortisation	(2,640)	(3,085)	(2,104)	(2,507)
Lost control of a subsidiary	-	(265)	-	-
Net book value at end of year	10,207	12,840	6,937	9,041

Amortisation for the year was included in administrative expenses.

19. Other non-current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
The compensation for loss	26,711	26,711	26,711	26,711
Land and gas station leasehold rights	2,481	5,904	-	1,468
Prepaid expenses	4,035	4,917	-	-
Deposits	3,317	5,440	1,240	2,035
Long-term loan and interest receivable	-	1,353	-	1,353
Others	1,386	3,333	971	2,616
Total other non-current assets	37,930	47,658	28,922	34,183
Less: Allowance for doubtful debts	-	(1,353)	-	(1,353)
Other non-current assets - net	37,930	46,305	28,922	32,830

The compensation for loss is the compensation receivable because, in the third quarter of 2006, a raw material supplier delivered raw materials of a quality different to that specified in the relevant purchase agreement, with characteristics that differed from those of deliveries made to the Company under the agreement in the past. Therefore, the Company had additional cost for product improvement and compensation amounting to Baht 136 million. Based on the negotiation with the supplier, the Company will receive compensation of Baht 53 million. The difference represents inventory loss as a result of continuous and substantial falls in the prices of inventories and raw materials (inventory loss). Since this loss was a result of global market conditions with neither the Company nor the supplier could avoid, the supplier requested that each part bear responsibility for its own share of the inventory loss. The Company therefore recorded the compensation for loss in full as a deduction against cost of sales in 2006. The partial balance of Baht 26 million was paid by a credit note in November 2006 and the supplier will inform the Company of the method in payment for the remaining Baht 27 million later.

20. Short-term loans from financial institutions

As at 31 December 2011, these represented notes which a subsidiary issued to the banks. The loans carried interest at the rate of 6.25% per annum and were repayable within one year (2012: nil).

The Company and its subsidiaries have overdraft and short-term loan facilities from various banks. Details of the facilities are as follows.

		(Unit: Million Baht)	
		Credit facilities which are not drawn down	
Secured by		2012	2011
The Company	Pledge of fixed deposits and factoring trade receivables of the Company	80	1,183
Pure Biodiesel Co. Ltd. ("PBC")	Mortgage of PBC's land with existing and future structures thereon, pledge of the PBC's machinery	-	74
SCT Petroleum Co., Ltd.	Guaranteed by the Company	30	35
SCT Sahaphan Co., Ltd. ("SAP")	Pledge of SAP's fixed deposits and guaranteed by the Company	8	12
Pure Thai Energy Co., Ltd. ("PTEC")	Pledge of PTEC's fixed deposits and guaranteed by the Company	40	30

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Trade payables - related parties	-	-	-	24,306
Trade payables - unrelated parties	1,743,117	1,512,931	1,518,109	1,476,296
Other payables - related parties	185	661	11,456	17,288
Other payables - unrelated parties	13,875	40,355	8,528	26,882
Accrued expenses	10,852	39,708	904	31,141
Retention payables	2,570	2,749	-	-
Total	1,770,599	1,596,404	1,538,997	1,575,913

22. Short-term loans from unrelated parties

As at 31 December 2012, these represented promissory notes which the subsidiary issued to another individual. The loans carried interest at the rates of 2.79% - 3.00% per annum (2011: 3.00% - 5.75% per annum) and were repayable within one year.

23. Long-term loans from financial institution

On 22 August 2007, Pure Biodiesel Co., Ltd. ("PBC") entered into a loan agreement with a local commercial bank granting a loan amounting to Baht 200 million for use in construction and the import of machinery for manufacturing of the bio-diesel project, on which interest was charged at a rate no higher than the Minimum Loan Rate and repayable monthly. The principal was repayable in quarterly installments of Baht 8 million from December 2008 until December 2013 and Baht 16 million from March 2014 onwards, and was to be repaid in full within June 2014.

On 30 September 2009, PBC entered into an additional loan agreement with the bank granting a loan amounting to Baht 80 million for use in improving the plant for its bio-diesel project and investment in machinery. Interest was charged on the loan at a rate no higher than the Minimum Loan Rate and repayable monthly, while principal was repayable in quarterly installments of Baht 4 million from December 2009 until September 2014.

The above loan agreements stipulated certain conditions as specified in agreements, such as that the Company's equity interest in the subsidiary must be not less than 51%, restrictions on the payment of dividends, creating lien over assets and covenants to maintain certain financial ratios according to the agreements.

The credit facilities were secured by the mortgage of the subsidiary's land with existing and future structures thereon and the pledge of the subsidiary's machinery.

In February 2012, the subsidiary repaid the whole balance of long-term loans from banks.

As at 31 December 2012 and 2011, the Company and its subsidiaries have no long-term credit facilities that they have yet to draw down.

24. Long-term loans from unrelated parties

As at 31 December 2011, this represented promissory notes which the Company issued to unrelated parties. The loans carried interest at a rate of 5.75% per annum and payable quarterly. The principals were to be repaid in full within September 2012. In February 2012, the Company repaid the whole balance of long-term loans.

25. Liabilities under finance leases

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Liabilities under finance leases	7,025	120,848	2,132	6,254
Less: Deferred interest expense	(530)	(6,240)	(161)	(539)
Total	6,495	114,608	1,971	5,715
Less: Portion due within one year	(2,944)	(44,705)	(738)	(2,086)
Non-current portion	3,551	69,903	1,233	3,629

The Company and its subsidiaries entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 4 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows.

(Unit: Thousand Baht)

	2012					
	Consolidated financial statements			Separate financial statements		
	Less than	1 - 5	Total	Less than	1 - 5	Total
	1 year	years		1 year	years	
Future minimum lease payments	3,288	3,737	7,025	835	1,297	2,132
Deferred interest expense	(344)	(186)	(530)	(97)	(64)	(161)
Present value of future minimum lease payments	2,944	3,551	6,495	738	1,233	1,971

(Unit: Thousand Baht)

	2011					
	Consolidated financial statements			Separate financial statements		
	Less than	1 - 5	Total	Less than	1 - 5	Total
	1 year	years		1 year	years	
Future minimum lease payments	48,146	72,702	120,848	2,393	3,861	6,254
Deferred interest expense	(3,441)	(2,799)	(6,240)	(307)	(232)	(539)
Present value of future minimum lease payments	44,705	69,903	114,608	2,086	3,629	5,715

26. Provision for termination benefits and provision for long-term employee benefits

Provision for termination benefits and provision for long-term employee benefits as at 31 December 2012 and 2011, which is compensations on employees' retirement, were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Termination benefits	Long-term employee benefits	Termination benefits	Long-term employee benefits
As at 1 January 2011	-	24,298	-	21,595
Current service cost	-	2,721	-	1,460
Interest cost	-	1,142	-	746
Termination benefits	80,855	(25,028)	63,174	(23,801)
Lost control of a subsidiary	-	(416)	-	-
As at 31 December 2011	80,855	2,717	63,174	-
Current service cost	-	751	-	-
Interest cost	-	222	-	-
Termination benefits	15,765	(626)	10,018	-
Utilised	(96,620)	-	(73,192)	-
As at 31 December 2012	-	3,064	-	-

During the year 2011, the Company and two subsidiaries made plans to terminate the employment of their employees before the normal retirement date. The Company and the subsidiaries reversed the related provision for long-term employee benefits and immediately recognised provision for the termination benefits as an expense.

Termination benefits and long-term employee benefit expenses included in administrative expenses in the income statements for the years ended 31 December 2012 and 2011 are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Termination benefits	15,139	55,827	10,018	39,373
Current service cost	751	2,721	-	1,460
Interest cost	222	1,142	-	746
Total	16,112	59,690	10,018	41,579

Principal actuarial assumptions at the valuation date were as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.75	4.75	4.75	4.75
Future salary increase rate	5.00	5.00	5.00	5.00
Staff turnover rate	0.00 - 22.92	0.00 - 22.92	0.00 - 22.92	0.00 - 22.92

Amounts of defined benefit obligation for the current and previous three years are as follows.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Year 2012	3,064	-
Year 2011	2,717	-
Year 2010	24,299	21,595
Year 2009	20,666	19,552

27. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Accrued excise tax	-	5,275	-	5,275
Value added tax payable	1,160	11,133	-	-
Advance received from customers	11,990	20,750	518	5,746
Others	2,107	9,446	245	6,717
Total	15,257	46,604	763	17,738

28. Statutory reserve

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

Under Section 1202 of the Thai Civil and Commercial Code, the subsidiaries are required to set aside a statutory reserve equal to at least 5% of its net profit each time the subsidiaries pay out a dividend, until such reserve reaches 10% of their registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

29. Revaluation surplus

This represents surplus arising from revaluation of land, factory buildings, machinery and factory equipment. The surplus is amortised to retained earnings on a straight-line basis over the remaining useful life of the related assets.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2012	2011
Balance - beginning of year	195,338	216,413
Less: Amortised during the year	(20,701)	(21,075)
Balance - end of year	174,637	195,338

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

30. Other income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Management fee income	335	-	10,998	11,464
Dividend income	-	-	44,208	-
Gain on exchange rate	3,395	18,696	3,395	18,549
Gain on sales of equipment	67,271	-	85,336	-
Gain on recognising investment retained in the former subsidiary at fair value	-	-	-	14,431
Interest income	21,239	5,864	39,027	6,744
Other income	43,100	20,391	24,701	45,002
Total	<u>135,340</u>	<u>44,951</u>	<u>207,665</u>	<u>96,190</u>

31. Expenses by nature

Significant expenses by nature are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Salary, wages and other employee benefits	175,307	312,543	57,119	130,633
Termination benefits and long-term employee benefits	16,112	59,690	10,018	41,579
Depreciation and amortisation	162,124	170,046	68,381	64,043
Raw materials and consumables used	1,692,927	17,065,575	1,692,927	15,498,032
Changes in finished goods	761,107	91,891	746,074	14,589
Cost of merchandise inventories	3,945,207	5,032,104	5,955	2,818,706
Loss on impairment of investments	-	-	33,577	-

32. Income tax

No corporate income tax was payable for the year 2012, since the Company had a net taxable loss.

33. Basic earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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.

34. Segment information

The Company and its subsidiaries' business operations involve four principal segments: (1) manufacturing and trading of fuel oil and petrochemical products, (2) manufacturing and trading of biodiesel products (3) oil transportation business and (4) providing management services. These operations are mainly carried on in Thailand. Below is the consolidated financial information of the Company and its subsidiaries for the years ended 31 December 2012 and 2011 by segment.

(Unit: Million Baht)

	Manufacture and trading of fuel oil and petrochemical products		Manufacture and trading of biodiesel products		Oil transportation business		Providing management services		Other segments		Elimination of inter- segment transactions		Consolidation	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Sales and services from external customers														
Domestic	4,697	17,253	34	2,029	29	48	-	-	93	133	-	-	4,853	19,463
Overseas	1,935	4,913	-	31	-	-	13	-	-	-	-	-	1,948	4,944
Total sales and services from external customers	6,632	22,166	34	2,060	29	48	13	-	93	133	-	-	6,801	24,407
Inter-segment sales and services	292	9,161	(1)	485	42	220	-	-	16	27	(349)	(9,893)	-	-
Total sales and services	6,924	31,327	33	2,545	71	268	13	-	109	160	(349)	(9,893)	6,801	24,407
Segment profit (loss)	(248)	297	(54)	(55)	(34)	11	2	-	(3)	2	81	64	(256)	319
Unallocated income and expenses:														
Other income													135	41
Share of loss from investments in associates													(2)	(5)
Finance cost													(13)	(67)
Income tax expenses													-	(115)
Non-controlling interests of the subsidiaries													2	(2)
Profit (loss) attributable to equity holders of the Company													(134)	171

(Unit: Million Baht)

	Manufacture and trading of fuel oil and petrochemical products		Manufacture and trading of biodiesel products		Oil transportation business		Providing management services		Other segments		Elimination of inter- segment transactions		Consolidation	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Inventories	71	1,035	-	26	-	-	-	-	3	4	(1)	(1)	73	1,064
Property, plant and equipment	636	695	435	475	1	147	-	-	4	7	1	(4)	1,077	1,320
Unallocated assets													1,540	1,683
Total assets													2,690	4,067

Transfer prices between business segments are as set out in Note 9 to the financial statements.

35. 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 the Company or its subsidiaries and employees contributed to the fund monthly at the rates of 5% - 10% of basic salary. The fund, which is managed by BBL Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Company and its subsidiaries contributed Baht 5 million (2011: Baht 11 million) to the fund.

36. Dividends

Dividends declared by the Company during the years 2012 and 2011 consist of the followings.

Dividend	Approved by	Total dividends	Dividend per share
		(Thousand Baht)	(Baht)
Final dividends for 2010	Annual General Meeting of the shareholders on 7 April 2011	21,195	0.04
Total dividend for 2011		21,195	0.04
Final dividends for 2011	Annual General Meeting of the shareholders on 30 March 2012	26,493	0.05
Interim dividends for 2012	Extraordinary General Meeting of the shareholders on 10 May 2012	496,409	0.94
Total dividend for 2012		522,902	0.99

37. Commitments and contingent liabilities

37.1 Capital commitments

As at 31 December 2012, capital commitments of a subsidiary totaling Baht 3 million were in respect of the construction of gas stations (2011: Baht 2 million).

37.2 Operating lease and service agreement commitments

The Company and its subsidiaries entered into several operating lease and service agreements in respect of the leases of land, building, oil depots, gas stations, vehicles and equipment. The terms of the agreements are generally between 1 and 25 years.

Future minimum payments required under these agreements were as follows.

(Unit: Million Baht)

Payable within	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
in up to 1 year	18	43	8	20
In over 1 and up to 5 years	60	72	11	5
In over 5 years	71	140	-	9

37.3 Long-term purchase and sale commitments

In November 2007, a subsidiary (Pure Biodiesel Co., Ltd.) entered into an agreement with PTT Utility Co., Ltd. ("PTTUT") to purchase steam in a quantity and at a price stipulated in the agreement, which is for a period of 15 years commencing from the facility commercial operation date or 1 October 2008. The agreement can be extended for another 5 years.

On 26 December 2011, the subsidiary entered into a memorandum with PTTUT, whereby PTTUT will construct a pipe rack and bridge to install a steam pipeline, with a construction price of Baht 58 million, and will compensate the subsidiary an amount of Baht 23 million, for the impact of its inability to supply steam as agreed. This is treated as part of the delay penalty and deducted from construction cost. The construction cost and all interest are to be paid to PTTUT on a monthly basis, beginning on the first of the 37th month and to be completed within 72 months after the date PTTUT commences supplying steam. The construction cost carries interest at a rate equal to MLR of a bank.

37.4 Litigation and commercial dispute

- a) On 8 August 1995, the Company entered into a purchase agreement with PTT Public Company Limited ("PTT") to purchase condensate residue raw materials that are produced by PTT Global Chemical Public Company Limited ("PTTGC") (formerly known as "PTT Aromatics and Refining Public Company Limited") in a quantity and at a price stipulated in the agreement. The agreement is on an evergreen basis, meaning that there is no specified termination date, and after the primary period of 15 years ends in 2012 it automatically renews for a second period. The agreement stipulated that the Company had to provide a bank guarantee of a certain amount as security against payment for goods purchased. The security will be returned to the Company upon either parties agree to expire the agreement or PTT defaults the agreement.

On 30 September 2009, PTT sent a letter informing the Company of the cancellation of the condensate residue raw materials purchase agreement, and requesting termination of the agreement upon completion of the 15-year term (Primary period) in 2012 even though the Company did not breach the agreement and the cancellation was contrary to the purpose of the agreement. The Company and the Company's legal advisor are of the opinion that the agreement cannot be terminated since it is a long-term reciprocal agreement, and it stipulates the requirement that the Company invest in the construction of a plant to refine condensate residue of a specification that would be sourced only from PTT, and not to resell the raw materials in the same condition they are received from PTT. The agreement therefore includes a stipulation that the agreement is made on an evergreen basis, meaning that there is no specified termination date and the agreement will automatically remain in force upon completion of the first 15-year term (Primary period) and the following periods. In addition, the agreement can only be terminated with the consent of both counterparties or in the event that either party breaches the agreement. The Company has not breached any conditions of the agreement. On this basis, the Company is confident that the agreement cannot be terminated, while PTT has a different opinion. The Company has held discussions with PTT in order to seek a resolution that would be fair to both parties, but no resolution could be found. Consequently, to maintain the rights of the shareholders guaranteed and protected by law, the Company used the judicial process to make a final determination on the matter, and submitted a petition to the Arbitration Office on 3 December 2009. On 27 August 2010, the Company lodged a lawsuit against PTT and PTTGC with the Civil Court, demanding PTT and PTTGC comply with the agreement with no specified termination date. Alternatively, if forcing PTT and PTTGC to comply with the agreement is impossible for any reason, then PTT and PTTGC should pay compensation to the Company totaling Baht 13,805,648,806.91. Consequently, the Company submitted a petition to amend the amount of the claim, to request additional compensation, totaling Baht 29,368,397,797.76. The Arbitration Office allowed the request. At present, the commercial dispute is under formal arbitration proceedings and the outstanding litigation is being considered by the Civil Court. Their outcomes cannot be determined and depend on the future judicial process.

Subsequently, on 30 November 2011, during the formal arbitration proceedings, the Company received a raw material delivery plan from PTT, which is part of the normal business cooperation process between the Company and PTT, and found that such plan specified that raw materials would only be delivered until January 2012. PTT has stopped delivering raw materials to the Company since February 2012 in breach of clause 15.5 of the agreement, which specifies that PTT should comply with the agreement until a final arbitration judgment is made. This has forced the Company to cease production since it had no supply of its main raw materials from PTT.

Subsequently, the Company submitted a request to cancel its demand to force PTT to comply with the agreement. On 5 July 2012, the Arbitration Office allowed the Company to cancel such issue.

The above dispute between the Company and PTT caused the Company to exercise its right to submit claims for compensation of not less than Baht 29,000 million to the Arbitration Office (Black dispute No.114/2552) and the Civil Court (Black case No. 3162/2553) due to PTT's breach of agreement, and the Company exercising its rights to undertake court action and arbitration in order to pursue these claims. The Company has exercised lien over the last payment for condensate residue, amounting to Baht 1,518 million (net of bank guarantee) as part of the compensation it is claiming from PTT.

In June 2012, the Company was informed by the Dispute Office, Office of the Court of Justice that PTT had submitted the dispute to the Arbitration Office as Dispute Black Case No. 78/2555, requesting the Company to pay principal together with interest totaling Baht 1,555 million to PTT. At present, the Company submitted statements of dispute and the commercial dispute is under formal arbitration proceedings.

- b) In 2011 and 2012, Jaturatis Transport Co., Ltd. (a subsidiary) was a defendant in labor lawsuits before Sector 2 Labor Court, whereby employees had lodged claims for overtime payments amounting to Baht 9 million together with interest calculated from their termination dates. The cases are in the process of being considered by the Court.

37.5 Guarantees

- a) As at 31 December 2012, there were outstanding bank guarantees of Baht 257 million (2011: Baht 49 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of their business. These included letters of guarantee amounting to Baht 250 million (2011: Baht 40 million) to guarantee payments due to a creditor and Baht 7 million (2011: Baht 9 million) to guarantee electricity use, among others.
- b) The Company has guaranteed bank credit facilities of subsidiaries amounting to Baht 70 million (2011: Baht 70 million).

38. Financial instruments

38.1 Financial risk management

The Company's and subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, accounts receivable and payable, loans receivable and payable and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The Company's and subsidiaries' exposures to interest rate risk relate primarily to their deposits at banks, loans receivable and loans payable with interest. However, since most of the Company and 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 rates 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 rates		Floating		Total	Effective interest rate (% p.a.)
	Within	1-5 years	interest	Non-interest		
	1 year		rate	bearing		
Financial assets						
Cash and cash equivalents	-	-	571	47	618	0.63 - 3.40
Current investments	-	-	100	129	229	3.40
Trade and other receivables	-	-	-	108	108	-
Pledged deposits at banks	87	-	-	-	87	1.62 - 3.45
Long-term loans to unrelated parties	1	2	-	-	3	5.89 - 7.00
	<u>88</u>	<u>2</u>	<u>671</u>	<u>284</u>	<u>1,045</u>	
Financial liabilities						
Trade and other payables	-	-	-	1,771	1,771	-
Short-term loans from unrelated parties	2	-	-	-	2	3.00 - 5.75
Liabilities under finance leases	3	4	-	-	7	5.85 - 7.87
	<u>5</u>	<u>4</u>	<u>-</u>	<u>1,771</u>	<u>1,780</u>	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2011

	Fixed interest rates		Floating		Total	Effective interest rate (% p.a.)
	Within	1-5 years	interest	Non-interest		
	1 year		rate	bearing		
Financial assets						
Cash and cash equivalents	406	-	104	14	524	0.13 - 3.25
Current investments	-	-	-	90	90	-
Trade and other receivables	-	-	-	621	621	-
Short-term loans to and interest receivable from unrelated parties	3	-	-	-	3	5.00
Short-term loans to related parties	-	-	2	-	2	Prime rate plus 3.00
Pledged deposits at banks	98	-	-	-	98	1.87 - 2.50
Long-term loans to unrelated parties	1	3	-	-	4	4.50 - 5.89
	<u>508</u>	<u>3</u>	<u>106</u>	<u>725</u>	<u>1,342</u>	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2011						
	Fixed interest rates		Floating		Total	Effective interest rate (% p.a.)
	Within		interest	Non-interest		
	1 year	1-5 years	rate	bearing		
Financial liabilities						
Short-term loans from financial institutions	275	-	-	-	275	6.25
Trade and other payables	-	-	-	1,596	1,596	-
Short-term loans from unrelated parties	13	-	-	-	13	3.00 - 5.75
Long-term loans from financial institutions	-	-	140	-	140	Not over MLR
Long-term loans from unrelated parties	24	-	-	-	24	5.75
Long-term loans from related parties	207	-	-	-	207	5.75
Liabilities under finance leases	45	70	-	-	115	2.88 - 7.60
	<u>564</u>	<u>70</u>	<u>140</u>	<u>1,596</u>	<u>2,370</u>	

Foreign currency risk

The Company's and subsidiaries' exposures to foreign currency risk arise mainly from trading transactions that are denominated in foreign currencies. The Company and subsidiaries reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets denominated in foreign currencies were summarised below.

Foreign currency	Financial assets		Exchange rate	
	as at 31 December		as at 31 December	
	2012	2011	2012	2011
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	-	10,447	-	31.55

As at 31 December 2012, the Company does not have outstanding forward exchange contracts. Forward exchange contracts outstanding at 31 December 2011 were summarised below.

Foreign currency	Sold amount	Contractual exchange rate - Sold	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	7,153	31.05 - 31.72	January - March 2012

38.2 Fair values of financial instruments

Since the majority of the Company and subsidiaries' financial instruments are short-term in nature, loans receivable and payable bear interest rates which are close to the market rate, their fair values are not expected to be materially different from the amounts presented in the statement of financial position.

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.

39. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2012, the Group's debt-to-equity ratio was 2.03:1 (2011: 1.61:1) and the Company's was 1.40:1 (2011: 1.15:1).

40. Amendment and reissue of financial statements for the current year

In order to comply with TAS 36 (revised 2009) Impairment of Assets, the Company has prepared and presents herein revised consolidated and separate financial statements for the year 2012 for reissue. In preparing these statements the Company changed the method used to measure the recoverable amount of factory buildings, machinery and factory equipment from the depreciated replacement cost approach to fair value less cost to sell approach. In addition, the Company reestimated the recoverable amounts of short-term loan to a subsidiary and investment in that subsidiary that are presented in the separate financial statements, with reference to the results of the estimation of the recoverable amounts of the subsidiary's factory buildings, machinery and factory equipment determined using the mentioned method. The amendment has no impact to the net book values of the factory buildings, machinery and factory equipment of the Company and its subsidiary as presented in the previously issued consolidated statement of financial position and separate statement of financial position as at 31 December 2012. In addition, the amendment has no impact to the book values of the short-term loan to a subsidiary and investment in that subsidiary as presented in the previously issued separate statement of financial position as at 31 December 2012. Because the recoverable amounts of the reappraised assets estimated using the new approach are higher than their previously reported net book values, allowance for impairment of the assets is not required.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 28 March 2013.