

Rayong Purifier Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

1. General 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 and its registered office, 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. In addition the Company has 4 branches, which are oil depots, in Nakhonsawan, Nakhonratchasima, Chonburi and Rayong province.

The Company’s major shareholder is Petro-Instrument Company Limited, a limited company under Thai laws, which as at 31 December 2009 and 2008 held 29.87% (calculated before deducting treasury stock) of the issued and paid-up capital of the Company.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, 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 subsidiary companies (“the subsidiaries”).

Company's name	Nature of business	Place of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the years ended 31 December	
			2009	2008	2009	2008	2009	2008
			%	%	%	%	%	%
Pure Thai Energy Co., Ltd. and its subsidiary	Trading of fuel oil and the distribution and maintenance of gas station equipment	Thailand	100	100	11.7	8.6	22.5	17.3
SCT Petroleum Co., Ltd. and its subsidiaries	Trading of fuel oil	Thailand	100	100	6.8	6.5	38.9	32.3
Pure Biodiesel Co., Ltd.	Manufacture and trading of petroleum and petrochemical products	Thailand	100	100	16.8	17.4	4.1	-
VTN-P Petrochemical Joint Venture Co., Ltd.	Manufacture and trading of petrochemical products	Vietnam	-	-	-	-	-	0.4
Pure Sammakorn Development Co., Ltd.	Real estate rental and service	Thailand	51	51	3.9	3.0	0.1	0.1

- 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 for the same reporting period as the parent company, using consistent significant accounting policies.
- d) The financial statements of an overseas subsidiary company are translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences are shown under the caption of "Translation adjustment" in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- f) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

- g) On 9 November 2007, Meeting No. 8/2007 of the Company's Board of Directors passed a resolution approving the purchase by Pure Thai Energy Co., Ltd. (PTEC), a 100% held subsidiary of the Company, of 15,300 shares (par value of Baht 100 per share) of SCT Sahaphan Co., Ltd. (SAP), equivalent to 51% of total shares, from existing shareholders of this company. SAP's principal activity is the distribution and maintenance of gas station equipment. On 1 January 2008, PTEC purchased the shares for Baht 1.53 million.
 - h) VTN-P Petrochemical Joint Venture Co., Ltd. returned capital to all shareholders in July 2008 and registered its liquidation in February 2009. The consolidated financial statements include only statements of income and cash flows of that company for the six-month period ended 30 June 2008.
- 2.3 The separate financial statements, which present investments in subsidiaries and an associate presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions issued Notification No. 12/2552, assigning new numbers to Thai Accounting Standards that match the corresponding International Accounting Standards. The numbers of Thai Accounting Standards as referred to in these financial statements reflect such change.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

3.1 Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007)

Impairment of Assets

TFRS 5 (revised 2007)

Non-current Assets Held for Sale

and Discontinued Operations

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The Company's management has assessed the effect of these standards and believes that TFRS 5 (revised 2007) and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007), TAS 36 (revised 2007) and Accounting Treatment Guidance for Leasehold Right do not have any significant impact on the financial statements for the current year.

3.2 Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allow early adoption by the entity before the effective date.

The Company's management has assessed the effect of these standards and believes that TAS 20 and TAS 40 are not relevant to the business of the Company, while TAS 24 (revised 2007) will not have any significant impact on the financial statements for the year in which it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Revenue from transportation service

Revenue from transportation service is recognised on an accrual basis when service has been rendered.

Revenues from construction services

Revenues from construction services are recognised when services have been rendered taking into account the stage of completion. The stage of completion measured by the proportion of actual construction cost incurred up to the end of the year and the total anticipated construction cost to be incurred to completion. Provision for the total anticipated loss on construction projects will be made in the accounts as soon as the possibility of loss is ascertained.

Revenues from rental and service

Revenues from rental and service are recognised on an accrual basis in accordance with the rental period and the rates specified in the contracts.

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 accounts receivable

Trade accounts receivable 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 work in process and 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. Gains or losses arising from changes in the carrying amounts of securities are included in determining income.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to the interest income.
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of debt instruments is determined based on the required rate of return or the yield rates quoted by the Thai Bond Market Association. 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.

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 balance sheet date.

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 equity under the heading of "Revaluation surplus on assets". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease 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 as an expense in the income statement. However, a revaluation decrease is to be charged directly against the related "Revaluation surplus on assets" to the extent that the decrease does not exceed the amount held in the "Revaluation surplus on assets" in respect of those same assets. Any excess amount is to be recognised as an expense in the income statement.

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.

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 measured at cost on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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 life of software is 5 and 10 years.

No amortisation is provided on software under installation.

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 other long-term payables, while the interest element is charged to the income statements over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

4.11 Treasury stock

Treasury stock is stated at cost and presented as a deduction from shareholders' equity. Gains on disposal of treasury stock are determined by reference to the carrying amount and are presented as premium on treasury stock. Losses on disposal of treasury stock are determined by reference to the carrying amount and are presented as a deduction from premium on treasury stock, with any remaining amount charged to retained earnings.

4.12 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 balance sheet date.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At each reporting date, the Company performs 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 was 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.

4.14 Employee benefits

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

4.15 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.

4.16 Income tax

Income tax is provided in the accounts based on taxable profits determined in accordance with tax legislation.

4.17 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the balance sheet date. 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.

Forward contracts to purchase and sell crude oil and oil products

In order to hedge the risk arising as a result of the significant fluctuations in the market prices of crude oil and oil products, the Company has entered into forward contracts to purchase and sell crude oil and oil products. Gains or losses arising from changes in the fair value of these forward contracts are recognised in the income statement.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. 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 accounts

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

Fair value of financial instruments

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

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 salvage values of the Company and the subsidiaries' plant and equipment and to review estimate useful lives and salvage 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 in the period 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.

Intangible assets

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

6. Current investments

(Unit: Baht)

	Consolidated financial statements			
	2009		2008	
	Cost	Fair value	Cost	Fair value
Investment units in mutual funds	76,000,000	76,000,000	-	-

7. Trade accounts receivable

The balances of trade accounts receivable as at 31 December 2009 and 2008, aged on the basis of due dates, are summarised below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<u>Trade accounts receivable - unrelated parties</u>			
Not over 3 months	135,532,868	116,455,975	15,884,710	46,667,731
3 - 6 months	374,564	854,703	-	-
6 - 12 months	201,108	3,726,533	-	2,341,805
Over 12 months	15,561,883	15,409,097	1,349,301	1,349,301
Total	151,670,423	136,446,308	17,234,011	50,358,837
Less: Allowance for doubtful accounts	(11,332,958)	(12,424,780)	(617,250)	(617,250)
Trade accounts receivable - unrelated parties, net	<u>140,337,465</u>	<u>124,021,528</u>	<u>16,616,761</u>	<u>49,741,587</u>
<u>Trade accounts receivable - related parties</u>				
Not over 3 months	510,399	453,586	440,153,728	309,619,424
3 - 6 months	330,608	-	-	-
Total trade accounts receivable - related parties	<u>841,007</u>	<u>453,586</u>	<u>440,153,728</u>	<u>309,619,424</u>

8. Pledged deposits at banks

These represented fixed deposits pledged with the banks to secure credit facilities.

9. Related party transactions

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

<u>Name</u>	<u>Relationship</u>
Pure Thai Energy Co., Ltd. (PTEC)	Subsidiary
SCT Sahaphan Co., Ltd.	Subsidiary of PTEC
Pure Biodiesel Co., Ltd.	Subsidiary
SCT Petroleum Co., Ltd. (SCT)	Subsidiary
Isan Rungreang Petroleum Co., Ltd.	Subsidiary of SCT
Mitsumphan Petroleum Co., Ltd.	Subsidiary of SCT
Metro Petroleum Co., Ltd.	Subsidiary of SCT
Jatuchak Oil Co., Ltd.	Subsidiary of SCT
Benja Petroleum Co., Ltd.	Subsidiary of SCT
Burapha Rungroch Petroleum Co., Ltd.	Subsidiary of SCT
Jaturatis Transport Co., Ltd.	Subsidiary of SCT
Pure Sammakorn Development Co., Ltd. (PSDC)	Subsidiary
Thai Good Petroleum Co., Ltd.	Associate
Petro-Instruments Co., Ltd.	29.87% of shares held in the Company
Sammakorn Plc.	49% of shares held in PSDC and common directors
Jazzy Creation Co., Ltd.	Common directors
Blue Planet Travel Co., Ltd.	Common directors
Bac Brother Co., Ltd.	Common directors
Globalization Economic and Promotion Network Co., Ltd.	Common directors
Alt Energy Co., Ltd.	Common directors
Village Farm Marketing Co., Ltd.	Common directors
Village Farm & Friend Co., Ltd.	Common directors
Humankind Co., Ltd.	Common directors
Sriphath 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.

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2009	2008	2009	2008	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales	-	-	7,498,545,546	8,806,592,407	Note 1
Management fee income	-	-	71,470,723	70,740,739	Note 2
Interest income	-	-	4,576,426	1,395,698	3.5% - 5.6% p.a.
Other income - other services	-	-	21,228,710	7,790,901	Contract price
Purchases of goods	-	-	865,326,378	817,281,129	Note 3
Transportation expense	-	-	162,896,379	206,445,016	Contract price
Other expenses	-	-	6,167,985	5,519,449	Note 3
Sales of equipment	-	-	1,109,919	2,054,506	Closed to actual cost
Purchases of equipment	-	-	1,591,410	822,182	Closed to actual cost
<u>Transactions with related parties</u>					
Rental and service income	659,944	958,024	-	-	Contract price
Purchases of equipment	2,500,000	10,614,000	500,000	10,614,000	Contract price
Other expenses	1,434,759	1,754,770	828,500	1,187,496	Contract price
Land rental expense	2,230,500	1,823,850	-	-	Contract price
Advertising and promotion expenses	228,800	708,540	228,800	701,540	Contract price
Interest expense	1,962,242	835,027	-	-	4.5% - 9.0% p.a. (2008: 7.5% - 9.0% p.a.)
Note 1	<ul style="list-style-type: none"> - The selling price is set out based on the market price with discount for oil wholesale business, provided according to the volumes of order. - The selling price is set out based on the market price with the fixed rate marketing margin discount for oil retail business. - The selling price is set out based on the market price for oil transportation business. - 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. 				
Note 2	<ul style="list-style-type: none"> - Calculation based on quantities of products sold for oil wholesale business. - 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. 				
Note 3	<ul style="list-style-type: none"> - The purchase price is set out based on the market price with discount for oil wholesale business, provided 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. 				

In December 2006, the Company has entered into an agreement with Globalization Economic and Promotion Network Co., Ltd. (GEPN), requesting a subsidiary of GEPN provides land in China for construction of petroleum warehouse. The price is agreed at cost based on contractual basis. This connected transaction was approved by the meeting of the Board of Directors No. 1/2007 held on 22 February 2007. Under the agreement, the Company has paid total of Baht 30 million in advance to GEPN. As at 31 December 2009 and 2008, the outstanding balance of this transaction is presented under the caption of "Advance to related party" in the balance sheets.

The balances of the accounts as at 31 December 2009 and 2008 between the Company and those related companies are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<u>Trade accounts receivable - related parties</u>				
Subsidiaries				
Pure Thai Energy Co., Ltd.	-	-	336,641,308	199,431,636
Pure Biodiesel Co., Ltd	-	-	3,708,000	-
SCT Petroleum Co., Ltd.	-	-	5,157,710	3,525,640
Isan Rungreang Petroleum Co., Ltd.	-	-	23,687,410	30,366,489
Mitsumphan Petroleum Co., Ltd.	-	-	11,896,070	40,335,489
Metro Petroleum Co., Ltd.	-	-	1,726,200	22,707,440
Jatuchak Oil Co., Ltd.	-	-	40,374,930	7,765,060
Benja Petroleum Co., Ltd.	-	-	12,899,870	1,747,910
Burapha Rungroch Petroleum Co., Ltd	-	-	1,757,000	1,587,300
Jaturatis Transport Co., Ltd.	-	-	2,305,230	2,152,460
Total trade accounts receivable - subsidiaries	-	-	440,153,728	309,619,424
Related companies				
Sammakorn Plc.	61,543	45,845	-	-
Petro-Instruments Co., Ltd.	232,458	-	-	-
Village Farm & Friend Co., Ltd.	498,041	407,741	-	-
The Company's management	48,965	-	-	-
Total trade account receivable - related companies	841,007	453,586	-	-
Total trade accounts receivable - related parties	841,007	453,586	440,153,728	309,619,424

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<u>Amounts due from related parties</u>				
Subsidiaries				
Pure Thai Energy Co., Ltd.	-	-	4,160,924	6,618,529
Pure Biodiesel Co., Ltd.	-	-	4,288,149	3,057,453
SCT Petroleum Co., Ltd.	-	-	6,365,536	744,494
Isan Rungreang Petroleum Co., Ltd.	-	-	1,882,614	511,227
Mitsumphan Petroleum Co., Ltd.	-	-	2,137,362	987,896
Jaturatis Transport Co., Ltd.	-	-	1,850,646	2,117,716
Metro Petroleum Co., Ltd.	-	-	624,185	351,736
Burapha Rungroch Petroleum Co., Ltd.	-	-	535,802	319,235
Benja Petroleum Co., Ltd.	-	-	237,754	111,601
Jutuchak Oil Co., Ltd.	-	-	817,480	327,741
Pure Sammakorn Development Co., Ltd.	-	-	441,944	985,972
SCT Sahaphan Co., Ltd.	-	-	1,064,723	1,194,729
Total amounts due from subsidiaries	-	-	24,407,119	17,328,329
Associate				
Thai Good Petroleum Co., Ltd.	394,369	-	394,369	-
Total amounts due from associate	394,369	-	394,369	-
Related companies				
Petro-Instruments Co., Ltd.	642,958	-	-	-
Sammakorn Plc.	-	15,000	-	-
Total amounts due from related companies	642,958	15,000	-	-
Related person				
The Company's director	1,000,000	-	1,000,000	-
Total amounts due from related person	1,000,000	-	1,000,000	-
Total amounts due from related parties	2,037,327	15,000	25,801,488	17,328,329

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<u>Short-term loans to related parties</u>				
Subsidiaries				
Pure Biodiesel Co., Ltd.	-	-	-	78,000,000
Pure Sammakorn Development Co., Ltd.	-	-	-	7,981,500
Total short-term loans to related parties	-	-	-	85,981,500
<u>Advance to related party</u>				
Related company				
Globalization Economic and Promotion Network Co., Ltd.	30,000,000	30,000,000	30,000,000	30,000,000
Total advance to related party	30,000,000	30,000,000	30,000,000	30,000,000
<u>Trade accounts payable - related parties</u>				
Subsidiaries				
Pure Biodiesel Co., Ltd.	-	-	44,572,399	-
SCT Petroleum Co., Ltd.	-	-	8,012,300	853,650
Mitsumphan Petroleum Co., Ltd.	-	-	812,260	3,368,340
Isan Rungreang Petroleum Co., Ltd.	-	-	-	7,401,714
Total trade accounts payable - subsidiaries	-	-	53,396,959	11,623,704
Related company				
Sammakorn Plc.	10,274	641,725	-	-
Total trade accounts payable - related company	10,274	641,725	-	-
Total trade accounts payable - related parties	10,274	641,725	53,396,959	11,623,704
<u>Amounts due to related parties</u>				
Subsidiaries				
Pure Thai Energy Co., Ltd.	-	-	944,795	1,197,634
SCT Petroleum Co., Ltd.	-	-	-	4,104,080
Jaturatis Transport Co., Ltd.	-	-	12,691,098	9,840,684
SCT Sahaphan Co., Ltd.	-	-	76,547	379,234
Total amounts due to subsidiaries	-	-	13,712,440	15,521,632

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Related companies				
Jazzy Creation Co., Ltd.	-	19,474	-	19,474
Petro-Instrument Co., Ltd.	-	10,207,532	-	10,207,532
Sammakorn Plc.	45,277	40,037	-	-
Village Farm & Friend Co., Ltd.	5,000	-	-	-
Total amounts due to related companies	50,277	10,267,043	-	10,227,006
Total amounts due to related parties	50,277	10,267,043	13,712,440	25,748,638
<u>Short-term loans from related parties</u>				
The Company's management	300,000	-	-	-
Related persons of the Company's directors	31,000,000	-	-	-
Total short-term loans from related parties	31,300,000	-	-	-
<u>Current portion of long-term loans from related parties</u>				
The Company's management	-	500,000	-	-
Subsidiary's shareholders	-	1,000,000	-	-
Subsidiary's directors	-	1,500,000	-	-
Related persons of the Company's directors	-	6,000,000	-	-
Total current portion of long-term loans from related parties	-	9,000,000	-	-
<u>Rental deposits - related party</u>				
Related company				
Village Farm & Friend Co., Ltd.	-	218,088	-	-
Total rental deposits - related party	-	218,088	-	-

During the year 2009, movements of loans from / loans to related parties were as follows:

(Unit: Baht)

	Consolidated financial statements			Balance as at 31 December 2009
	Balance as at 1 January 2009	During the year		
		Increase	Decrease	
<u>Short-term loans from related parties</u>				
The Company's management	-	300,000	-	300,000
Related persons of the Company's directors	-	31,000,000	-	31,000,000
Total	-	31,300,000	-	31,300,000
<u>Current portion of long-term loans from related parties</u>				
The Company's management	500,000	-	(500,000)	-
Subsidiary's shareholders	1,000,000	-	(1,000,000)	-
Subsidiary's directors	1,500,000	-	(1,500,000)	-
Related persons of the Company's directors	6,000,000	-	(6,000,000)	-
Total	9,000,000	-	(9,000,000)	-

(Unit: Baht)

	Separate financial statements			Balance as at 31 December 2009
	Balance as at 1 January 2009	During the year		
		Increase	Decrease	
<u>Short-term loans to related parties</u>				
Pure Biodiesel Co., Ltd.	78,000,000	469,000,000	(547,000,000)	-
Pure Sammakorn Development Co., Ltd.	7,981,500	-	(7,981,500)	-
Total	85,981,500	469,000,000	(554,981,500)	-

Short-term loans from related parties totaling Baht 31.3 million were in the form of unsecured promissory notes with a maturity of 12 months, carrying interest at rates of 4.5% - 5.0% per annum.

As at 31 December 2008, long-term loans from related parties totaling Baht 9 million were in the form of unsecured promissory notes with maturities of 24 months, carrying interest at rates of 7.5% - 9.0% per annum.

As at 31 December 2008, short-term loans to related parties totaling Baht 85.98 million were in the form of unsecured promissory notes with maturities of 3 - 12 months, carrying interest at rates of 4.85% - 5.75% per annum.

Guarantee obligations with related parties

The Company had outstanding guarantees with its related parties as described in Note 35.4 to the financial statements.

10. Inventories

(Unit: Baht)

	Consolidated financial statements					
	Cost		Allowance for reduction of cost of inventories to net realisable value		Inventories - net	
	2009	2008	2009	2008	2009	2008
Finished goods	697,357,366	495,048,136	(507,992)	(16,153,150)	696,849,374	478,894,986
Raw materials	344,396,851	300,914,801	-	-	344,396,851	300,914,801
Supplies	4,376,489	4,310,787	-	-	4,376,489	4,310,787
Total	1,046,130,706	800,273,724	(507,992)	(16,153,150)	1,045,622,714	784,120,574

(Unit: Baht)

	Separate financial statements					
	Cost		Allowance for reduction of cost of inventories to net realisable value		Inventories - net	
	2009	2008	2009	2008	2009	2008
Finished goods	549,873,557	429,083,431	-	(15,226,833)	549,873,557	413,856,598
Raw materials	336,806,139	284,331,540	-	-	336,806,139	284,331,540
Supplies	4,355,789	4,310,787	-	-	4,355,789	4,310,787
Total	891,035,485	717,725,758	-	(15,226,833)	891,035,485	702,498,925

Inventories as at 31 December 2009 included oil of Baht 662 million (2008: Baht 502 million) reserved in accordance with the Ministry of Commerce regulations. Baht 103 million (2008: Baht 136 million) of this amount represents inventories covered by agreements for the sale and purchase of oil to maintain stipulated legal reserves, which the Company is committed to sell back to the sellers upon the expiry of the agreements.

11. Short-term loans and interest receivable from unrelated party

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Short-term loans and interest				
receivable from unrelated party	21,317,007	18,683,932	21,317,007	18,683,932
Less: Allowance for doubtful accounts	(21,317,007)	(18,683,932)	(21,317,007)	(18,683,932)
Short-term loans and interest				
receivable from unrelated party - net	-	-	-	-

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.

As at 31 December 2009 and 2008, loan to TCS was long-outstanding more than one year, and the Company therefore ceased accrual of interest income and set aside allowance for doubtful accounts for the full amount of the short-term loan and interest receivable.

12. Other current assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Prepaid excise tax	46,233,543	24,347,951	46,233,543	24,347,951
Excise tax refundable	2,973,461	98,398,633	2,973,461	98,398,633
Refund receivable from Oil				
Stabilization Fund	85,239,888	40,232,752	85,239,888	40,232,752
Value added tax refundable	3,152,404	48,882,374	-	32,208,904
Prepaid corporate income tax	9,623,178	96,788,943	5,025,963	94,693,302
Advances for purchases of inventories	52,011,307	52,068,941	10,000,000	13,000,000
Others	35,917,080	29,364,997	14,680,571	19,350,833
Total other current assets	235,150,861	390,084,591	164,153,426	322,232,375
Less: Allowance for doubtful accounts	(3,206,019)	(3,206,019)	(3,206,019)	(3,206,019)
Other current assets - net	231,944,842	386,878,572	160,947,407	319,026,356

The excise tax refundable of Baht 2.9 million as at 31 December 2009 is the oil and oil products excise tax of which the Excise Department has approved a refund (2008: Baht 98.4 million).

Refund receivable from the Oil Stabilization Fund, amounting to Baht 85.2 million as at 31 December 2009 is compensation receivable from the Customs Department for diesel fuel and diesel fuel B5 (2008: Baht 40.2 million).

Prepaid corporate income tax of Baht 96.8 million as at 31 December 2008 is the 2008 prepaid corporate income tax. During the third quarter of 2009, the Company received a refund of prepaid corporate income tax of Baht 94.7 million from the Revenue Department, since the Company had placed a bank guarantee as collateral while waiting for the results of a tax audit conducted by revenue officials. In February 2010, the Revenue Department returned the bank guarantee to the Company.

13. Investments in subsidiaries

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

(Unit: Baht)

Company's name	Paid-up capital		Investment proportion		Cost		Dividend received during the year	
	2009	2008	2009	2008	2009	2008	2009	2008
			%	%				
Pure Thai Energy Co., Ltd. and its subsidiary	Baht 50 million	Baht 50 million	100	100	49,999,300	49,999,300	-	-
Pure Sammakorn Development Co., Ltd.	Baht 101million	Baht 50 million	51	51	51,382,099	25,499,600	-	-
SCT Petroleum Co., Ltd. and its subsidiaries	Baht 10 million	Baht 10 million	100	100	9,999,965	9,999,965	-	-
Pure Biodiesel Co., Ltd.	Baht 280 million	Baht 200 million	100	100	279,999,200	199,999,200	-	-
Total investments in subsidiaries					391,380,564	285,498,065		
Less: Allowance for impairment					-	(40,484,114)		
Investments in subsidiaries - net					<u>391,380,564</u>	<u>245,013,951</u>		

Movements in the allowance for impairment of investments in subsidiaries account for the year 2009 are summarised below.

(Unit: Baht)

	Separate financial statements
Balance as at 1 January 2009	40,484,114
Less: Reversal of impairment during the year	(40,484,114)
Balance as at 31 December 2009	<u>-</u>

VTN-P Petrochemical Joint Venture Co., Ltd.

In 2008, VTN-P Petrochemical Joint Venture Co., Ltd. ("VTNP") returned capital amounting to USD 1.65 million to the Company, who recognised a net gain on return of capital of Baht 22.62 million (net of reversal of allowance for impairment of Baht 55.02 million).

VTNP registered its liquidation in February 2009.

Pure Biodiesel Co., Ltd.

- a) During the first quarter of 2008, Pure Biodiesel Co., Ltd. (“PBC”) called up the remaining unpaid capital of Baht 76 million. The Company has paid in the full amount. The increase in the Company’s investment has been approved by meeting No. 2/2007 of the Company’s Board of Directors, held on 1 March 2007.
- b) PBC has already completed plant construction and started selling its products in January 2009.
- c) The Company’s Board of Directors meeting, held on 11 August 2009, approved an increase in the Company’s investment in PBC (a subsidiary in which the Company has an equity interest of 100%), whereby that company’s registered capital will increase from Baht 200 million to Baht 280 million through the issue of 0.8 million additional ordinary shares (par value of Baht 100 each) for offer at Baht 100 per share, a total of Baht 80 million. The purpose of the increase in share capital is to provide funds for investments in machinery and equipment of the subsidiary’s plant. PBC registered the increase of its capital with the Ministry of Commerce in September 2009.

During the third quarter of 2009, PBC called up the full amount of additional share capital of Baht 80 million, and the Company paid in this amount.

- d) 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 year 2009 are below shown divided according to promoted and non-promoted operations.

(Unit: Baht)

	Promoted operations	Non-promoted operations	Total
Sales and services			
Domestic sales and services	954,817,770	16,226,695	971,044,465
Export sales	17,387,125	-	17,387,125
Total	<u>972,204,895</u>	<u>16,226,695</u>	<u>988,431,590</u>

In 2008, PBC did not have revenues from the promoted operations.

Pure Thai Energy Co., Ltd.

The Company's Board of Directors meeting, held on 22 December 2009, approved an increase in the Company's investment in Pure Thai Energy Co., Ltd. ("PTEC") (a subsidiary in which the Company has an equity interest of 100%), whereby that company's registered capital will increase from Baht 50 million to Baht 140 million through the issue of 0.9 million additional ordinary shares (par value of Baht 100 each) for offer at Baht 100 per share, a total of Baht 90 million. The purpose of the increase in share capital is to provide funds for use as working capital and to expand the subsidiary's gas station business. As at 31 December 2009, the Company has commitments of Baht 90 million in respect of the uncalled portion of the investment. Consequently, PTEC called up the additional capital of Baht 49.99 million and the Company paid in this amount in January 2010. PTEC registered the increase of its capital with the Ministry of Commerce on 14 January 2010.

SCT Sahaphan Co., Ltd.

On 1 January 2008, Pure Thai Energy Co., Ltd. (PTEC) (a 100% held subsidiary of the Company) purchased 15,300 shares (par value of Baht 100 per share) of SCT Sahaphan Co., Ltd. (SAP) from existing shareholders, equivalent to 51% of the total registered and paid-up share capital amounting to Baht 1.53 million. SAP's principal activity is the distribution and maintenance of gas station equipment. On 16 January 2008, an extraordinary general meeting of SAP's shareholders approved the increase of the registered capital from Baht 3 million (30,000 ordinary shares of Baht 100 each) to Baht 5 million (50,000 ordinary shares of Baht 100 each), through the issuance of 20,000 additional ordinary shares with a par value of Baht 100 each, for offer in the same proportion to existing shareholders at Baht 125 per share. In February 2008, PTEC has paid for Baht 1,275,000. SAP registered the increase of its capital with the Ministry of Commerce on 12 February 2008.

Pure Sammakorn Development Co., Ltd.

The Company's Board of Directors meeting, held on 24 February 2009, approved an increase in the Company's investment in Pure Sammakorn Development Co., Ltd. ("PSDC") (a subsidiary in which the Company has an equity interest of 51%), whereby that company's registered capital will increase from Baht 50 million to Baht 225 million through the issue of 1.75 million additional ordinary shares (par value of Baht 100 each) for offer in the same proportion to existing shareholders at Baht 100 per share, a total of Baht 175 million. The purpose of the increase in share capital is to provide funds for investment in new projects of the subsidiary.

During 2009, PSDC called up Baht 25.9 million of the additional capital and the Company paid in this amount. As at 31 December 2009, the Company has commitments of Baht 63.3 million in respect of the uncalled portion of the investment. Consequently, PSDC called up the additional capital of Baht 4.46 million and the Company paid in this amount in January 2010.

14. Investment in an associate

14.1 Details of an associate:

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage (%)	Cost	2009	
					Consolidated financial statements	Separate financial statements
					Carrying amounts based on equity method	Carrying amounts based on cost method
Thai Good Petroleum Co., Ltd.	Distribution of lubricant oil	Hong Kong	31.67	3,174,900	2,488,476	3,174,900

14.2 Share of loss and dividend received

During 2009, the Company has recognised its share of net loss from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Baht)

Company's name	Consolidated financial statements	Separate financial statements
	Share of loss from investment in an associate during the year	Dividend received during the year
Thai Good Petroleum Co., Ltd.	686,424	-

14.3 Summarised financial information of associate

The financial information of the associated company, as prepared by its management, is summarised below.

(Unit: Thousand Baht)

Company's name	As at 31 December 2009			For the year ended 31 December 2009	
	Paid-up capital	Total assets	Total liabilities	Total revenues	Net loss
Thai Good Petroleum Co., Ltd.	10,026	8,103	260	104	(2,167)

15. Property, plant and equipment

(Unit: 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										
31 December 2008	173,457,199	111,848,077	1,432,565,735	131,236,580	79,775,541	53,822,965	78,421,799	151,298,195	523,764,417	2,736,190,508
Additions	3,500,000	142,769	1,469,508	703,311	-	2,212,615	2,624,191	10,155,846	186,604,453	207,412,693
Disposals	-	-	(62,760)	(1,972,601)	-	(446,875)	(4,110,090)	(6,600,015)	-	(13,192,341)
Transfers	-	64,194,249	499,857,285	26,233,500	182,665	3,168,787	6,959,224	42,994,280	(643,589,990)	-
31 December 2009	176,957,199	176,185,095	1,933,829,768	156,200,790	79,958,206	58,757,492	83,895,124	197,848,306	66,778,880	2,930,410,860
Accumulated depreciation										
31 December 2008	-	63,940,128	956,805,189	55,269,158	5,103,018	27,432,507	47,874,953	83,760,675	-	1,240,185,628
Depreciation for the year	-	6,403,165	72,965,120	16,982,311	3,446,421	10,301,099	11,844,997	21,678,813	-	143,621,926
Depreciation on disposals	-	-	(61,855)	(1,709,614)	-	(418,367)	(3,639,721)	(4,556,033)	-	(10,385,590)
31 December 2009	-	70,343,293	1,029,708,454	70,541,855	8,549,439	37,315,239	56,080,229	100,883,455	-	1,373,421,964
Net book value										
31 December 2008	173,457,199	47,907,949	475,760,546	75,967,422	74,672,523	26,390,458	30,546,846	67,537,520	523,764,417	1,496,004,880
31 December 2009	176,957,199	105,841,802	904,121,314	85,658,935	71,408,767	21,442,253	27,814,895	96,964,851	66,778,880	1,556,988,896
Depreciation for the years										
2008 (Baht 78.3 million included in manufacturing cost, and the balance in administrative expenses)										121,415,784
2009 (Baht 84.2 million included in manufacturing cost, and the balance in administrative expenses)										143,621,926

	Separate financial statements							Total
	Revaluation basis			Cost basis				
	Land	Factory building and factory building improvements	Machinery and factory equipment	Office building and office building improvements	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	
Cost/revalued amount								
31 December 2008	138,659,850	108,593,587	1,426,741,064	33,261,802	38,612,098	8,542,181	59,725,790	1,814,136,372
Additions	-	-	18,016	-	169,481	5,266,213	29,736,221	35,189,931
Disposals	-	-	(62,760)	-	(3,798,225)	(2,736,000)	-	(6,596,985)
Transfers	-	-	47,279,112	24,196,680	4,207,171	-	(75,682,963)	-
31 December 2009	138,659,850	108,593,587	1,473,975,432	57,458,482	39,190,525	11,072,394	13,779,048	1,842,729,318
Accumulated depreciation								
31 December 2008	-	63,783,633	954,917,538	25,451,687	32,110,398	1,961,831	-	1,078,225,087
Depreciation for the year	-	2,866,940	45,106,377	5,517,762	3,289,337	2,085,648	-	58,866,064
Depreciation on disposals	-	-	(61,855)	-	(3,526,885)	(1,529,223)	-	(5,117,963)
31 December 2009	-	66,650,573	999,962,060	30,969,449	31,872,850	2,518,256	-	1,131,973,188
Net book value								
31 December 2008	138,659,850	44,809,954	471,823,526	7,810,115	6,501,700	6,580,350	59,725,790	735,911,285
31 December 2009	138,659,850	41,943,014	474,013,372	26,489,033	7,317,675	8,554,138	13,779,048	710,756,130
Depreciation for the years								
2008 (Baht 60.6 million included in manufacturing cost, and the balance in administrative expenses)								70,828,423
2009 (Baht 48.3 million included in manufacturing cost, and the balance in administrative expenses)								58,866,064

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 revaluation value of the land, factory buildings, machinery and factory equipment is Baht 260.8 million more than their carrying amount. The Company and its subsidiaries recognised the increase of asset value in equity under the heading of "Revaluation surplus on assets".

Had the land, buildings, machinery and equipment been carried in the financial statements based on historical cost, their net book values as of 31 December 2009 and 2008 would have been as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Land	141,205,875	137,705,875	102,908,526	102,908,526
Factory building and improvements	100,617,378	42,089,743	36,718,590	38,991,748
Machinery and factory equipment	707,362,110	258,272,714	277,254,168	254,335,694

Construction of the subsidiary's plant has been financed with a loan from a bank, and borrowing costs totaling Baht 9.8 million (2009: Nil) were capitalised during the year ended 31 December 2008 (Separate financial statements: Nil). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 1.02%.

As at 31 December 2009, the Company and its subsidiaries had vehicles under finance lease agreements with net book values amounting to Baht 53 million (2008: Baht 5 million), and in the separate financial statements of Baht 6 million (2008: Baht 4 million).

As at 31 December 2009, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 179 million (2008: Baht 98 million) in the consolidated financial statements and Baht 81 million (2008: Baht 59 million) in the Company's separate financial statements.

Pure Biodiesel Co., Ltd. has mortgaged its land with structures thereon and pledged machinery, with a total net book value as at 31 December 2009 of Baht 450 million (2008: Baht 65 million), as collateral to secure a bank credit facility.

Pure Sammakorn Development Co., Ltd. has mortgaged its land lease rights and construction with a net book value as at 31 December 2009 of Baht 71.4 million (2008: Baht 74.6 million), as collateral to secure a bank credit facility. Under the rental agreement, the subsidiary is committed to transfer the construction to the lessor upon the expiration of the agreement.

16. Intangible assets

(Unit: Baht)

	Consolidated financial statements		
	Software	Software under installation	Total
Cost			
31 December 2008	11,167,349	10,153,550	21,320,899
Additions	3,854,799	1,113,144	4,967,943
Disposals	(806,307)	-	(806,307)
Transfers	9,519,891	(9,519,891)	-
31 December 2009	23,735,732	1,746,803	25,482,535
Accumulated amortisation			
31 December 2008	6,907,556	-	6,907,556
Amortisation for the year	1,447,041	-	1,447,041
Amortisation on disposals	(3,016)	-	(3,016)
31 December 2009	8,351,581	-	8,351,581
Net book value			
31 December 2008	4,259,793	10,153,550	14,413,343
31 December 2009	15,384,151	1,746,803	17,130,954
Amortisation for the years			
2008 (included in administrative expenses)			997,750
2009 (included in administrative expenses)			1,447,041

(Unit: Baht)

	Separate financial statements		
	Software under		Total
	Software	installation	
Cost			
31 December 2008	11,167,349	10,153,550	21,320,899
Additions	-	1,113,144	1,113,144
Disposals	(788,550)	-	(788,550)
Transfers	9,519,891	(9,519,891)	-
31 December 2009	19,898,690	1,746,803	21,645,493
Accumulated amortisation			
31 December 2008	6,907,556	-	6,907,556
Amortisation for the year	1,081,431	-	1,081,431
31 December 2009	7,988,987	-	7,988,987
Net book value			
31 December 2008	4,259,793	10,153,550	14,413,343
31 December 2009	11,909,703	1,746,803	13,656,506
Amortisation for the years			
2008 (included in administrative expenses)			997,750
2009 (included in administrative expenses)			1,081,431

17. Other non-current assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
The compensation for loss	26,711,581	26,711,581	26,711,581	26,711,581
Land and gas station leasehold rights	5,698,343	6,408,707	1,339,641	1,569,636
Long-term loan and interest receivable	1,352,588	1,352,588	1,352,588	1,352,588
Others	12,852,108	14,917,481	4,478,774	4,754,134
Total other non-current assets	46,614,620	49,390,357	33,882,584	34,387,939
Less: Allowance for doubtful accounts	(1,352,588)	(1,352,588)	(1,352,588)	(1,352,588)
Other non-current assets - net	45,262,032	48,037,769	32,529,996	33,035,351

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 136.45 million. Based on the negotiation with the supplier, the Company will receive compensation of Baht 52.7 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 26.7 million later.

18. Bank overdrafts and short-term loans from banks

(Unit: Baht)

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		Bank overdrafts	1.75	104,215	153,907,527
Short-term loans from banks	2.3 - 4.6	911,890,000	978,000,000	850,000,000	970,000,000
Total		911,994,215	1,131,907,527	850,104,215	1,123,688,388

The Company

The Company has overdraft and short-term loan facilities from various banks. These facilities are secured by the pledge of fixed deposits. As at 31 December 2009, the outstanding balance of credit facilities which are not drawn down is Baht 1,568 million (2008: Baht 2,788 million).

Subsidiaries

Pure Biodiesel Co., Ltd. has overdraft and short-term loan facilities from various banks. These facilities are guaranteed by the Company, the mortgage of the subsidiary's land with existing and future structures thereon and the pledge of the subsidiary's machinery. As at 31 December 2009, the outstanding balance of credit facilities which are not drawn down is Baht 348 million (2008: Baht 139 million).

Pure Sammakorn Development Co., Ltd. has overdraft and short-term loan facilities from various banks. These facilities are secured by the pledge of the subsidiary's land lease right and the mortgage of the structures under the subsidiary's projects. As at 31 December 2009, the outstanding balance of credit facilities which are not drawn down is Baht 31 million (2008: Baht 10 million).

19. Short-term loans from unrelated parties

These represent promissory notes which the Company and subsidiaries issued to another individual. The loans carry interest at the rates of 3% - 5% per annum (2008: 4.0% - 5.5% per annum) and are repayable within one year.

20. Long-term loans from banks

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Long-term loans from banks	283,307,978	327,908,669	-	120,000,000
Less: Current portion	(54,504,000)	(119,504,000)	-	(80,000,000)
Non-current portion	<u>228,803,978</u>	<u>208,404,669</u>	<u>-</u>	<u>40,000,000</u>

Movements in the long-term loans account during the year ended 31 December 2009 are summarised below.

(Unit: Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2009	327,908,669	120,000,000
Add: Received	118,903,309	-
Less: Repayment	<u>(163,504,000)</u>	<u>(120,000,000)</u>
Balance as at 31 December 2009	<u>283,307,978</u>	<u>-</u>

The Company

On 22 August 2007, the Company entered into a loan agreement with a local commercial bank, granting a loan facility of Baht 200 million for use in additional investment in Pure Biodiesel Co., Ltd., on which interest is charged at a rate no higher than the Minimum Loan Rate and repayable monthly. The principal is repayable in semi-annual installments of Baht 40 million, with the first of these due in June 2008, and is to be repaid in full within June 2010. It is an unsecured loan.

The loan agreement contains normal covenants as specified in the agreements pertaining to matters such as creating lien over assets and maintaining certain financial ratios according to the agreements.

In June 2009, the Company repaid the whole balance of long-term loan to the bank (2008: the outstanding balance of the loan amounted to Baht 120 million).

As at 31 December 2009 and 2008, the Company has no long-term credit facilities that it has yet to draw down.

Pure Sammakorn Development Co., Ltd.

- a) On 22 January 2007, Pure Sammakorn Development Co., Ltd. ("PSDC") entered into a credit facility agreement with a bank totaling Baht 55 million. The credit facilities consist of long-term loan amounted to Baht 45 million and a credit facility for overdraft and letter of guarantee amounted to Baht 10 million. This long-term loan carries interest at a rate no higher than Minimum Loan Rate (MLR) and repayable monthly. The principal is repayable in monthly installments of Baht 542,000, starting in February 2008 within 8 years (including grace period for principal repayment of 1 year).
- b) On 23 September 2009, PSDC entered into a Baht 255 million credit facility agreement with another bank. The credit facilities consist of a long-term loan amounting to Baht 250 million and an overdraft of Baht 5 million. The long-term loan carries interest at a rate no higher than MLR. Interest is to be paid monthly for the 18 months after the first drawn down (grace period for principal repayment), with principal and interest to be paid in monthly installments of not less than Baht 2.7 million for the first three years after the grace period, and not less than Baht 2.85 million in the fourth to the tenth years after the grace period. The loan and all interest are to be fully repaid within 11 years and 6 months after the first drawn down. PSDC made its first drawn down on the loan in December 2009.

The loan agreements contain normal covenants as specified in agreements pertaining to matters such as creating lien over assets and maintaining certain financial ratios according to the agreements.

The above credit facilities are secured by the pledge of the subsidiary's land lease right and the mortgage of the structures under the subsidiary's projects.

As at 31 December 2009, the outstanding balance of the loans amounted to Baht 47 million (2008: Baht 38 million).

As at 31 December 2009, the outstanding balance of credit facilities which are not drawn down is Baht 234 million (2008: Nil).

Pure Biodiesel Co., Ltd.

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 is charged at a rate no higher than the Minimum Loan Rate (MLR) and repayable monthly. The principal is repayable in quarterly installments of Baht 8 million from December 2008 until December 2013 and Baht 16 million from March 2014 onwards, and is 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 is charged on the loan at a rate no higher than MLR and repayable monthly, while principal is repayable in quarterly installments of Baht 4 million from December 2009 until September 2014.

The above loan agreements stipulate 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 are secured by the mortgage of the subsidiary's land with existing and future structures thereon and the pledge of the subsidiary's machinery.

As at 31 December 2009, the outstanding balance of the loans amounted to Baht 236 million (2008: Baht 169 million).

As at 31 December 2009, PBC has no long-term credit facilities that it has yet to draw down (2008: Baht 23 million).

21. Liabilities under finance leases

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Liabilities under finance leases	55,787,535	5,828,684	6,909,966	4,209,508
Less: Deferred interest expenses	(4,293,485)	(838,283)	(872,776)	(623,973)
Total	51,494,050	4,990,401	6,037,190	3,585,535
Less: Portion due within one year	(12,412,533)	(1,119,888)	(1,525,707)	(795,688)
Liabilities under finance leases - net of current portion	39,081,517	3,870,513	4,511,483	2,789,847

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.

As at 31 December 2009, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Baht)

	Consolidated financial statements		
	Less than		
	1 year	1 - 5 years	Total
Future minimum lease payments	14,199,135	41,588,400	55,787,535
Deferred interest expenses	(1,786,602)	(2,506,883)	(4,293,485)
Present value of future minimum lease payments	12,412,533	39,081,517	51,494,050

(Unit: Baht)

	Separate financial statements		
	Less than		
	1 year	1 - 5 years	Total
Future minimum lease payments	1,896,279	5,013,687	6,909,966
Deferred interest expenses	(370,572)	(502,204)	(872,776)
Present value of future minimum lease payments	1,525,707	4,511,483	6,037,190

22. Other current liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Advances received from customers	7,121,183	13,524,967	1,018,421	2,536,914
Accrued excise tax	102,267,280	28,196,462	102,267,280	28,196,462
Value added tax payable	16,191,254	20,846,608	16,191,254	20,846,608
Corporate income tax payable	1,964,289	1,637,259	-	-
Accrued expenses	24,798,610	21,573,507	14,476,903	14,326,988
Others	17,721,681	11,831,070	2,884,066	2,491,192
Total	170,064,297	97,609,873	136,837,924	68,398,164

23. Share capital

On 3 April 2008, the 2008 Annual General Meeting of the Company's shareholders passed the resolutions to reduce the registered share capital from Baht 530,048,171 to Baht 529,870,229, by canceling the 177,942 ordinary authorised but unissued shares with a par value of Baht 1 each, remaining from the exercise of the warrants. The Company registered the decrease of its capital with the Ministry of Commerce on 17 April 2008.

Reconciliation of number of ordinary shares

	(Unit: Shares)	
	2009	2008
<u>Registered share capital</u>		
Number of ordinary shares at the beginning of year	529,870,229	530,048,171
Registered capital decrease	-	(177,942)
Number of ordinary shares at the end of year	<u>529,870,229</u>	<u>529,870,229</u>
<u>Issued and paid-up share capital</u>		
Number of ordinary shares at the beginning of year	<u>529,870,229</u>	<u>529,870,229</u>
Number of ordinary shares at the end of year	<u>529,870,229</u>	<u>529,870,229</u>

24. 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 life of the related assets.

(Unit: Baht)

	Consolidated financial statements / Separate financial statements	
	2009	2008
Balance - beginning of year	259,057,363	-
Add: Revalued of assets during the year	-	260,834,230
Less: Amortised during the year	<u>(21,322,411)</u>	<u>(1,776,867)</u>
Balance - end of year	<u><u>237,734,952</u></u>	<u><u>259,057,363</u></u>

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

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net income 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.

26. Treasury stock reserve

Under the notification of the Office of the Securities and Exchange Commission No. Gor. Lor. Tor. Chor. Sor. (Wor.) 2/2548 and the notification of the Federation of Accounting Professions No. Sor. Sor. Wor. Bor. Chor. 016/2548 public companies buying back their own shares (treasury shares) must have retained earnings in an amount not less than the outstanding balance of the treasury shares, and if retained earnings are appropriated for dividend payment, the balance of retained earnings remaining after such payment must likewise be no less than the balance of the treasury shares. The Company proceeded in accordance with these guidelines and appropriated an amount of retained earnings to the treasury stock reserve equal to the amount paid to acquire the shares.

27. Treasury stock

On 16 January 2008, a meeting of the Company's Board of Directors approved a resolution to repurchase the Company's shares, in order to manage excess liquidity. The details are as follows:

- a) The maximum budget for the share repurchase plan is Baht 220 million.
- b) The number of shares to be repurchased is not to exceed 52,987,022 shares at par value of Baht 1 per share, equal to 10% of the total issued shares.
- c) The period for the share repurchase is 1 February 2008 to 31 July 2008.
- d) The procedure and period for the resale of the shares will be determined by the Company's Board of Directors at least 6 months but not more than 3 years after the date of completion of the share repurchase.

Details of treasury stock are as follows:

	Consolidated financial statements/ Separate financial statements	
	2009	2008
Value of treasury stock (Baht)	220,549,808	220,549,808
Number of treasury shares (Shares)	46,706,900	46,706,900
Average cost per share (Baht)	4.72	4.72
The percentage of number of treasury shares to the share capital issued by the Company	8.81	8.81

28. Sales

Sales for the years ended 31 December 2009 and 2008 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Sales	15,558,102,365	23,142,152,820	13,019,949,947	20,662,200,620
Less: Oil sales back transactions	(201,263,800)	(635,249,560)	(201,263,800)	(635,249,560)
Sales - net	<u>15,356,838,565</u>	<u>22,506,903,260</u>	<u>12,818,686,147</u>	<u>20,026,951,060</u>

The Company entered into agreements to purchase oil from a number of other oil companies, in order to maintain stipulated legal reserves, with conditions that the Company must sell the oil back to those companies upon the expiry of the agreements and that the Company will be responsible for related expenses, such as insurance premium and oil storage tank rental fees. The Company recorded the oil sales back transactions as deductions from sales revenues in the income statement.

29. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Salary, wages and other employee				
benefits	257,257,560	256,730,129	169,885,014	179,526,625
Depreciation	143,621,926	121,415,784	58,866,064	70,828,425
Raw materials and consumables used	9,436,051,551	16,685,077,72	8,483,194,429	16,670,476,51
		6		7
Changes in finished goods	(196,594,576)	678,381,328	(115,009,875)	609,842,458
Cost of merchandise inventories	4,983,678,053	4,844,762,417	3,629,533,360	2,655,295,443

30. Corporate income tax

No corporate income tax was payable for the year 2009, since the Company had tax loss brought forward from previous year over its net income for the year.

No corporate income tax was payable for the year 2008, since the Company had a net taxable loss.

31. Basic earnings per share

Basic earnings per share is calculated by dividing the net income (loss) for the year by the weighted average number of ordinary shares held by outside shareholders in issue during the year, net off the treasury stock held by the Company.

32. Segment information

The Company and its subsidiaries' business operations principally involve the manufacturing and trading of petroleum and petrochemical products, and are carried on in the geographic area of Thailand. As a result, all of the revenues, operating income (loss) and assets reflected in these financial statements pertain to the aforementioned business segment and geographic area. Export sales for the year 2009 amounted to Baht 1,549 million (2008: Baht 6,705 million).

33. 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 Siam Commercial Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2009, the Company and its subsidiaries contributed Baht 10.1 million (2008: Baht 9.9 million) to the fund.

34. Dividend paid

Dividends of the Company which were declared in 2008 consist of the following:

(Unit: Baht)			
Dividend	Approved by	Total dividends	Dividend per share
Final dividends on 2007 income	Annual General Meeting of the shareholders on 3 April 2008	154,619,709	0.30
Interim dividends in respect of the income for the period as from 1 January 2008 to 30 June 2008	Board of Directors' meeting on 8 August 2008	82,137,477	0.17
Total dividends for 2008		<u>236,757,186</u>	<u>0.47</u>

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2009, capital commitments of the Company and its subsidiaries totaling Baht 4.7 million (2008: Baht 18.3 million and USD 0.6 million) were in respect of construction of community mall and the purchases of machinery and equipment.

35.2 Operating lease and service agreement commitments

- a) 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 26 years.

As at 31 December 2009, future minimum payments required under these agreements were as follows.

<u>Payable within</u>	<u>Million Baht</u>
Less than 1 year	50.49
2 to 5 years	53.52
More than 5 years	23.42
	<u>127.43</u>

- b) As at 31 December 2009, a subsidiary has commitment totaling Baht 53 million under a land rental agreement, for which the rate is adjusted every 5 years, for a period of 25 years ending 2032.
- c) A subsidiary has commitment totaling Baht 72 million under a land rental agreement for a period of 30 years starting from the date of the completion of community mall construction and its opening to the public, but no later than 31 December 2010. As at 31 December 2009, the community mall is under construction.

35.3 Long-term purchase and sale commitments / 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 Aromatics and Refining Public Company Limited in a quantity and at a price stipulated in the agreement. The agreement has a primary period of 15 years ending 2012 and may be extended. 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 expiry of 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. 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 because the parties interpret the agreement differently. 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 to construct 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 renew automatically at the completion of the first 15-year term (Primary period). 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 condition of the agreement. On this basis, the Company is confident that the agreement cannot be terminated, while PTT has a different opinion. 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. At present, the commercial dispute is under formal arbitration proceedings. The outcome cannot be determined and depends on the future judicial process.

However, during the course of the arbitration proceedings, the Company and its subsidiaries will continue business as usual, with there being no impact on their operations.

- b) In November 2007, a subsidiary 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 in any case within 1 October 2008. The agreement can be extended for another 5 years. If the agreement is cancelled as a result of a breach by the subsidiary, the subsidiary is to pay compensation equal to the unamortised value of the steam pipe and related equipment.

As at 31 December 2009, PTTUT had yet to install the equipment and pipeline to supply steam to the subsidiary.

35.4 Guarantees

- a) As at 31 December 2009, there were outstanding bank guarantees of Baht 274.8 million (2008: Baht 267.3 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 175 million to guarantee payments due to creditors, Baht 94.7 million to guarantee the request for a corporate income tax refund from the Revenue Department and Baht 5.1 million to guarantee electricity use, among others.
- b) The Company has guaranteed credit facilities from banks of a subsidiary (Pure Biodiesel Co., Ltd.) amounting to Baht 60 million (2008: Baht 10 million). The guarantees are effective for as long as the underlying obligations have not been discharged by the subsidiary. The Company charged a guarantee fee at a rate of 1% per annum.

36. Financial instruments

36.1 Financial risk management

The Company and subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 32 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable and payable, short-term loans receivable, investments, and short-term and long-term loans

payable. 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 accounts receivable, loans receivable, other receivables and notes receivable. 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 accounts receivable, loans receivable, other receivables and notes receivable as stated in the balance sheets.

Interest rate risk

The Company and subsidiaries' exposures to interest rate risk relate primarily to their deposits at banks, loans receivable, bank overdrafts, 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 as at 31 December 2009 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.

	Fixed interest rates					Total	Average interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing		
	(Million Baht)						
Financial assets							
Cash and cash equivalents	-	-	-	439.2	35.4	474.6	0.10 - 0.85
Current investments	-	-	-	-	76.0	76.0	-
Trade accounts receivable	-	-	-	-	141.2	141.2	-
Pledged deposits at banks	90.0	-	-	-	-	90.0	0.50 - 1.00
	<u>90.0</u>	<u>-</u>	<u>-</u>	<u>439.2</u>	<u>252.6</u>	<u>781.8</u>	
Financial liabilities							
Bank overdrafts and short-term loans from banks	912.0	-	-	-	-	912.0	1.75 - 4.60
Trade accounts payable	-	-	-	-	970.7	970.7	-
Accounts payable - unrelated parties	-	-	-	-	51.7	51.7	-
Amounts due to related parties	-	-	-	-	0.1	0.1	-
Short-term loans from unrelated parties	82.5	-	-	-	-	82.5	3.00 - 5.00
Short-term loans from related parties	31.3	-	-	-	-	31.3	4.50 - 5.00

Long-term loans from banks	-	-	-	283.3	-	283.3	Not exceed MLR
Liabilities under finance leases	12.4	39.1	-	-	-	51.5	3.00 - 7.33
	<u>1,038.2</u>	<u>39.1</u>	<u>-</u>	<u>283.3</u>	<u>1,022.5</u>	<u>2,383.1</u>	

Foreign currency risk

The Company 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 and liabilities denominated in foreign currencies as at 31 December 2009 are summarised below.

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2009
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)
US dollar	107	-	33.3688
Euro	4	47	47.7934

As at 31 December 2009, the Company and its subsidiaries had no outstanding forward foreign currency contracts.

Market risk

The Company and its subsidiaries have risk exposure with respect to the market price of oil, which tends to fluctuate significantly. The Company manages the risk by controlling the production period in order to minimise the period between receiving raw materials and selling finished goods. In order to hedge the risk, the Company may enter into forward contracts to purchase and sell crude oil and oil products.

As at 31 December 2009, the Company does not have outstanding forward contracts to purchase and sell crude oil and oil products.

36.2 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 balance sheets.

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.

37. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2009, the Group's debt-to-equity ratio was 2.26:1 (2008: 2.94:1) and the Company's was 1.78:1 (2008: 2.57:1).

38. Subsequent events

- a) In January 2010, the Company has obtained short-term loans totaling Baht 80 million from related parties in the form of unsecured promissory notes with a maturity of 12 months. The loans carry interest at a rate of 5.25%.
- b) The Company's Board of Directors meeting, held on 1 February 2010, passed a resolution to propose the following for approval by the Extraordinary General Meeting of the Company's shareholders No. 1/2010.
 - 1) Resell 46,706,900 of the Company's treasury shares through a public offering or issue Taiwan Depositary Receipts (TDR) in Taiwan with compliance with regulations of the Office of the Securities and Exchange Commission in both Thailand and Taiwan. The offer price is to be not lower than 90% of the average market price of 15 days prior to the date the Board of Directors pass a resolution approving the offer.
 - 2) Increase the Company's registered capital from Baht 529.87 million (529.87 million ordinary shares of Baht 1 each) to not more than Baht 802.87 million (802.87 million ordinary shares of Baht 1 each), through the issue of not more than 273 million additional ordinary shares, with a par value of Baht 1 each. The offering will be by private placement or public offering or through the issue of Taiwan Depositary Receipts (TDR) in Taiwan. The capital increase will commence after or simultaneous with the completion of the resale of treasury shares and the offer price is to be not lower than 90% of the average market price of 15 days prior to the date the Board of Directors pass a resolution approving the offer. The purpose of the increase in share capital is to provide funds to expand the Company's business and for use as working capital.

c) The Company's Board of Directors meeting, held on 18 February 2010, approved the following resolutions.

- 1) Purchase 25,500 shares (par value of Baht 100 per share) of SCT Sahaphan Co., Ltd. ("SAP"), equivalent to a 51% of total shares, from Pure Thai Energy Co., Ltd., a 100% held subsidiary of the Company, at a price of Baht 110 per share, or a total of Baht 2.85 million.
- 2) Increase the Company's investment in SAP, whereby that company's registered capital will increase from Baht 5 million (50,000 ordinary shares of Baht 100 each) to Baht 20 million (200,000 ordinary shares of Baht 100 each) through the issue of 150,000 additional ordinary shares (par value of Baht 100 each) for offer at Baht 100 per share.

39. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2008 have been reclassified to conform to the current year's classification but with no effect to previously reported net loss or shareholders' equity. The reclassifications are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Other current assets	386,878,572	394,694,501	-	-
Other non-current assets	48,037,769	40,221,840	-	-
Revenue from services	71,265,105	28,448,786	-	-
Management fee income	-	-	70,740,739	-
Other income	27,506,352	79,192,813	25,460,356	96,201,095
Cost of sales	22,548,944,995	22,554,411,822	-	-
Cost of services	65,000,183	14,937,284	-	-
Administrative expenses	354,577,591	462,600,856	237,729,056	292,286,107
Management benefit expenses	54,557,051	-	54,557,051	-

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2010.