

SIAMGAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED

**CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS (REISSUED)**

31 DECEMBER 2010

AUDITOR'S REPORT

To the Shareholders of Siamgas and Petrochemicals Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 31 December 2010 and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the year then ended of Siamgas and Petrochemicals Public Company Limited and its subsidiaries, and of Siamgas and Petrochemicals Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated and company financial statements for the year ended 31 December 2009 of Siamgas and Petrochemicals Public Company Limited and its subsidiaries, and of Siamgas and Petrochemicals Public Company Limited, respectively were audited by another auditor whose report dated 24 February 2010, expressed an unqualified opinion on those statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2010, and the consolidated and company results of operations, and cash flows for the year then ended of Siamgas and Petrochemicals Public Company Limited and its subsidiaries, and of Siamgas and Petrochemicals Public Company Limited, respectively in accordance with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to Note 33.1 in the financial statements which indicated that the previously issued the consolidated financial statements for the year ended 31 December 2010 on which I issued an unqualified opinion dated 28 February 2011 have been revised and reissued. The revision is to recognise the excess of the estimated fair value of the identifiable net assets acquired over the cost of acquisition by Baht 469 million in the consolidated statement of income. This audit report replaces the previously issued as mentioned.

Vichien Khingmontri
Certified Public Accountant (Thailand) No. 3977
PricewaterhouseCoopers ABAS Limited

Bangkok
11 November 2011

Siamgas and Petrochemicals Public Company Limited

Balance Sheets

As at 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010	2009	2010	2009
		Restated Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	938,779,913	1,331,089,140	233,897,855	311,217,065
Short-term investments		-	10,110,800	-	-
Trade accounts receivable, net	8	1,136,366,487	1,021,004,688	322,218,606	355,465,546
Trade accounts receivable from related parties	30	1,220,442	1,167,242	173,802,014	10,645,289
Current portion of long-term loans to related parties	30	-	-	-	100,000,000
Inventories, net	9	1,909,950,976	392,303,621	1,116,788,944	96,490,542
Other current assets	10	281,024,720	169,851,606	92,415,449	112,559,379
Total current assets		4,267,342,538	2,925,527,097	1,939,122,868	986,377,821
Non-current assets					
Investments in subsidiaries	12	-	-	5,500,975,854	2,726,163,608
Investment in a joint venture	12	500,000	-	500,000	-
Long-term investment		200,000	200,000	-	-
Long-term loans to related parties, net	30	-	-	552,981,300	115,000,000
Property, plant and equipment, net	13, 33	9,514,655,565	5,251,690,534	2,913,622,576	2,402,995,482
Non-operating assets held for sales	14	-	50,500,135	-	-
Intangible assets	15, 33	1,761,499,545	1,071,165,788	7,927,894	9,100,523
Deposit for investment	16	150,756,500	165,520,625	-	-
Other non-current assets	17	187,778,522	41,157,036	63,344,922	27,849,214
Total non-current assets		11,615,390,132	6,580,234,118	9,039,352,546	5,281,108,827
Total assets		15,882,732,670	9,505,761,215	10,978,475,414	6,267,486,648

Director _____ Director _____

The notes to the consolidated and company financial statements from pages 10 to 54 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited

Balance Sheets

As at 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010	2009	2010	2009
		Restated Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	18	2,171,598,180	20,000,000	1,047,450,650	-
Trade accounts payable		1,732,665,770	1,047,861,763	1,140,763,480	516,345,484
Trade accounts payable to related parties	30	-	-	32,969,531	28,911,254
Current portion of long-term loans	19	688,746,676	186,058,664	604,356,250	120,000,000
Other payables		101,639,331	54,021,027	20,350,956	19,941,810
Accrued corporate income tax		265,153,543	327,874,701	97,497,335	127,182,403
Other current liabilities	20	163,727,560	86,588,957	37,836,450	31,653,091
Total current liabilities		5,123,531,060	1,722,405,112	2,981,224,652	844,034,042
Non-current liabilities					
Long-term loans from financial institutions, net	19	2,200,806,074	747,736,549	1,756,368,279	390,000,000
Long-term loans from related parties	30	-	-	1,310,000,000	825,000,000
Cylinder deposits	21	2,433,207,268	2,254,069,677	305,966,623	258,155,078
Other non-current liabilities		23,654,408	5,513,645	1,783,778	2,038,198
Total non-current liabilities		4,657,667,750	3,007,319,871	3,374,118,680	1,475,193,276
Total liabilities		9,781,198,810	4,729,724,983	6,355,343,332	2,319,227,318

The notes to the consolidated and company financial statements from pages 10 to 54 are an integral part of these financial statements.

Balance Sheets
As at 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010	2009	2010	2009
		Restated Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	22				
Authorised share capital					
950,000,000 ordinary shares with a par value of Baht 1 per share		<u>950,000,000</u>	<u>950,000,000</u>	<u>950,000,000</u>	<u>950,000,000</u>
Issued and paid-up share capital					
950,000,000 ordinary shares of Baht 1 each, fully paid		950,000,000	950,000,000	950,000,000	950,000,000
Premium on share capital	22	1,874,481,829	1,874,481,829	1,874,481,829	1,874,481,829
Revaluation surplus on land		310,443,917	310,443,917	281,220,466	281,220,466
Difference from a business combination under common control		(660,734,022)	(660,734,022)	(660,734,022)	(660,734,022)
Difference from taking equity of a business combination under common control		22,582,995	22,582,995	-	-
Currency translation differences		(32,001,088)	(2,950,397)	-	-
Retained earnings					
Appropriated					
- Legal reserve	24	162,088,663	116,864,254	162,088,663	116,864,254
- Reserve for treasury stock	25	272,143,445	272,143,445	272,143,445	272,143,445
Unappropriated	33	3,407,334,946	2,081,717,838	2,016,075,146	1,386,426,803
<u>Less</u> Treasury stock	22, 25	<u>(272,143,445)</u>	<u>(272,143,445)</u>	<u>(272,143,445)</u>	<u>(272,143,445)</u>
Total parent's shareholders' equity		<u>6,034,197,240</u>	<u>4,692,406,414</u>	<u>4,623,132,082</u>	<u>3,948,259,330</u>
Minority interests		<u>67,336,620</u>	<u>83,629,818</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>6,101,533,860</u>	<u>4,776,036,232</u>	<u>4,623,132,082</u>	<u>3,948,259,330</u>
Total liabilities and shareholders' equity		<u>15,882,732,670</u>	<u>9,505,761,215</u>	<u>10,978,475,414</u>	<u>6,267,486,648</u>

The notes to the consolidated and company financial statements from pages 10 to 54 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited

Statements of Income

For the years ended 31 December 2010 and 2009

	Notes	Consolidated		2010 Baht
		2010 Restated Baht	2009 Baht	
Revenue				
Revenue from sales		21,388,669,015	18,953,272,541	11,487,867,101
Revenue from transportation		335,383,594	346,609,244	-
Revenue from services		136,457,310	33,441,855	74,664,085
Total revenue	30	<u>21,860,509,919</u>	<u>19,333,323,640</u>	<u>11,562,531,186</u>
Cost of sales and services		<u>(19,621,360,818)</u>	<u>(17,122,007,437)</u>	<u>(10,601,879,608)</u>
Gross profit		<u>2,239,149,101</u>	<u>2,211,316,203</u>	<u>960,651,578</u>
Dividend income		-	-	627,399,240
Other income	26	139,078,473	121,976,105	53,310,830
Gain on business acquisition	11 c), 33	653,271,823	-	-
Total other income		<u>792,350,296</u>	<u>121,976,105</u>	<u>680,710,070</u>
Profit before expenses		<u>3,031,499,397</u>	<u>2,333,292,308</u>	<u>1,641,361,648</u>
Selling expenses		(58,913,704)	(30,460,657)	(30,944,537)
Administrative expenses		(501,311,018)	(426,028,704)	(203,623,813)
Management's remuneration		(41,333,796)	(42,302,002)	(24,544,598)
Total expenses		<u>(601,558,518)</u>	<u>(498,791,363)</u>	<u>(259,112,948)</u>
Profit before finance costs and income tax		<u>2,429,940,879</u>	<u>1,834,500,945</u>	<u>1,382,248,700</u>
Finance costs	27	<u>(66,588,611)</u>	<u>(43,629,436)</u>	<u>(43,873,162)</u>
Profit before income tax		<u>2,363,352,268</u>	<u>1,790,871,509</u>	<u>1,338,375,538</u>
Income tax	28	<u>(553,094,588)</u>	<u>(560,712,963)</u>	<u>(204,474,676)</u>
Net profit for the year	33	<u><u>1,810,257,680</u></u>	<u><u>1,230,158,546</u></u>	<u><u>1,133,900,862</u></u>
Attributable to:				
Equity holders of the parent		1,832,470,447	1,254,595,989	1,133,900,862
Minority interests		(22,212,767)	(24,437,443)	-
Net profit for the year		<u><u>1,810,257,680</u></u>	<u><u>1,230,158,546</u></u>	<u><u>1,133,900,862</u></u>
Earnings per share for profit attributable to the equity holders of the parent				
	29, 33			
Basic earnings per share (Baht)		<u>1.99</u>	<u>1.34</u>	<u>1.23</u>

The notes to the consolidated and company financial statements from pages 10 to 54 are an integral part statements.

Company
2009

Baht

10,235,294,104
-
69,746,759

10,305,040,863
(9,315,636,800)

989,404,063

993,382,130
52,540,223
-

1,045,922,353

2,035,326,416
(20,980,959)
(184,935,404)
(25,300,849)

(231,217,212)

1,804,109,204
(27,620,593)

1,776,488,611
(216,220,846)

1,560,267,765

1,560,267,765
-

1,560,267,765

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Siangas and Petrochemicals Public Company Limited
Statements of Changes in Shareholders' Equity
For the years ended 31 December 2010 and 2009

Consolidated													
Attributable to equity holders of the parent													
	Notes	Issued and paid-up share capital	Premium on share capital	Revaluation surplus on land	Difference from a business combination under common control	Difference from taking equity of a business combination under common control	Currency translation differences	Retained earnings			Minority interests	Total	
								Legal reserve	Reserve for treasury stock	Unappropriated retained earnings			
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Opening balance													
- 1 January 2010		950,000,000	1,874,481,829	310,443,917	(660,734,022)	22,582,995	(2,950,397)	116,864,254	272,143,445	2,081,717,838	(272,143,445)	83,629,818	4,776,036,232
Currency translation differences		-	-	-	-	-	(29,050,691)	-	-	-	-	-	(29,050,691)
Dividends paid	23	-	-	-	-	-	-	-	-	(461,628,930)	-	-	(461,628,930)
Legal reserve	24	-	-	-	-	-	-	45,224,409	-	(45,224,409)	-	-	-
Net profit for the year	33	-	-	-	-	-	-	-	-	1,832,470,447	-	(22,212,767)	1,810,257,680
Minority interests		-	-	-	-	-	-	-	-	-	-	5,919,569	5,919,569
Closing balance													
- 31 December 2010		950,000,000	1,874,481,829	310,443,917	(660,734,022)	22,582,995	(32,001,088)	162,088,663	272,143,445	3,407,334,946	(272,143,445)	67,336,620	6,101,533,860
Opening balance													
- 1 January 2009		950,000,000	1,874,481,829	270,080,940	(660,734,022)	22,582,995	-	38,850,866	-	1,602,682,622	-	108,067,261	4,206,012,491
Revaluation surplus on land	13	-	-	40,362,977	-	-	-	-	-	-	-	-	40,362,977
Currency translation differences		-	-	-	-	-	(2,950,397)	-	-	-	-	-	(2,950,397)
Dividends paid	23	-	-	-	-	-	-	-	-	(425,403,940)	-	-	(425,403,940)
Legal reserve	24	-	-	-	-	-	-	78,013,388	-	(78,013,388)	-	-	-
Treasury stock reserve	25	-	-	-	-	-	-	-	272,143,445	(272,143,445)	-	-	-
Treasury stock	25	-	-	-	-	-	-	-	-	-	(272,143,445)	-	(272,143,445)
Net profit for the year		-	-	-	-	-	-	-	-	1,254,595,989	-	(24,437,443)	1,230,158,546
Closing balance													
- 31 December 2009		950,000,000	1,874,481,829	310,443,917	(660,734,022)	22,582,995	(2,950,397)	116,864,254	272,143,445	2,081,717,838	(272,143,445)	83,629,818	4,776,036,232

The notes to the consolidated and company financial statements from pages 10 to 54 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited

Statements of Changes in Shareholders' Equity

For the years ended 31 December 2010 and 2009

Company									
Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Revaluation surplus on land Baht	Difference from a business combination under common control Baht	Retained earnings			Treasury stock Baht	Total Baht
					Legal reserve	Reserve for treasury stock	Unappropriated retained earnings		
					Baht	Baht	Baht		
Opening balance - 1 January 2010	950,000,000	1,874,481,829	281,220,466	(660,734,022)	116,864,254	272,143,445	1,386,426,803	(272,143,445)	3,948,259,330
Dividends paid	23	-	-	-	-	-	(459,028,110)	-	(459,028,110)
Legal reserve	24	-	-	-	45,224,409	-	(45,224,409)	-	-
Net profit for the year		-	-	-	-	-	1,133,900,862	-	1,133,900,862
Closing balance - 31 December 2010	<u>950,000,000</u>	<u>1,874,481,829</u>	<u>281,220,466</u>	<u>(660,734,022)</u>	<u>162,088,663</u>	<u>272,143,445</u>	<u>2,016,075,146</u>	<u>(272,143,445)</u>	<u>4,623,132,082</u>
Opening balance - 1 January 2009	950,000,000	1,874,481,829	270,080,940	(660,734,022)	38,850,866	-	597,601,821	-	3,070,281,434
Revaluation surplus on land	13	-	11,139,526	-	-	-	-	-	11,139,526
Dividends paid	23	-	-	-	-	-	(421,285,950)	-	(421,285,950)
Legal reserve	24	-	-	-	78,013,388	-	(78,013,388)	-	-
Treasury stock reserve	25	-	-	-	-	272,143,445	(272,143,445)	-	-
Treasury stock	25	-	-	-	-	-	-	(272,143,445)	(272,143,445)
Net profit for the year		-	-	-	-	-	1,560,267,765	-	1,560,267,765
Closing balance - 31 December 2009	<u>950,000,000</u>	<u>1,874,481,829</u>	<u>281,220,466</u>	<u>(660,734,022)</u>	<u>116,864,254</u>	<u>272,143,445</u>	<u>1,386,426,803</u>	<u>(272,143,445)</u>	<u>3,948,259,330</u>

The notes to the consolidated and company financial statements from pages 10 to 54 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statements of Cash Flows
For the years ended 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010 Restated Baht	2009 Baht	2010 Baht	2009 Baht
Cash flows from operating activities					
Net profit before income tax		2,363,352,268	1,790,871,509	1,338,375,538	1,776,488,611
Adjustments for:					
Depreciation expenses - property, plant and equipment	13	451,216,943	415,902,704	61,724,814	50,322,951
Amortisation expenses		9,080,158	3,471,130	1,172,629	1,190,674
Interest expenses		42,384,089	18,387,401	27,934,574	12,584,152
Allowance for doubtful debts (reversal)		(166,076)	727,522	(356,414)	(547,126)
Provision for diminution in value of inventories (reversal)		(2,775,855)	1,584,771	-	-
Unrealised (gain) loss on exchange rate		1,186,085	(415,531)	807,727	356,900
(Gain) loss on sales/written off of property, plant and equipment, net		(22,172,146)	1,798,681	(1,146,490)	24,331
Reversal of loss from land revaluation		-	(20,740,370)	-	(21,090,370)
Dividends received		-	-	(627,399,240)	(993,382,130)
Gain from business combination	11 c, 33	(653,271,823)	-	-	-
		2,188,833,643	2,211,587,817	801,113,138	825,947,993
Changes in operating working capital					
- trade accounts receivable		(27,358,564)	(96,320,544)	33,603,354	(56,436,444)
- trade accounts receivable from related parties		(53,201)	273,426	(163,156,725)	(1,446,364)
- inventories		(1,101,883,405)	21,017,869	(1,020,298,402)	(8,482,907)
- other current assets		80,794,311	(40,133,885)	47,940,455	(69,832,011)
- other non-current assets		(107,113,257)	(27,865,296)	(10,663,593)	(19,185,580)
- trade accounts payable		511,358,209	78,455,692	624,417,996	13,147,695
- trade accounts payable to related parties		-	230,139	(501,323)	(7,658,733)
- other payables		4,258,544	750,265	(2,360,831)	146,942
- cylinder deposits		145,625,300	103,528,532	47,811,545	44,291,348
- other current liabilities		(30,743,921)	(22,603,087)	7,995,453	(4,100,405)
- other non-current liabilities		4,456,696	(5,306,171)	(254,420)	37,000
Cash flows receipts from operating activities before interest and income tax paid		1,668,174,355	2,223,614,757	365,646,647	716,428,534
- Interest paid		(37,996,703)	(33,494,011)	(29,735,969)	(44,521,762)
- Income tax paid		(623,818,392)	(517,679,446)	(234,159,744)	(238,309,814)
Net cash receipts from operating activities		1,006,359,260	1,672,441,300	101,750,934	433,596,958
Cash flows from investing activities					
Proceeds from disposals of short-term investments		10,110,800	5,034,174	-	10,000,000
Receipt from short-term loans from related parties	30	-	-	-	183,130,967
Payment for short-term loans to related parties	30	-	-	-	(183,130,967)
Receipt from long-term loans from related parties	30	-	-	168,525,000	-
Payment for long-term loans to related parties	30	-	-	(506,506,300)	(105,000,000)
Proceeds from disposal of investment in a subsidiary	12	22,062,790	-	22,062,790	-
Net cash paid for the acquisitions of subsidiaries	11, 12	(1,063,541,211)	-	(2,796,875,035)	(201,540,000)
Payment for investment in joint venture	12	-	-	(500,000)	-
Purchases of property, plant and equipment		(1,401,720,229)	(980,831,160)	(638,454,955)	(400,037,975)
Proceeds from disposals of property, plant and equipment		39,907,118	4,380,738	21,939,774	2,441,492
Purchases of intangible assets		(1,199,560)	(680,360)	-	(39,900)
Deposits paid for acquisition of investment		-	(165,520,625)	-	-
Dividends received		-	-	627,399,240	993,382,130
Net cash receipts (payments) from investing activities		(2,394,380,292)	(1,137,617,233)	(3,102,409,486)	299,205,747

The notes to the consolidated and company financial statements from pages 10 to 54 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statements of Cash Flows (continued)
For the years ended 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010	2009	2010	2009
		Restated Baht	Baht	Baht	Baht
Cash flows from financing activities					
Proceed from (payments on) short-term loan from financial institution		1,046,642,923	(2,784,254)	1,046,642,923	-
Repayments on short-term loans from related parties		-	-	-	(20,000,000)
Proceeds from long-term loans from related parties	30	-	-	1,110,000,000	825,000,000
Repayments on long-term loans from related parties	30	-	-	(625,000,000)	(1,218,000,000)
Proceeds from long-term loans from financial institutions	19	2,151,525,000	873,930,000	1,990,000,000	600,000,000
Payments to subsidiary's former shareholder for transfer of its loan to the Group	11 c)	(1,554,660,944)	-	-	-
Repayments on long-term loans from financial institutions	19	(195,767,462)	(115,468,122)	(139,275,471)	(90,000,000)
Repayments for liabilities under hire purchase agreement		(66,025)	(158,460)	-	-
Payment for purchase of treasury stocks	25	-	(272,143,445)	-	(272,143,445)
Dividends payments	23	(461,628,930)	(425,403,940)	(459,028,110)	(421,285,950)
Net cash receipts (payments) from financing activities		986,044,562	57,971,779	2,923,339,342	(596,429,395)
Net (decrease) increase in cash and cash equivalents		(401,976,470)	592,795,846	(77,319,210)	136,373,310
Cash and cash equivalents - opening balance		1,331,089,140	737,525,823	311,217,065	174,843,755
Exchange gains (loss) on cash and cash equivalents		(378,357)	767,471	-	-
Cash and cash equivalents - closing balance	7	<u>928,734,313</u>	<u>1,331,089,140</u>	<u>233,897,855</u>	<u>311,217,065</u>
Non-cash items					
Payable for purchase of property, plant and equipment (included in other accounts payable at the end of year)		34,738,916	22,493,171	11,434,536	4,115,657
Receivable for disposals of property, plant and equipment (included in other accounts receivable at the end of year)		-	-	13,184,726	-
Advance payments for property, plant and equipment (included in other current assets at the end of year)		19,251,816	1,164,330	39,653,914	210,000

The notes to the consolidated and company financial statements from pages 10 to 54 are an integral part of these financial statements.

1 General information

Siamgas and Petrochemicals Public Company Limited (the “Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s registered office is 498/997-999, Damrongrak Road, Klongmahanak, Pomprabsatroopai, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the “Group”.

The Group has main business in trading liquefied petroleum gas (LPG) and petrochemical, transportation services by land and ship, and ethanol production.

These consolidated and company financial statements, which have been revised and reissued (Note 33), were authorised by the Board of Directors on 11 November 2011.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below.

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the consolidated and company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies (continued)

2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework

The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (collectively “the accounting standards”) and amendments to accounting framework are endorsed by the Government Gazette during 2010.

a) Effective on 26 May 2010

The amendment of accounting framework

b) Effective for the accounting periods beginning on or after 1 January 2011

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

The Group will apply the aforementioned accounting standards from 1 January 2011. The Group’s management assessed and determined that there are no significant impacts to financial statements being presented except the following accounting standards.

- TAS 1 (Revised 2009) states that an entity shall present all items of income and expense recognised in a period in a single statement (the statement of comprehensive income) or in two statements (the separate income statement and statement of comprehensive income). In addition, this revised standard requires an entity to present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity makes a retrospective restatement or reclassifies items in the financial statements. However, for the financial statements which period begins on or after 1 January 2011 and are the first period apply the revised standard, an entity can choose to present statement of financial position only two statements without the statement of financial position as at the beginning comparative period. The Group decides to present both the separate income statement and statement of comprehensive income as the two statements.

2 Accounting policies (continued)

2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (continued)

b) Effective for the accounting periods beginning on or after 1 January 2011 (continued)

- TAS 16 (Revised 2009) requires that the cost of an item of property, plant and equipment includes the costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of installing the item. Each significant component of property, plant and equipment is required to be separately identified and depreciated if the useful life of each significant component differs from other components. In addition, useful lives and residual values of the property, plant and equipment are required to be reviewed and adjusted, if appropriate, at least annually. The management is currently assessing the impact of applying this standard.
- TAS 19 deals with accounting for employee benefit. The standard classifies employee benefit into 4 categories: a) short-term employee benefits b) post-employment benefits (including defined contribution plan and defined benefit plan) c) other long-term employee benefits and d) termination benefits. The standard requires the entity to measure the defined benefit plan and other long-term employee benefits by using the Projected Unit Credit method (PUC). An entity can choose to recognise any actuarial gain or loss for defined benefit plan either in other comprehensive income or profit and loss. Actuarial gain or loss for other long-term employee benefit shall recognise in profit and loss. The Group will apply this standard from 1 January 2011. The management is currently assessing the impact of applying this standard.
- TAS 24 (Revised 2009) expands the definition of related party to include parties with joint control over the entity, joint venture in which the entity is a venturer and post-employment benefit plan for the benefit of employees of an entity. This revised accounting standard may impact only to the disclosure of related party information in the notes to financial statements.
- TAS 27 (Revised 2009) prescribes an accounting for changes in ownership interest in a subsidiary. The revised standard requires changes in a parent's ownership interest in a subsidiary, including all transactions with non-controlling interests that do not result in the loss of control to be accounted for in equity. When the entity loses control of a subsidiary, any investment retained in the former subsidiary is measured at its fair value and any gain or loss is recognised in profit or loss. The accounting for such changes in ownership interest shall be applied prospectively.
- TAS 31 (revised 2009) requires that when an investor ceased to have joint control over an entity, it shall account for any remaining investment at fair value and recognise any gain or loss in profit and loss.
- TAS 40 (Revised 2009) prescribes the accounting and disclosure for investment property. An entity is required to present an investment property separately in the statement of financial position. The entity may choose to measure the investment property either the cost model or the fair value model. Under fair value model, any changes in fair value are recognised in profit or loss. The management is currently assessing the impact of applying this standard.
- TFRS 3 (Revised 2009) continues to apply the acquisition method to business combinations, unless it is a combination involving entities or businesses under common control. Examples of significant changes in the revised standard are (a) all payments to a business acquisition, including contingent considerations shall be recognised at fair value on the acquisition date and changes in fair value of contingent consideration classified as a liability are recognised in profit or loss, (b) for each business combination, the acquirer shall measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, and (c) all acquisition-related costs should be expensed in the periods in which the costs are incurred, etc. The revised accounting standard shall be applied prospectively to business combinations from 1 January 2011.

2 Accounting policies (continued)

2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (continued)

- c) Effective for the accounting periods beginning on or after 1 January 2013

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

The Group will apply the aforementioned accounting standards from 1 January 2013. The Group's management is currently assessing the impact of applying these standards.

2.3 Group accounting - investments in subsidiaries and interests in joint ventures

2.3.1 Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. The accounting policy on goodwill is explained in Note 2.10.1.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the company financial statements, investments in subsidiaries are accounted for using the cost method of accounting. Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared.

A list of the Group's subsidiaries and the financial effects of the acquisitions and disposals of subsidiaries are shown in Note 12.

2 Accounting policies (continued)

2.3 Group accounting - investments in subsidiaries and interests in joint ventures (continued)

2.3.2 Interests in joint ventures

The Group's interests in jointly controlled entities are initially recorded at cost and accounted for using the equity method in the consolidated financial statements. The Group has recognised interests in joint ventures including goodwill (net of accumulated amortisation). The Group's share of its joint ventures' post-acquisition profits or losses is recognised in the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the interests in joint ventures. When the Group's share of losses in joint ventures equals or exceeds its interests in joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

In the company financial statements, interests in jointly controlled entities are accounted for using the cost method of accounting. Under the cost method, income from interests in joint ventures will be recorded when dividends are declared.

A list of the Group's joint venture and the financial effects of the acquisitions and disposals of joint venture are shown in Note 12.

2.4 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using the reporting currency of that entity. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated and company statements of income.

Statements of income and cash flows of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and balance sheets are translated at the exchange rates prevailing on the balance sheet date. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated currency translation differences are recognised in the consolidated statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the exchange rate prevailing at the date of the transaction.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition and bank overdrafts. Bank overdrafts are included in current liabilities on the balance sheet.

2.6 Short-term investments

Short-term investments are fixed deposits at financial institutions which have maturity over three months but less than one year.

2 Accounting policies (continued)

2.7 Trade accounts receivables

Trade accounts receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount and the amount expected to be collectible. Bad debts are recognised in the consolidated and company statements of income as part of selling expenses.

2.8 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of petroleum and petrochemical products are determined by the weighted average method. Cost of oil product and other finished goods is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

2.9 Property, plant and equipment

Land is shown at fair value, based on valuations every five years by external independent valuers. All other plant and equipment are stated at cost less accumulated depreciation.

Increases in the carrying amount arising on revaluation of property are credited to the revaluation reserve (included in fair value reserves) in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the statement of income.

Land is not depreciated. Depreciation is calculated on the straight line basis to write off the cost (or the revalued amount) of each asset to its residual value over the estimated useful life as follows:

Land improvement	10 years
Buildings and infrastructure	15 - 32 years
Terminals, gas filling and service stations and gas storage tanks	5 - 20 years
Gas vessels	6 - 25 years
Gas cylinders	10 - 15 years
Machine, factory tools and equipment	5 - 25 years
Furniture, fixtures and office equipment	3 - 7 years
Vehicles	5 - 15 years

Overhaul expenses of ship, gas storage tanks and gas equipment are capitalised in the year that it is incurred and are amortised on a straight-line basis over a required inspection period within 2.5 years for ship and 3 - 5 years for gas storage tanks and gas equipment.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. All other borrowing costs are expensed.

2 Accounting policies (continued)

2.10 Intangible assets

2.10.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary undertaking or joint venture at the date of acquisition. Goodwill on acquisitions of subsidiaries and joint ventures is reported as an intangible asset and included in interests in joint ventures respectively in the consolidated balance sheet.

Recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

2.10.2 Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives (three to ten years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight line basis over their useful lives, not exceeding a period of ten years.

2.10.3 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation. Leasehold rights are amortised on a straight-line basis over the leasehold period.

2.11 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower end of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2 Accounting policies (continued)

2.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Leases - where a Group company is the lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Leases - where a Group company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.14 Deferred income taxes

The Group does not recognise income taxes payable or receivable in future periods with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on plant and equipment, revaluations of certain non-current assets, tax losses carried forward of subsidiaries and allowances for diminution of assets.

2 Accounting policies (continued)

2.15 Employee benefits

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

2.16 Provisions

Provisions, excluding the provisions for employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.17 Cylinder deposits

Cylinder deposits are recorded as liabilities from customers and will be settled with each customer when customer return the cylinders together with related original receipt as evidence of the deposits to the Group.

2.18 Share capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid including any attributable incremental external costs is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Transportation revenue is recognised in proportion to the lapsed time of the voyage, and services revenue are recognised when the services are rendered.

Revenue from rental is recognised over the period of lease agreement. Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

2 Accounting policies (continued)

2.20 Dividends

Dividends are recorded in the consolidated and company financial statements in the period in which they are approved by the related shareholders for annual dividends and by the Board of Directors of a company for interim dividends.

2.21 Segment reporting

Business segments are the distinguishable components of an entity each engaged in providing a different product or service, or a different group of related products or services.

Geographical segments are the distinguishable components of an entity engaged in operations in individual country or group of countries within particular geographical areas. The Group does not disclose geographical segments because the aggregated operating results of overseas entities are lower than ten percent.

2.22 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.23 Financial instruments

Financial assets carried in the balance sheets include cash and cash equivalents, short-term investments, trade accounts receivables and short-term and long-term loans. Financial liabilities carried in the balance sheet include bank overdrafts and short-term loans from financial institutions, trade accounts payables, long-term loans, other payables and cylinder deposits. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group is also a party to financial instruments that reduce exposure to fluctuations in interest rates. The instrument, is interest rate swap contract, is not recognised in the consolidated and company financial statements on inception.

Interest rate swap contracts protect the Group from movements in interest rates. Any differences to be paid or received on interest rate swap contracts are offset with the interest expenses arising from related loan agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to the statement of income.

2 Accounting policies (continued)

2.24 Comparative figures

Comparative figures have been adjusted to conform with changes in the presentation in the current as follows:

- Balance sheet as at 31 December 2010 included goodwill, leasehold rights, and computer program to present as one account under intangible assets. In addition, Management also considered to classify trademark as goodwill because this transaction is a part of goodwill. However, the new classification is not impact to the financial statements under intangible assets.
- The statements of income for the year ended 31 December 2010 have been presented by function-multiple steps. Management has considered that this format present more relevant information to users.
- Segment information for the year ended 31 December 2009 additionally included operating profit by business which is not audited (Note 6).
- The revenue from transportation for the year ended 31 December 2009 was reclassified as revenue from sales of gas because selling price of gas sales includes the transportation service.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate swaps to hedge certain exposures.

Risk management is carried out by a central treasury department (the Group Treasury) under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

3.1.1 Foreign exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rate to have an effect on the Group in the current reporting period and in future years. The Group has not entered into the hedging contracts because the Group assesses that the changes in exchange rates will not significantly affect assets and liabilities dominated in foreign currencies.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Interest rate risk

Interest rate risk arises from change in interest rates, which may have an impact on the Group's and Company's operations in the current reporting period and in future years. Liabilities which are affected from interest rate risk are as follows:

	Consolidated		Company		Interest rate per annum	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht	2010 % p.a.	2009 % p.a.
Short-term loan from commercial banks	2,171.60	20.00	1,047.45	-	MLR-0.50% and 2.50% - 5.23%	MLR-0.50%
Long-term loan from commercial banks	2,908.83	933.80	2,380.00	510.00	MLR, MLR-1.00%, MLR-2.00%, 4.95% and 4.11%	MLR-1.00% and 4.95%
Long-term loan from subsidiaries	-	-	1,310.00	825.00	Fixed deposits + 0.25	Fixed deposits + 0.25

In order to manage the interest rate risk, the Company entered into an interest rate swap agreement with local bank (see Note 19) to swap interest at 3 months for a fixed interest rate at 4.95% per annum, commencing from 12 February 2009 to 12 February 2014.

3.1.3 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3 Financial risk management (continued)

3.2 Fair value

Financial assets carried in the balance sheets include cash and cash equivalents, short-term investments, trade accounts receivables, trade accounts receivable from related parties and short-term and long-term loans. Financial liabilities carried in the balance sheet include bank overdrafts and short-term loans from financial institutions, trade accounts payables, long-term loans, other payables and cylinder deposits.

The carrying amounts of the financial assets and financial liabilities approximate their fair values.

The fair value of interest rate swap contract has been calculated using rate quoted by the Group's commercial banker to terminate the contract at the balance sheet date. As at 31 December 2010, the notional amount and the fair value of financial instrument are as follows: (31 December 2009: obligation at Baht 5.76 million).

Unit: Million Baht					
	Consolidated and Company Financial Statements				
	Notional amount				Net Fair Value (Obligation)
	Less than 1 year	Within 1- 5 years	More than 5 years	Total	
Interest rate swap contract (see Note 19)	-	390	-	390	(4.64)

4 Critical accounting estimates, assumptions and judgements

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.10.1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit in order to calculate present value. Significant estimates and assumptions used are growth rate and discount rate which reflect risk of the particular cash-generating unit.

Determination of the assumptions is necessary for the impairment testing. During the year 2010, the Group has recognised goodwill on business acquisitions of overseas entities. The Group has just operated these subsidiaries, therefore, the actual results may be varied from the Group's estimates.

(b) Plant, equipment and intangible assets

Management determines the estimated useful lives and residual values of the Group's plant, equipment and intangible assets. The management will review depreciation and amortisation expenses where the estimated useful life and residual value differ from the previous estimation or there is written-off for technically obsolete or non-used assets by sales or abandon.

4 Critical accounting estimates, assumptions and judgements (continued)

4.2 Critical judgements in applying the entity's accounting policies

Allowance for doubtful accounts

The determination of the allowance for doubtful accounts requires the use of various assumptions and judgements by the management, which includes the estimated collection losses on receivables, based on the Group's collection experience together with a review of the financial position of the debtors. The management reviews these estimates and assumptions on a regular basis.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company does not apply any financial ratios to monitor its capital. However, the Company has monitored its debt covenants as specified in the loan agreements (see Note 19).

6 Segment information

The Group presents segment information in accordance with business segment in the internal financial report within the Group.

The significant business segments are as follows:

Petroleum and petrochemical products	:	Petroleum trading for household cooking, industry and transportation business, and petrochemical trading
Transportation services	:	Transportation services by land and ship
Other segment	:	Cylinder manufacturing and ethanol production

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6 Segment information (continued)

Financial information by business segment

	Consolidated (restated)				Total Baht
	Petroleum and petrochemical products Baht	Transportation services Baht	Other business segment Baht	Elimination entries Baht	
For the year ended 31 December 2010					
Sales and service income	21,816,046,284	1,390,922,288	164,216,509	(1,510,675,162)	21,860,509,919
Cost of goods sold and services	(19,831,018,949)	(1,046,609,476)	(198,744,263)	1,455,011,870	(19,621,360,818)
Operating profit	1,985,027,335	344,312,812	(34,527,754)	(55,663,292)	2,239,149,101
Gain from business acquisition (Note 33)	653,271,823	-	-	-	653,271,823
Unallocated income/(expenses)					(1,059,950,477)
Net profit for the year for the parent's company					<u>1,832,470,447</u>
Segment fixed assets	<u>7,369,540,579</u>	<u>1,289,182,748</u>	<u>629,360,285</u>	<u>226,571,953</u>	9,514,655,565
Unallocated assets					<u>6,368,077,105</u>
Consolidated total assets					<u>15,882,732,670</u>
For the year ended 31 December 2009					
Sales and service income	19,096,065,171	1,192,305,134	149,946,045	(1,104,992,710)	19,333,323,640
Cost of goods sold and services	(17,129,256,144)	(858,561,608)	(195,297,617)	1,061,107,932	(17,122,007,437)
Operating profit	1,966,809,027	333,743,526	(45,351,572)	(43,884,778)	2,211,316,203
Unallocated income/(expenses)					<u>(956,720,214)</u>
Net profit for the period for the parent's company					<u>1,254,595,989</u>
Segment fixed assets	<u>3,527,965,543</u>	<u>865,755,886</u>	<u>654,002,535</u>	<u>203,966,570</u>	5,251,690,534
Unallocated assets					<u>4,254,070,681</u>
Consolidated total assets					<u>9,505,761,215</u>

7 Cash and cash equivalents

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Cash on hand	9,580,970	9,157,637	6,778,180	7,383,587
Deposits held at call with banks	929,198,943	1,321,931,503	227,119,675	303,833,478
Cash and bank balances	<u>938,779,913</u>	<u>1,331,089,140</u>	<u>233,897,855</u>	<u>311,217,065</u>

The average interest rate on short-term bank deposits was 0.25% (2009: 0.50%).

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7 Cash and cash equivalents (continued)

For the purposes of cash flow statement, the cash and cash equivalents comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Cash and bank balances	938,779,913	1,331,089,140	233,897,855	311,217,065
Bank overdrafts (Note 18)	(10,045,600)	-	-	-
Cash and cash equivalents	928,734,313	1,331,089,140	233,897,855	311,217,065

8 Trade accounts receivable, net

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Trade accounts receivable	1,194,094,874	1,078,899,151	325,412,429	359,015,783
<u>Less</u> Allowance for doubtful accounts	(40,976,988)	(41,143,064)	(3,193,823)	(3,550,237)
Provision for discount receivable	(16,751,399)	(16,751,399)	-	-
Trade accounts receivable, net	1,136,366,487	1,021,004,688	322,218,606	355,465,546

The age analysis of the trade accounts receivable is as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Trade accounts receivable				
Within credit term	1,013,695,719	967,135,169	299,575,998	306,772,034
Overdue				
- below 3 months	104,684,343	49,022,452	19,583,843	45,195,886
- 3 months to 12 months	17,872,843	5,848,065	2,733,883	3,573,563
- more than 12 months	57,841,969	56,893,465	3,518,705	3,474,300
Total trade accounts receivable	1,194,094,874	1,078,899,151	325,412,429	359,015,783
<u>Less</u> Allowance for doubtful accounts	(40,976,988)	(41,143,064)	(3,193,823)	(3,550,237)
Provision for discount receivable	(16,751,399)	(16,751,399)	-	-
Trade accounts receivable, net	1,136,366,487	1,021,004,688	322,218,606	355,465,546

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9 Inventories, net

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Petroleum products	1,588,214,703	125,788,110	1,078,090,128	48,212,385
Petrochemical products	50,059,270	47,482,439	-	-
Oil products	31,394,811	36,168,164	-	-
Finished goods	58,120,156	45,792,445	-	16,132,952
Raw material	62,932,374	23,731,703	-	-
Supplies and others	45,570,269	42,597,942	443,875	433,675
Goods in transit	49,851,747	59,547,636	38,254,941	31,711,530
Work in process	24,555,508	14,718,899	-	-
Total	1,910,698,838	395,827,338	1,116,788,944	96,490,542
<u>Less</u> Allowance for diminution in value of inventories	(747,862)	(3,523,717)	-	-
Inventories, net	1,909,950,976	392,303,621	1,116,788,944	96,490,542

According to regulations issued by the Ministry of Energy, the Group and the Company are required to reserve crude oil and petroleum products at 0.5% of the total trading volume in each period. As at 31 December 2010, the inventories included minimum mandatory reserve on crude oil and petroleum products amounting to Baht 97.95 million in the consolidated financial statements, and Baht 45.66 million in the company financial statements (31 December 2009: Baht 83.02 million and Baht 42.97 million, respectively), which were net of allowance for net realisable value.

10 Other current assets

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Advance payment	88,067,534	73,549,572	4,470,160	69,811,786
Prepaid expenses	48,799,805	21,039,210	30,900,116	9,744,831
Refundable corporate income tax	25,612,567	25,612,567	25,612,567	25,612,567
Receivable from Revenue Department	34,558,868	-	-	-
Insurance claim receivable	22,822,791	24,159,086	-	-
Other receivable from related parties	-	3,852	14,536,117	165,126
Accrued interest income on loan to subsidiaries	-	-	13,900,078	1,891,826
Accrued income	324,307	1,145,395	319,652	954,492
Others	60,838,848	24,341,924	2,676,759	4,378,751
	281,024,720	169,851,606	92,415,449	112,559,379

Insurance claim receivable

On 25 November 2008, the Group claimed the compensation from an insurance company in relation to the loss from a damaged vessel from fire and its temporarily out-of-services. The Group recognised insurance claim receivable of Baht 22.82 million (2009: Baht 24.16 million). However, in 2009 the insurance company denied the claim of Baht 22.82 million. The Group has filed a lawsuit against the insurance company with the Trial Court. The case is being considered by the court. The Group's management expects that the outcome will be in favour to the Group.

11 Business acquisition

a) Business acquisition of Super Gas Co., Ltd.

On 2 March 2010, the Group acquired 100% of the capital of Super Gas Co., Ltd. which distributes petroleum products and is incorporated in Vietnam. The total consideration of Baht 384 million was settled in cash (the first payment of Baht 381 million and additional payment of Baht 3 million were settled in the first quarter and the second quarter of 2010, respectively). The fair value of the net identifiable assets of Super Gas Co., Ltd. appraised by an independent valuer at the date of acquisition was Baht 176 million and goodwill resulted from acquisition of Baht 208 million. Goodwill is attributable to the potential growth in business in Vietnam by using the Group's synergy.

Details of net assets acquired and goodwill are as follows:

	<u>Baht</u>
Plant and equipment, net	139,518,604
Intangible assets	21,096,374
Other assets less liabilities	<u>15,150,007</u>
Fair value of net assets	175,764,985
Goodwill	<u>208,269,546</u>
Total purchase consideration	384,034,531
<u>Less</u> Cash and cash equivalents of the subsidiary	<u>(17,127,208)</u>
Net cash paid for the acquisition	<u>366,907,323</u>

b) Business acquisition of SingGas (LPG) Pte. Ltd.

On 30 July 2010, the Group acquired 100% of the share capital of SingGas (LPG) Pte. Ltd which are distributes petroleum products and incorporated in Singapore. The total consideration of Baht 449 million was settled in cash. The fair value of net assets at the acquisition date, which was reviewed by the Group management and appraised by an independent appraiser through the valuation report dated 4 May 2011, was Baht 338 million. The excess of the cost of acquisition over the fair value of net assets was recorded as goodwill of Baht 111 million (Note 33). The goodwill is attributable to the potential growth in business in Singapore by using the Group's synergy.

Details of net assets acquired are as follows:

	<u>Restated (Note 33)</u> <u>Baht</u>
Plant and equipment, net	176,797,943
Intangible assets	182,458,919
Liabilities less other assets	<u>(21,035,122)</u>
Net assets at fair	338,221,740
Goodwill	<u>111,276,764</u>
Total purchase consideration	449,498,504
<u>Less</u> Cash and cash equivalent of the subsidiary	<u>(68,724,200)</u>
Net cash paid for the acquisition	<u>380,774,304</u>

As at 29 December 2010, the Group partially sold 5% of share capital of SingGas (LPG) Pte. Ltd. to a third party with the value of Baht 22 million. As a result of the selling, the Group's investment in SingGas (LPG) Pte. Ltd. was reduced from 100% to 95%.

11 Business acquisition (continued)

c) Business acquisition of Sino Siam Gas and Petrochemical Co.,Ltd.

As at 24 December 2010, the Group acquired 100% of the share capital of Sino Siam Gas and Petrochemical Co., Ltd. (formerly BP Zhuhai LPG Limited) which is incorporated in The People's Republic of China and fully-integrated LPG business with terminal designed to import, store and throughput propane and butane, distribute to the market via barges, tank trucks and cylinders. The total consideration of the acquisition is USD 65.2 million or Baht 1,961.3 million minus the loan to former shareholders of USD 51.5 million or Baht 1,554.7 million in Sino Siam Gas and Petrochemical Co., Ltd. As a result, the loan is transferred from the former shareholder to the Group on the acquisition date. The excess of the fair value of net assets over the cost of acquisition was recorded as gain on business acquisition of Baht 653.3 million in the statement of income in 2010 (Note 33).

Details of net assets acquired are as follows:

	Restated (Note 33)
	Baht
Plant and equipment, net	2,975,407,938
Intangible assets	228,646,855
Liabilities less other assets	<u>(2,144,208,005)</u>
Net assets at fair	1,059,846,788
Gain on business acquisition	<u>(653,271,823)</u>
Total purchase consideration	406,574,965
<u>Less</u> Cash and cash equivalents of the subsidiary	<u>(90,715,380)</u>
Net cash paid for the acquisition	<u>315,859,585</u>

As a result of business acquisitions of Super Gas Co., Ltd., SingGas (LPG) Pte. Ltd., and Sino Siam Gas and Petrochemical Co., Ltd., acquired businesses contributed total revenue of Baht 615.46 million and total operating net profit of Baht 3.91 million to the Group for the period from the date of acquisition to 31 December 2010.

12 Investments in subsidiaries and interests in a joint venture

The movement in investment in subsidiaries and a joint venture can be analysed as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
At 1 January	-	-	2,726,163,608	2,524,623,608
Acquisitions (Note 11)	-	-	2,796,875,036	201,540,000
Disposals (Note 11)	-	-	<u>(22,062,790)</u>	-
At 31 December	-	-	<u>5,500,975,854</u>	<u>2,726,163,608</u>

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12 Investments in subsidiaries and interests in a joint venture (continued)

The principal subsidiaries and joint venture are as follows:

	Country of incorporation	% ownership interest		Type of business
		2010	2009	
Direct Subsidiaries				
Unique Gas and Petrochemicals Public Company Limited	Thailand	99.59%	99.59%	Petroleum and petrochemical products distribution
Lucky Carrier Company Limited	Thailand	99.99%	99.99%	Transportation and distribution
Siam Quality Steel Company Limited	Thailand	99.99%	99.99%	Manufacturing and distribution of LPG cylinders
Siam Ethanol Export Company Limited	Thailand	70.00%	70.00%	Manufacturing of ethanol products
Siamgas Hongkong Company Limited	Hongkong	100.00%	100.00%	Holding business and trading petroleum products
Super Gas Company Limited	Vietnam	100.00%	-	Petroleum products distribution
SingGas (LPG) Pte. Ltd.	Singapore	95.00%	-	Petroleum products distribution
United Gas & Petrochemicals Sdn. Bhd.	Malaysia	100.00%	-	Petroleum products distribution
Indirect Subsidiaries (holding by Unique Gas and Petrochemicals Public Company Limited)				
Unique Gas Trading Company Limited	Thailand	99.99%	99.99%	Transportation and management services
Chemical Gas Transportation Company Limited	Thailand	99.99%	99.99%	Transportation services
Unique Marine Company Limited	Thailand	99.99%	99.99%	Transportation services
Unique Gas International Company Limited	Thailand	99.99%	99.99%	Transportation services
Unique Gas Carrier Company Limited	Thailand	99.94%	99.94%	Transportation services
Indirect Subsidiary (holding by Lucky Carrier Company Limited)				
Lucky Marine Company Limited	Thailand	99.99%	99.99%	Transportation services
Indirect Subsidiaries (holding by Siamgas Hongkong Co., Ltd.)				
Sino Siam Gas and Petrochemical Co. Ltd.	The People's Republic of China	100.00%	-	Petroleum and petrochemical products distribution

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12 Investments in subsidiaries and interests in joint ventures (continued)

The principal subsidiaries and joint venture are as follows (continued):

	Country of incorporation	% ownership interest		Type of business
		2010	2009	
Direct Joint Venture				
Siam Nathalin Co., Ltd.	Thailand	50.00%	-	Transportation for medium range size up very large crude oil carrier (VLCC)

Investments in subsidiaries

Detail of investments in subsidiaries is as follows:

	Paid-up Capital		Cost Method	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Siamgas Hongkong Company Limited Unique Gas and Petrochemicals Public Company Limited	2,155,203,607	201,540,000	2,155,167,129	201,540,000
SingGas (LPG) Pte. Ltd.	105,000,000	105,000,000	2,104,623,678	2,104,623,678
Super Gas Company Limited	336,007,104	-	427,435,715	-
Siam Ethanol Export Company Limited	133,453,535	-	384,034,531	-
Lucky Carrier Company Limited	400,000,000	400,000,000	280,000,000	280,000,000
Siam Quality Steel Company Limited	70,000,000	70,000,000	70,000,000	70,000,000
United Gas & Petrochemicals Sdn. Bhd.	70,000,000	70,000,000	69,999,930	69,999,930
	9,534,200	-	9,714,871	-
			<u>5,500,975,854</u>	<u>2,726,163,608</u>

In the fourth quarter of 2010, the Company invested in additional ordinary shares of Siamgas Hongkong Company Limited which is incorporated in Hongkong at the same proportion of 100% amounting to Baht 1,953.6 million.

In the third quarter of 2010, the Company acquired 100% of the share capital of United Gas & Petrochemicals Sdn. Bhd. which is incorporated in Malaysia. The number of acquired share is 2 shares of Ringgit 1 each, amounting to a total of Ringgit 2 or approximate Baht 20. In the fourth quarter of 2010, the Company invested in additional ordinary shares of the subsidiary amounting to Baht 9.7 million. The subsidiary has not commenced its operation yet.

Investment in a joint venture

Detail of investment in a joint venture is as follow:

	Paid-up Capital (the Group's portion)		Consolidated Equity Method		Company Cost Method	
	2010	2009	2010	2009	2010	2009
	Baht	Baht	Baht	Baht	Baht	Baht
Siam Nathalin Co., Ltd.	500,000	-	500,000	-	500,000	-

In the third quarter of 2010, the Group acquired 50% of the share capital of Siam Nathalin Co., Ltd. which is incorporated in Thailand. Total number of acquired shares are 0.5 million at Baht 1 each, amounting to Baht 0.5 million. The joint venture has not commenced its operation yet.

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13 Property, plant and equipment, net

	Consolidated									
	Land	Buildings, infrastructure and land improvement	Terminals, gas filling and service stations and gas storage tanks	Gas Vessels	Gas cylinders	Machine, factory tools and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2009										
Cost - Historical cost	1,759,595,582	488,846,901	1,013,279,924	850,566,756	2,538,642,520	305,845,910	193,404,168	904,010,810	166,173,862	8,220,366,433
- Revaluation	215,644,052	-	-	-	-	-	-	-	-	215,644,052
	1,975,239,634	488,846,901	1,013,279,924	850,566,756	2,538,642,520	305,845,910	193,404,168	904,010,810	166,173,862	8,436,010,485
<u>Less</u> Accumulated depreciation	-	(102,823,237)	(579,946,633)	(498,431,237)	(1,851,099,622)	(6,316,856)	(150,882,533)	(589,347,110)	-	(3,778,847,228)
Net book value	1,975,239,634	386,023,664	433,333,291	352,135,519	687,542,898	299,529,054	42,521,635	314,663,700	166,173,862	4,657,163,257
Year ended										
31 December 2009										
Opening net book value	1,975,239,634	386,023,664	433,333,291	352,135,519	687,542,898	299,529,054	42,521,635	314,663,700	166,173,862	4,657,163,257
Land revaluation	61,103,347	-	-	-	-	-	-	-	-	61,103,347
Additions	134,970,369	17,512,602	8,359,950	383,647,731	87,056,766	44,620	8,821,146	11,862,354	303,229,819	955,505,357
Transfer in / out	(20,770,000)	30,883,432	111,829,147	18,725,968	(54,504)	8,655,169	3,339,677	81,973,242	(234,711,634)	(129,503)
Disposals, net	(130,350)	-	(1,306,093)	-	-	-	(3)	(1,852,774)	(2,760,000)	(6,049,220)
Depreciation charge	-	(28,491,485)	(69,690,949)	(93,389,225)	(110,911,223)	(32,625,643)	(16,792,492)	(64,001,687)	-	(415,902,704)
Closing net book value	2,150,413,000	405,928,213	482,525,346	661,119,993	663,633,937	275,603,200	37,889,963	342,644,835	231,932,047	5,251,690,534
At 31 December 2009										
Cost - Historical cost	1,873,665,601	537,206,126	1,128,971,746	1,252,940,455	2,619,940,201	314,582,509	205,303,474	994,577,644	231,932,047	9,159,119,803
- Revaluation	276,747,399	-	-	-	-	-	-	-	-	276,747,399
	2,150,413,000	537,206,126	1,128,971,746	1,252,940,455	2,619,940,201	314,582,509	205,303,474	994,577,644	231,932,047	9,435,867,202
<u>Less</u> Accumulated depreciation	-	(131,277,913)	(646,446,400)	(591,820,462)	(1,956,306,264)	(38,979,309)	(167,413,511)	(651,932,809)	-	(4,184,176,668)
Net book value	2,150,413,000	405,928,213	482,525,346	661,119,993	663,633,937	275,603,200	37,889,963	342,644,835	231,932,047	5,251,690,534

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13 Property, plant and equipment, net (continued)

	Consolidated									
	Land	Buildings, infrastructure and land improvement	Terminals, gas filling and service stations and gas storage tanks	Gas Vessels	Gas cylinders	Machine, factory tools and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Year ended										
31 December 2010										
Opening net book value	2,150,413,000	405,928,213	482,525,346	661,119,993	663,633,937	275,603,200	37,889,963	342,644,835	231,932,047	5,251,690,534
Additions	233,155,478	7,624,739	4,126,832	403,126,105	222,928,035	-	13,011,620	13,411,342	498,560,362	1,395,944,513
Acquisition of subsidiaries (restated)	-	1,930,506,582	117,054,368	-	46,591,900	1,128,083,256	17,587,687	12,631,300	39,269,392	3,291,724,485
Transfer in / out	-	32,561,315	202,700,733	37,160,607	-	199,763	2,712,576	103,313,644	(378,648,638)	-
Reclassification (Note 14)	8,500,135	42,000,000	-	-	-	-	-	-	-	50,500,135
Disposals, net	-	(133,222)	(3)	(12,533,026)	(94,874)	-	(645,006)	(64,463)	(4,264,378)	(17,734,972)
Currency translation differences	-	(234,385)	(2,720,718)	-	(346,491)	-	(245,234)	(395,396)	(2,309,963)	(6,252,187)
Depreciation charge	-	(41,154,072)	(71,819,402)	(118,862,785)	(100,056,526)	(35,492,813)	(17,436,179)	(66,395,166)	-	(451,216,943)
Closing net book value (restated)	2,392,068,613	2,377,099,170	731,867,156	970,010,894	832,655,981	1,368,393,406	52,875,427	405,146,096	384,538,822	9,514,655,565
At 31 December 2010										
Cost - Historical cost	2,115,321,214	2,863,051,147	1,496,115,740	1,610,754,222	2,915,247,384	1,588,454,104	257,371,960	1,120,425,391	384,538,822	14,351,279,984
- Revaluation	276,747,399	171,377,765	16,930,330	-	-	86,269,185	-	-	-	551,324,679
	2,392,068,613	3,034,428,912	1,513,046,070	1,610,754,222	2,915,247,384	1,674,723,289	257,371,960	1,120,425,391	384,538,822	14,902,604,663
<u>Less</u> Accumulated depreciation	-	(657,329,742)	(781,178,914)	(640,743,328)	(2,082,591,403)	(306,329,883)	(204,496,533)	(715,279,295)	-	(5,387,949,098)
Net book value (restated)	2,392,068,613	2,377,099,170	731,867,156	970,010,894	832,655,981	1,368,393,406	52,875,427	405,146,096	384,538,822	9,514,655,565

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13 Property, plant and equipment, net (continued)

	Company							Total Baht
	Land Baht	Buildings, infrastructure and land improvement Baht	Terminals, gas filling and service stations and gas storage tanks Baht	Gas cylinders Baht	Furniture, fixtures and office equipments Baht	Vehicles Baht	Construction in progress Baht	
At 1 January 2009								
Cost - Historical cost	1,371,539,033	68,093,617	119,238,932	315,267,299	9,453,657	28,887,547	59,689,740	1,972,169,825
- Revaluation	215,644,052	-	-	-	-	-	-	215,644,052
	1,587,183,085	68,093,617	119,238,932	315,267,299	9,453,657	28,887,547	59,689,740	2,187,813,877
<u>Less</u> Accumulated depreciation	-	(15,129,669)	(55,125,738)	(77,622,669)	(4,844,801)	(15,559,574)	-	(168,282,451)
Net book value	<u>1,587,183,085</u>	<u>52,963,948</u>	<u>64,113,194</u>	<u>237,644,630</u>	<u>4,608,856</u>	<u>13,327,973</u>	<u>59,689,740</u>	<u>2,019,531,426</u>
Year ended 31 December 2009								
Opening net book value	1,587,183,085	52,963,948	64,113,194	237,644,630	4,608,856	13,327,973	59,689,740	2,019,531,426
Land revaluation	32,229,896	-	-	-	-	-	-	32,229,896
Additions	134,487,369	16,608,570	8,265,950	46,729,031	2,807,212	4,423,845	190,625,260	403,947,237
Transfer in / out	(20,770,000)	29,830,487	24,432,861	-	2,984,214	-	(36,477,562)	-
Disposals, net	(130,350)	-	-	(54,500)	(1)	(337,315)	(1,867,960)	(2,390,126)
Depreciation charge	-	(5,995,006)	(8,816,282)	(30,089,429)	(2,022,092)	(3,400,142)	-	(50,322,951)
Closing net book value	<u>1,733,000,000</u>	<u>93,407,999</u>	<u>87,995,723</u>	<u>254,229,732</u>	<u>8,378,189</u>	<u>14,014,361</u>	<u>211,969,478</u>	<u>2,402,995,482</u>

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13 Property, plant and equipment, net (continued)

	Company							Total Baht
	Land Baht	Buildings, infrastructure and land improvement Baht	Terminals, gas filling and service stations and gas storage tanks Baht	Gas cylinders Baht	Furniture, fixtures and office equipments Baht	Vehicles Baht	Construction in progress Baht	
At 31 December 2009								
Cost - Historical cost	1,485,126,052	114,532,674	151,937,743	361,941,829	15,229,537	32,931,392	211,969,478	2,373,668,705
- Revaluation	247,873,948	-	-	-	-	-	-	247,873,948
	1,733,000,000	114,532,674	151,937,743	361,941,829	15,229,537	32,931,392	211,969,478	2,621,542,653
Less Accumulated depreciation	-	(21,124,675)	(63,942,020)	(107,712,097)	(6,851,348)	(18,917,031)	-	(218,547,171)
Net book value	1,733,000,000	93,407,999	87,995,723	254,229,732	8,378,189	14,014,361	211,969,478	2,402,995,482
Year ended								
31 December 2010								
Opening net book value	1,733,000,000	93,407,999	87,995,723	254,229,732	8,378,189	14,014,361	211,969,478	2,402,995,482
Additions	232,705,478	6,121,877	2,028,500	100,229,373	2,359,727	4,444,734	258,440,229	606,329,918
Transfer in / out	-	25,797,615	128,284,616	-	107,782	-	(154,190,013)	-
Disposals, net	-	(13,662)	-	(28,141,056)	(264,995)	-	(5,558,297)	(33,978,010)
Depreciation charge	-	(7,621,697)	(13,977,899)	(33,421,625)	(2,524,739)	(4,178,854)	-	(61,724,814)
Closing net book value	1,965,705,478	117,692,132	204,330,940	292,896,424	8,055,964	14,280,241	310,661,397	2,913,622,576
At 31 December 2010								
Cost - Historical cost	1,717,831,530	146,438,195	282,250,861	433,430,650	17,388,431	37,376,126	310,661,397	2,945,377,190
- Revaluation	247,873,948	-	-	-	-	-	-	247,873,948
	1,965,705,478	146,438,195	282,250,861	433,430,650	17,388,431	37,376,126	310,661,397	3,193,251,138
Less Accumulated depreciation	-	(28,746,063)	(77,919,921)	(140,534,226)	(9,332,467)	(23,095,885)	-	(279,628,562)
Net book value	1,965,705,478	117,692,132	204,330,940	292,896,424	8,055,964	14,280,241	310,661,397	2,913,622,576

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13 Property, plant and equipment - net (continued)

As at 31 December 2010, the Company's land, building including those under construction machine and equipment with net book value of Baht 1,753.59 million (2009: Baht 1,202.72 million) have been used as collateral for credit facilities and loan from a local commercial bank (see Notes 18 and 19).

As at 31 December 2010, the subsidiaries have used certain plots of land and building with net book value of Baht 423.69 million (2009: Baht 426.43 million) as collateral for credit facilities of the Company (see Note 19) and have used land, building, machine and vessels with net book value of Baht 1,013.25 million (2009: Baht 484.72 million) as collateral for credit facilities and loans of a subsidiary with local commercial banks (see Notes 18 and 19).

Cost of fixed assets which are fully depreciated and still in use in the Consolidated and Company financial statements as at 31 December 2010 are approximately Baht 2,098.61 million and Baht 27.67 million, respectively (As at 31 December 2009: Baht 2,015.99 million and Baht 25.83 million, respectively).

During the year 2009, the Group's external independent appraiser had appraised land using the market value method. The change of land at revaluation was as follows:

	Consolidated Baht	Company Baht
Appraised land increment (decrement)		
At 1 January 2009	270,080,940	270,080,940
Increment from land appraisal	40,362,977	11,139,526
Decrement from land appraisal	-	-
At 31 December 2009	310,443,917	281,220,466
Land appraisal	-	-
At 31 December 2010	<u>310,443,917</u>	<u>281,220,466</u>

Borrowing costs of Baht 46.71 million (2009: Baht 24.48 million), arising from financing specifically entered into for the construction of a new factory port and gas terminal at Suksawat, were capitalised during the year and are included in 'Additions'. A capitalisation rate of 4.95% (2009: 4.95%) was used representing the actual borrowing cost of the loan used to finance the project.

14 Assets of disposal group classified as held-for-sale

Non-current assets held for sales consist of:

	Consolidated	
	2010 Baht	2009 Baht
Land	-	8,500,135
Building	-	42,000,000
Total	<u>-</u>	<u>50,500,135</u>

As at 31 December 2009, the above non-current assets held for sale were used as collateral for credit facilities of the Company. (see Notes 18 and 19)

During the year 2010, the Group reclassified the entire non-current assets held for sales amounting to Baht 50.5 million to property, plant and equipment (see Note 13) because the Group's management has considered and determined that the assets were not met criteria to present as non-current assets held for sales in the current accounting period.

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15 Intangible assets - net

	Consolidated				
	Goodwill Baht	Land and port leasehold rights Baht	Computer software Baht	Computer software - installation in process Baht	Total Baht
At 1 January 2009					
Cost	1,236,704,370	34,340,901	13,501,876	3,697,140	1,288,244,287
<u>Less</u> Accumulated amortisation	(190,558,522)	(13,546,971)	(10,556,236)	-	(214,661,729)
Net book value	<u>1,046,145,848</u>	<u>20,793,930</u>	<u>2,945,640</u>	<u>3,697,140</u>	<u>1,073,582,558</u>
Year ended 31 December 2009					
Opening net book value	1,046,145,848	20,793,930	2,945,640	3,697,140	1,073,582,558
Additions	-	-	153,500	900,860	1,054,360
Amortisation charge	-	(2,504,360)	(966,770)	-	(3,471,130)
Closing net book value	<u>1,046,145,848</u>	<u>18,289,570</u>	<u>2,132,370</u>	<u>4,598,000</u>	<u>1,071,165,788</u>
At 31 December 2009					
Cost	1,236,704,370	27,721,573	13,655,376	4,598,000	1,282,679,319
<u>Less</u> Accumulated amortisation	(190,558,522)	(9,432,003)	(11,523,006)	-	(211,513,531)
Net book value	<u>1,046,145,848</u>	<u>18,289,570</u>	<u>2,132,370</u>	<u>4,598,000</u>	<u>1,071,165,788</u>
Year ended 31 December 2010					
Opening net book value	1,046,145,848	18,289,570	2,132,370	4,598,000	1,071,165,788
Exchange differences	-	-	(3,504)	-	(3,504)
Additions	-	-	4,598,000	(4,598,000)	-
Acquisition of subsidiaries (restated)	303,403,089	388,650,751	2,688,833	-	694,742,673
Amortisation charge	-	(3,419,000)	(986,412)	-	(4,405,412)
Closing net book value (restated)	<u>1,349,548,937</u>	<u>403,521,321</u>	<u>8,429,287</u>	<u>-</u>	<u>1,761,499,545</u>
At 31 December 2010					
Cost	1,349,548,937	498,575,679	27,505,544	-	1,875,630,160
<u>Less</u> Accumulated amortisation	-	(95,054,358)	(19,076,257)	-	(114,130,615)
Net book value (restated)	<u>1,349,548,937</u>	<u>403,521,321</u>	<u>8,429,287</u>	<u>-</u>	<u>1,761,499,545</u>

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15 Intangible assets - net (continued)

	Company		
	Land and port leasehold rights Baht	Computer software Baht	Total Baht
At 1 January 2009			
Cost	13,368,095	344,400	13,712,495
<u>Less</u> Accumulated amortisation	(3,202,033)	(259,165)	(3,461,198)
Net book value	<u>10,166,062</u>	<u>85,235</u>	<u>10,251,297</u>
Year ended 31 December 2009			
Opening net book value	10,166,062	85,235	10,251,297
Additions	-	39,900	39,900
Amortisation charge	(1,141,551)	(49,123)	(1,190,674)
Closing net book value	<u>9,024,511</u>	<u>76,012</u>	<u>9,100,523</u>
At 31 December 2009			
Cost	11,315,319	384,300	11,699,619
<u>Less</u> Accumulated amortisation	(2,290,808)	(308,288)	(2,599,096)
Net book value	<u>9,024,511</u>	<u>76,012</u>	<u>9,100,523</u>
Year ended 31 December 2010			
Opening net book value	9,024,511	76,012	9,100,523
Amortisation charge	(1,141,550)	(31,079)	(1,172,629)
Closing net book value	<u>7,882,961</u>	<u>44,933</u>	<u>7,927,894</u>
At 31 December 2010			
Cost	11,315,319	384,300	11,699,619
<u>Less</u> Accumulated amortisation	(3,432,358)	(339,367)	(3,771,725)
Net book value	<u>7,882,961</u>	<u>44,933</u>	<u>7,927,894</u>

16 Deposit for investment

On 29 September 2009, a foreign subsidiary has entered into an equity interest transfer agreement with a foreign company to purchase the interest of Chevron Ocean Gas & Energy Ltd. with consideration of USD 51 million. The said subsidiary has paid deposit of USD 5 million or approximate Baht 151 million (see Note 31). The Company also entered into a guarantee agreement with the foreign company to guarantee the payment by the foreign subsidiary to the foreign company.

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17 Other non-current assets

Other non-current assets are as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Deposits at bank used as collateral	2,554,361	2,551,036	290,471	287,146
Deposits	107,124,872	14,683,613	4,852,626	4,514,871
Down payment - Cylinders	-	748,890	24,832,114	-
Deferred charges	37,018,690	-	-	-
Others	41,080,599	23,173,497	33,369,711	23,047,197
Total	187,778,522	41,157,036	63,344,922	27,849,214

18 Bank overdrafts and short-term loans from financial institutions

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Bank overdrafts	10,045,600	-	-	-
Short-term loans from financial institutions	2,161,552,580	20,000,000	1,047,450,650	-
Total	2,171,598,180	20,000,000	1,047,450,650	-

As at 31 December 2010, the Group and the Company have short-term promissory notes from financial institutions of Baht 2,161.55 million and Baht 1,047.45 million, respectively. The promissory notes bear interest at the rates of 2.50% - 5.23% per annum and MLR-0.50% per annum (2009: a subsidiary had short-term loan under promissory note with a local bank for prepayment of raw material in amount of Baht 20 million carried interest of MLR-0.50% per annum). The promissory notes are secured by land, machine and equipment of the Group and the Company (see Note 13).

As at 31 December 2010 and 2009, a subsidiary has bank overdrafts from a local commercial bank of Baht 10 million carried interest at the rate of MOR-1.00% per annum. The subsidiary uses land, machine and equipment as collateral. The overdrafts are also guaranteed by the subsidiary's directors based on equity proportion (see Note 13).

19 Long-term loans from financial institutions, net

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Current portion of long-term loans, net				
Thai Baht	693,590,426	186,058,664	609,200,000	120,000,000
<u>Less</u> Deferred financing fee	(4,843,750)	-	(4,843,750)	-
	<u>688,746,676</u>	<u>186,058,664</u>	<u>604,356,250</u>	<u>120,000,000</u>
Long-term loans, net				
Thai Baht	2,215,237,795	747,736,549	1,770,800,000	390,000,000
<u>Less</u> Deferred financing fee, net	(14,431,721)	-	(14,431,721)	-
	<u>2,200,806,074</u>	<u>747,736,549</u>	<u>1,756,368,279</u>	<u>390,000,000</u>
Total long-term loans, net	2,889,552,750	933,795,213	2,360,724,529	510,000,000

19 Long-term loans from financial institutions, net (continued)

The movement of long-term loans from financial institutions during the year can be analysed as follows:

For the year ended 31 December 2010	Consolidated Baht	Company Baht
Opening balance	933,795,213	510,000,000
Addition	2,151,525,000	1,990,000,000
Repayments and financing fee	<u>(195,767,463)</u>	<u>(139,275,471)</u>
Ending balance	<u>2,889,552,750</u>	<u>2,360,724,529</u>

As at 31 December 2010 and 2009, the long-term loans represented long-term loans from local commercial banks as follows:

The Company

The Company has long-term loans with commercial banks to finance its overseas investment. As at 31 December 2010, the outstanding balance is Baht 1,820 million carried interest at the rate of 4.11% per annum. Principal repayments are made on installment basis, i.e. every 3 months in the amount of Baht 113.75 million per installment from the first drawdown. The loans are secured by share certificates of foreign subsidiaries.

The Company has long-term loan with a commercial bank to purchase land including building and facilities to finance new port facility at 31 December 2010, the outstanding balance is Baht 390 million carried interest at the rate of Reuters plus 2% per annum (2009: Baht 510 million). Principal repayments are made on installment basis, i.e. every 3 months in the amount of Baht 30 million per installment from the first drawdown. The Company has used land including all building and fixtures constructed and to be constructed thereon the port facility as collateral (see Note 13). Subsequently, the Company entered into an interest rate swap agreement with the commercial bank for fixed interest rate at 4.95% per annum which are calculated by reference to such long-term loan agreement, commencing from 12 February 2009 to 12 February 2014 (see Note 3.1.2).

The Company has long-term loan with a commercial bank to purchase land, machine and construction of service stations. As at 31 December 2010, the outstanding balance is Baht 170 million carried interest at MLR-2% per annum. Principal is repayable on a monthly basis; of which the 1st - 58th installments are not lower than Baht 2.85 million per installment and the 59th installment is the remaining unpaid amount. The loan shall be due for full repayment by December 2015. The Company has used land including all building constructed and to be constructed thereon, machine and equipment as collateral.

The subsidiaries

As at 31 December 2010, Lucky Marine Company Limited has long-term loans from local commercial banks as follows;

Long-term loan of Baht 111.81 million (2009: Baht 132.52 million) carries interest at the rate of MLR-1.00% per annum. Principal is repayable on a monthly basis; of which the 1st - 83rd installments are Baht 1.70 million per installment, the 84th installments are Baht 1.40 million. The first installment commenced in October 2009 and the loan shall be due for full repayment by September 2016. The subsidiary has used its vessels as collateral (see Note 13). In addition, the loan is also guaranteed by Lucky Carrier Company Limited.

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19 Long-term loans from financial institutions, net (continued)

The subsidiaries (continued)

Long-term loan of Baht 87.95 million (2009: Baht 101.42 million) carries interest at the rate of MLR-1.00% per annum. Principal is repayable on a monthly basis; of which the 1st - 83rd installments are Baht 1.54 million per installment and the last installment is the remaining unpaid amount. The loan is due for full repayment by April 2017. The subsidiary has used its vessels as collateral (see Note 13). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

Long-term loan of Baht 161.43 million (2009: Nil) carries interest at the rate of MLR-1.00% per annum. The repayments of principal and interest totalling of Baht 2.20 million are made on monthly installment basis. The remaining balance is repayable in the last month. The subsidiary has used its vessels as collateral (see Note 13). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

As at 31 December 2010, Siam Ethanol Exports Company Limited has long-term loans from local commercial banks as follows;

Long-term loan of Baht 140.97 million (2009: Baht 159.86 million) carries interest at the rate of MLR-1.00% per annum. The subsidiary has mortgaged its land, building, machine and equipment (see Note 13). The loan is also guaranteed by some directors based on equity proportion.

Long-term loan of Baht 26.67 million (2009: Baht 30 million) carries interest at the rate of MLR per annum. The subsidiary has mortgaged its land, building, machine and equipment (see Note 13). The loan is also guaranteed by some directors based on equity proportion.

Under terms and conditions as specified in the loan agreements, the Group and the Company are not permitted to use pledged assets as collateral for other obligation without prior formal approval from the banks. The Group and the Company have to comply with the conditions, including certain debt covenants as specified in the agreements.

The interest rate exposure on the long-term loans of the Group after taking into account interest rate swap contract is as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Long-term loans, net				
- at fixed rates	390,000,000	510,000,000	390,000,000	510,000,000
- at floating rates	2,499,552,750	423,795,213	1,970,724,529	-
Total long-term loans, net	2,889,552,750	933,795,213	2,360,724,529	510,000,000

After taking into account of interest rate swaps, the weighted average effective interest rates of the long-term loans of the Group were approximately 5.26% per annum (2009: 5.17% per annum).

After taking into account of interest rate swaps, the weighted average effective interest rate of the long-term loans of the Company was 4.83% per annum for Thai Baht loans (2009: 4.95% per annum).

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19 Long-term loans from financial institutions, net (continued)

Maturity of long-term loans is as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Within 1 year	688,746,676	186,058,664	604,356,250	120,000,000
Later than 1 year but not later than 5 years	2,111,026,813	663,914,019	1,756,368,279	390,000,000
Later than 5 years	89,779,261	83,822,530	-	-
Total long-term loans, net	<u>2,889,552,750</u>	<u>933,795,213</u>	<u>2,360,724,529</u>	<u>510,000,000</u>

Credit facilities

As at 31 December 2010, the Group has the available credit loan facilities from financial institutions amounted of Baht 2,780 million (2009: Nil).

20 Other current liabilities

Other current liabilities consist of:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Accounts payable - Revenue Department	-	16,473,407	7,791,212	8,938,665
Accrued expenses	95,728,777	49,119,513	12,501,316	12,068,660
Other accounts payable to subsidiaries and related parties (see Note 30)	3,268,545	2,719,725	8,359,293	1,297,317
Others	64,730,238	18,276,312	9,184,629	9,348,449
Total	<u>163,727,560</u>	<u>86,588,957</u>	<u>37,836,450</u>	<u>31,653,091</u>

21 Cylinder deposits

Cylinder deposits consist of:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Book value as at the beginning	2,254,069,677	2,150,541,146	258,155,078	213,863,729
Acquisition of subsidiaries	32,918,907	-	-	-
Cylinder deposits/transfer in	165,055,934	104,460,131	57,428,435	44,351,899
Refund deposits/transfer out	(18,837,250)	(931,600)	(9,616,890)	(60,550)
Book value as at the ending	<u>2,433,207,268</u>	<u>2,254,069,677</u>	<u>305,966,623</u>	<u>258,155,078</u>

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21 Cylinder deposits (continued)

The Company has obligation for cylinder deposits which was transferred from the business acquisition of Siam Gas Industries Co., Ltd. on 27 April 2005 at net book value. The obligation will arise when customers return the cylinder together with original receipt in exchange for the deposit. Net book value of cylinder deposits of Baht 133 million was the remaining balance after being amortised over the useful life of cylinders until the date of the acquisition. If the Company had recognised the deposits at gross amount before amortisation, the Company may have additional cylinder deposits liabilities. However, the Company and management determine that the rate of deposits refund is very low based on the last five-year information (Note 31). The significant refund of deposits will occur when gas business operations significantly decline.

22 Share capital

	Number of share	Ordinary share Thousand Baht	Share premium Thousand Baht	Treasury stock Thousand Baht	Total Thousand Baht
As at 1 January 2009	950,000,000	950,000	1,874,482	-	2,824,482
Issue of ordinary shares	-	-	-	(272,143)	(272,143)
As at 31 December 2009	950,000,000	950,000	1,874,482	(272,143)	2,552,339
Issue of ordinary shares	-	-	-	-	-
As at 31 December 2010	<u>950,000,000</u>	<u>950,000</u>	<u>1,874,482</u>	<u>(272,143)</u>	<u>2,552,339</u>

As at 31 December 2010, the total authorised number of shares were 950 million shares with a par value of Baht 1 per share (31 December 2009: 950 million shares with a par value of Baht 1 per share). All shares were issued and fully paid-up with the share premium of Baht 1,874 million and treasury stock of Baht 272 million (Note 25).

23 Dividends paid

The Company

At the Board of Directors' meeting of the Company held on 11 August 2010, the Board of Directors approved the appropriation of interim dividends for the operating results for the six-month period ended 30 June 2010 at Baht 0.20 per share, totalling of Baht 183.79 million. The interim dividends have been paid in full amount on 10 September 2010.

At the Annual General Shareholders' meeting of the Company held on 23 April 2010, the shareholders passed a resolution for the dividend payment for the year 2009 at Baht 0.50 per share, totalling of Baht 459.47 million. The Company paid dividend payments according to the shareholders' resolution through interim dividends payment at Baht 0.20 per share, totalling Baht 183.79 million on 20 October 2009; and dividends payment at Baht 0.30 per share, totalling Baht 275.24 million on 30 April 2010.

At the meeting of the Board of Directors of the Company held on 23 September 2009, the Board of Directors approved the appropriation of interim dividends from the net income of the separate statements of the six-month period ended 30 June 2009 in amount of Baht 0.20 per share, totalling Baht 183.79 million. The interim dividends have been paid in full amount on 20 October 2009.

On 24 April 2009, the ordinary shareholders' meeting of the Company has passed a resolution for the dividend payment of the year 2008 in amount of Baht 0.40 per share, totalling Baht 380 million. The Company paid dividend payments according to the shareholders resolution through interim dividends payment at Baht 0.15 per share, amounting to Baht 142.50 million on 17 October 2008; and dividends payment at Baht 0.25 per share, amounting to Baht 237.50 million on 30 April 2009.

23 Dividends paid (continued)

The subsidiaries

At the Annual General Shareholders' meeting of a subsidiary held on 20 April 2010, the shareholders passed the resolution for the dividend payment for the year 2009 at Baht 60 per share, totalling Baht 630 million. These dividends were paid to the shareholders on 27 April 2010.

At the Annual General Shareholders' meeting of a subsidiary held on 19 April 2010, the shareholders passed the resolution for the dividend payment for the year 2009 at Baht 10 per share, totalling Baht 50 million. These dividends were paid to the shareholders on 12 May 2010.

On 22 April 2009, the ordinary shareholders' meeting of a subsidiary has passed a resolution for dividend payment of the year 2008 of Baht 95 per share, totalling Baht 997.50 million. The dividends have been fully paid on 11 May 2009.

On 27 April 2009, the ordinary shareholders' meeting of a subsidiary has passed a resolution for dividend payment of the year 2008 of Baht 20 per share, totalling Baht 100 million. The dividends have been fully paid on 15 May 2009.

24 Legal reserve

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5% of its net profit after deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. Dividend cannot be paid out of the legal reserve.

Under the provision of the Civil and Commercial Code of Thailand, the subsidiary companies in Thailand are required to set aside as a legal reserve at least 5% of their net profit each time a dividend is declared until the reserve reaches 10% of registered capital, such reserve is not available for dividend distribution until the company is finally wound up.

25 Treasury stock reserve

Under the Notification of the Office of the Securities and Exchange Commission No. Gor. Lor. Tor. Chor. Sor. (Wor.) 2/2005 and the Notification of the Federation of Accounting Professions No. Sor. Sor. Wor. Bor. Chor. 016/2005, issued a guideline that 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.

As at 31 December 2009, the Company had set aside the treasury stock reserve of Baht 272.14 million from its retained earnings.

At the Board of Directors' meeting No. 5/2009 held on 17 July 2009, the Board of Directors passed a resolution to approved treasury stock not more than 90 million shares of the Company's ordinary shares or not exceed 10% of the total issued and paid-up share capital with the maximum amount not exceed Baht 720 million and the Company's retained earnings. The buy back period started from 3 August 2009 to 2 February 2010. The objective of the treasury stock is to manage the financial liquidity.

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25 Treasury stock reserve (continued)

Details of treasury stock are as follows:

	Consolidated		Company	
	2010	2009	2010	2009
Value of treasury stock (Baht)	272,143,445	272,143,445	272,143,445	272,143,445
Number of treasury stock (Shares)	31,068,500	31,068,500	31,068,500	31,068,500
Average cost per share (Baht)	8.76	8.76	8.76	8.76
Percentage of number of treasury stock to the share capital issued by the Company	3.27	3.27	3.27	3.27

26 Other operating income

For the year ended 31 December	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Rental income	53,508,280	45,554,813	13,116,177	10,997,851
Interest income	4,979,455	10,877,959	17,819,514	10,129,475
Profit on disposal of property, plant and equipment	24,802,631	1,468,835	1,263,892	30,170
Others	55,788,107	64,074,498	21,111,247	31,382,727
	<u>139,078,473</u>	<u>121,976,105</u>	<u>53,310,830</u>	<u>52,540,223</u>

27 Expenses by nature

The following expenditure items have been charged in arriving at net profit:

For the year ended 31 December	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Depreciation & amortisation expenses	460,297,101	419,373,834	62,897,443	51,513,625
Staff expenses	627,101,437	555,829,116	150,380,039	139,004,996
Management's remuneration	41,333,796	42,302,002	24,544,598	25,300,849
Rental expenses	48,377,957	41,243,400	29,785,303	23,998,454

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28 Income tax

According to the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code regarding the corporate income tax rate deduction effective on 7 August 2008, the corporate income tax for listed companies in the Stock Exchange of Thailand has been reduced from 30% to 25% of net profit which does not exceed Baht 300 million. This will remain in effect for three consecutive accounting periods beginning on or after 1 January 2008. The Company applies the rate of 25% to calculate corporate income tax for the years ended 31 December 2010 and 2009.

29 Earnings per share

Basic earnings per share attributable to equity holders of the parent is calculated by dividing the net profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares issued during the period after deduction of treasury stock.

	Consolidated		Company	
	Restated 2010	2009	2010	2009
For the year ended 31 December				
Net profit for the period attributable to parent company (Baht)	1,832,470,447	1,254,595,989	1,133,900,862	1,560,267,765
Weighted average number of ordinary shares after deduction of treasury stock (Shares)	918,931,500	937,552,662	918,931,500	937,552,662
Earnings per share (Baht/Share)	1.99	1.34	1.23	1.66

There are no potential dilutive ordinary shares in issue during the year.

30 Related party transactions

As at 31 December 2010, the major shareholders of the Company are shareholders in Weeraborwornpong family, which own 66.77% of the Company's share capital.

Details of subsidiaries and a joint venture present in Note 12.

The significant pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sale of gas and throughput income	Prices are determined in accordance with prices under terms and normal course of business conditions.
Wharfing service income and transportation expenses	Prices are determined in accordance with prices under terms and normal course of business conditions.
Purchase of cylinder	Prices are determined by cost plus margin basis.
Rental income and expenses	Rental rates are determined in contract which prices are determined under the terms and conditions in the normal course of business.
Interest income and interest expenses	Interest rates are based on the rates determined in loan agreements.

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30 Related party transactions (continued)

The following material transactions were carried out with related parties:

i) Outstanding balances arising from sales and purchases of goods/services

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Trade accounts receivable				
Subsidiaries	-	-	173,428,167	10,265,380
Other related parties - the same shareholders and directors	1,220,442	1,167,242	373,847	379,909
Total	<u>1,220,442</u>	<u>1,167,242</u>	<u>173,802,014</u>	<u>10,645,289</u>
Other receivable				
Subsidiaries	-	-	14,536,117	161,274
Other related parties - the same shareholders and directors	-	3,852	-	3,852
Total	<u>-</u>	<u>3,852</u>	<u>14,536,117</u>	<u>165,126</u>
Accrued interest income				
Subsidiaries	-	-	13,900,078	1,891,826
Cylinder deposits				
Subsidiaries	-	-	1,982,130	1,982,130
Deposits for purchase of cylinders				
Subsidiaries	-	-	24,832,114	-
Deposits for building				
Other related parties - the same shareholders and directors	3,607,665	3,311,037	1,150,210	1,150,210
Trade accounts payable				
Subsidiaries	-	-	32,969,531	28,911,254
Other payable				
Subsidiaries	-	-	-	200,000
Other related parties - the same shareholders and directors	3,268,545	2,719,725	8,359,293	1,097,317
Total	<u>3,268,545</u>	<u>2,719,725</u>	<u>8,359,293</u>	<u>1,297,317</u>
Accrued interest				
Subsidiaries	-	-	61,731	3,427,397
Cylinder deposits payable				
Subsidiaries	-	-	1,220	1,220

30 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

ii) Loans from/to related parties

Short-term loans to subsidiaries

For the year ended 31 December	Company	
	2010	2009
	Baht	Baht
Opening balance	-	10,000,000
Additions	-	183,130,967
Proceeds	-	(183,130,967)
Reclassify to long-term loans	-	(10,000,000)
Ending balance	-	-

During the year 2009, the Company had short-term loan to a subsidiary with interest rate of 5.25% per annum. The subsidiary had fully repaid the loan principal, and transferred the remaining loan to be long-term loan under a new arrangement.

Long-term loans to subsidiaries

For the year ended 31 December	Company	
	2010	2009
	Baht	Baht
Opening balance	215,000,000	100,000,000
Additions	506,506,300	105,000,000
Proceeds	(168,525,000)	-
Reclassify from short-term loans	-	10,000,000
Ending balance	552,981,300	215,000,000
Current portion of long-term loans	-	(100,000,000)
Ending balance - net	<u>552,981,300</u>	<u>115,000,000</u>

As at 31 December 2010, the Company has long-term loans to subsidiaries with interest rates as follows:

- Interest rate at 5.25% per annum (2009: 5.25% per annum) is charged for loans of Baht 288.48 million (2009: Baht 45 million). The loans shall be due by 2013 or when the subsidiary has sufficient working capital.
- Interest rate of average fixed deposit account for 12 months for three Thai commercial banks plus 0.25% per annum (2009: the same interest rate with 2010) is charged for loan of Baht 100 million (2009: Baht 100 million). The loan shall be due by 2014.
- Interest rate of average MLR for three Thai commercial banks plus 0.50% per annum (2009: the same interest rate with 2010) is charged for loan of Baht 164.50 million (2009: Baht 70 million). The loan shall be due when the subsidiary can borrow a loan from financial institution.

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30 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

ii) Loans from/to related parties (continued)

Long-term loans from subsidiaries

For the year ended 31 December	Company	
	2010	2009
	Baht	Baht
Opening balance	825,000,000	1,218,000,000
Additions	1,110,000,000	825,000,000
Repayments	(625,000,000)	(1,218,000,000)
Ending balance	<u>1,310,000,000</u>	<u>825,000,000</u>

As at 31 December 2010, the Company has loans from a subsidiary with interest rate of average fixed deposit account of four Thai commercial banks plus 0.25% per annum. The loans are repayable within 2015.

iii) Sales of goods and services, interest income and other income

For the year ended 31 December	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Sales of gas				
Subsidiaries	-	-	165,845,608	560,764
Other related parties - the same shareholders and directors	6,051,680	6,180,194	1,921,564	1,894,210
Total	<u>6,051,680</u>	<u>6,180,194</u>	<u>167,767,172</u>	<u>2,454,974</u>
Wharfing service income				
Subsidiaries	-	-	41,311,985	36,019,511
Other income				
Subsidiaries	-	-	1,427,788	90,600
Other related parties - the same shareholders and directors	-	3,600	-	3,600
Total	<u>-</u>	<u>3,600</u>	<u>1,427,788</u>	<u>94,200</u>
Dividend income				
Subsidiaries	-	-	627,399,240	993,382,130
Interest income				
Subsidiaries	-	-	16,502,932	5,959,919
Sell asset/equipment				
Subsidiaries	-	-	35,120,631	2,166,068

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30 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

iv) Purchases of goods and services and interest expenses

For the year ended 31 December	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Purchase of goods				
Subsidiaries	-	-	862,024	639,682
Purchase of assets and equipment				
Subsidiaries	-	-	73,154,974	57,184,975
Other related parties - the same shareholders and directors	1,114,606	88,900	149,280	88,900
Total	1,114,606	88,900	73,304,254	57,273,875
Transportation expenses				
Subsidiaries	-	-	363,950,218	339,094,517
Wharfing expenses				
Subsidiaries	-	-	17,076,364	14,777,816
Rental expenses				
Subsidiaries	-	-	2,448,000	1,341,000
Other related parties - the same shareholders and directors	17,345,649	15,737,127	5,605,633	5,473,371
Total	17,345,649	15,737,127	8,053,633	6,814,371
Interest expenses				
Subsidiaries	-	-	12,945,397	12,436,302
Other expenses				
Subsidiaries	-	-	4,944,367	7,576,470
Other related parties - the same shareholders and directors	13,759,731	11,370,312	5,317,411	4,635,349
Total	13,759,731	11,370,312	10,261,778	12,211,819

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31 Commitments and contingent liabilities

a) Letter of guarantee

As at 31 December 2010 and 2009, the Company has bank guarantees issued on its behalf as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
	(Million)	(Million)	(Million)	(Million)
Letter of guarantee	1,763	1,565	863	761
Letter of credit	349	28.20	349	28.20

As at 31 December 2010, bank letters of guarantees are secured by certain plots of land, land improvement and vessels as mentioned in Notes 13, and personally guaranteed by the Company's directors.

As at 31 December 2010, the Company and subsidiaries have available credit facilities for letter of credit, trust receipt, cheque discounted, letter of guarantee, forward contract, of Baht 7,289.54 million (2009: Baht 4,466.01 million). Credit facilities are secured by subsidiaries' shares as mentioned in Note 19, certain plots of land, land improvement and vessels as mentioned in Notes 13, and personal guarantees by the Company's directors.

b) As at 31 December 2010, the Company is guarantor for its subsidiary in relation to the acquisition of Chevron Ocean Gas & Energy Ltd. as mentioned in Note 16.

c) As at 31 December 2010 and 2009, the Company and subsidiaries have commitment from long-term land and building lease agreements as follows:

	Consolidated		Company	
	31 December	31 December	31 December	31 December
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Within 1 year	33,950,809	37,173,664	16,696,261	22,205,261
During 2 - 5 years	41,010,506	48,935,718	20,287,785	26,160,546
Later than 5 years	9,047,069	9,230,915	2,053,000	1,141,000
Total	84,008,384	95,340,297	39,037,046	49,506,807

d) During year 2004, the Company had entered into the Asset Sales and Purchase agreement with Siam Gas Industries Co., Ltd. On 27 April 2005, the Company has entered into cylinder deposit repayment agreement with Siam Gas Industries Co., Ltd. According to the agreement, Siam Gas Industries Co., Ltd. agrees to pay cylinder deposits to customer who has deposit receipts prior to the date of the Asset Sales and Purchase agreement, if aggregated refunds asked from customers are in excess of the amount specified in the Asset Sales and Purchase agreement. However, Siam Gas Industries Co., Ltd. has currently ceased the operation, and please see Note 21 in relation to contingent liabilities from cylinder deposits.

32 Post balance sheet events

a) Dividend payment

On 25 April 2011, at the Shareholders' meeting of the Company, it passed a resolution to propose the payment of dividend for the year 2010 in amount of Baht 0.50 per share, totalling Baht 459.46 million. The Company paid interim dividend for the operating result for six months of year 2010 in amount of Baht 0.20 per shares, totalling Baht 183.7 million on 10 September 2010. The remaining dividend was paid in amount of Baht 0.30 per share, totalling Baht 275.68 million on 6 May 2011.

On 15 August 2011, at the Board of Directors' meeting of the Company, it passed a resolution to propose the payment of interim dividend for the first half year 2011 in the amount of Baht 0.15 per share, totalling Baht 137.84 million. The Company had paid the interim dividend in September 2011.

b) Investment and business acquisition

On 27 May 2011, the Groups registered to establish Siamgas International trading Co., Ltd. in Singapore (subsidiary) with the investment payment of Baht 2.5 million, and SG Gas Sdn. Bhd. in Malaysia (associate) with no investment payment. The subsidiary and the associate have not operated its business yet.

On 1 June 2011, Unique Gas Trading Company Limited, Unique Marine Company Limited, Unique Gas International Company Limited, Unique Gas Carrier Company Limited and Lucky Marine Company Limited amalgamated to form Siam Lucky Marine Company Limited with the Ministry of Commerce. As a result of the amalgamation, total assets, total liabilities and commitments of five subsidiaries were transferred to Siam Lucky Marine Company Limited on the amalgamation date. The new percentage of ownership in Siam Lucky Marine Company Limited is owned by Unique Gas and Petrochemicals Public Company Limited and Lucky Carrier Company Limited at 27.27% and 72.72%, respectively. Such amalgamation does not have any impact to the consolidated and company financial statements being presented.

On 29 June 2011, the Company invested additional capital of USD 63 million or Baht 1,457.57 million in Siamgas Hongkong Co., Ltd., incorporated in People Republic of China. The percentage of holding is at the same level at 100%.

On 30 June 2011, the Group acquired 100% share capital of Siam Ocean Gas and Energy Limited (formerly named "Chevron Ocean Gas and Energy Limited") which is incorporated in the People's Republic of China and fully-integrated LPG business with terminal designed to import, store and throughput propane and butane, distribute to the market via barges, tank trucks and cylinders. The total consideration of the acquisition was USD 51 million or Baht 1,573.5 million.

c) Borrowings from financial institutions

On 10 January 2011 and 15 February 2011, a subsidiary entered into long-term loan agreements with a commercial bank of Baht 71 million and Baht 376 million for operating activities and purchase of a vessel in February 2011, respectively. Both loan facilities are fully utilised on 13 January 2011 and 16 February 2011, respectively. The long-term loan of Baht 71 million carries interest at the rate of MLR-1.00% per annum. The repayments are made on a monthly basis with the amount of Baht 0.84 million. The remaining balance will be repaid in the last repayment. The long-term loan of Baht 376 million bears interest rate at MLR-1.50% per annum. The principals are repayable made on a quarterly basis of Baht 15.67 million. The loan is secured by the subsidiary's vessel. The Company and another subsidiary also provided the corporate guarantee to this loan.

On 16 March 2011, a subsidiary entered into a sale and lease back arrangement with a financial institution for its trucks. The net book value of the trucks was Baht 45.26 million and the selling price was Baht 45.50 million. The lease agreement is a finance lease type of contracts with a period of 3 years.

32 Post balance sheet events (continued)

c) Borrowings from financial institutions (continued)

On 7 June 2011 and 12 July 2011, the Company drawdown additional loan facilities of Baht 520 million and Baht 760 million, respectively for investment in a foreign subsidiary. The long-term loan bore interest at the rate of THB FIX+3% per annum. The repayments are made on every three months basis with the amount of Baht 193.75 million each. The loan is secured by two subsidiaries' share certificates.

On 29 June 2011, the Company drawdown loan facilities of Baht 1,500 million for investment in a foreign subsidiary. The long-term loan bore interest at the rate of THB FIX+3% per annum. The principals are repayable on a quarterly basis of Baht 93.75 million. The loan is secured by two subsidiaries' share certificates.

d) Significant contracts

On 5 July 2011, a subsidiary entered into a vessel purchase agreement to acquire 2 ships, totalling USD 3.3 million to support the operation of vessel transportation business. The subsidiary has paid the deposit at 10% of total value, amounting to USD 0.33 million on 5 July 2011. The subsidiary expects the supplier to transfer the vessel within year 2011.

On 30 September 2011, a subsidiary entered into various foreign currency forward contracts totalling USD 2.7 million at averaged rate of USD 1 to RMB 6.4 with a bank. The settlement date ranged within 3 months.

e) Severe flooding

Following severe flooding in Thailand, 2 gas filling stations in Nakornsawan and Nonthaburi provinces and 5 gas service stations located in the flooded areas have been affected from flood in October 2011, which caused the gas filling stations and the gas service stations close its services. The Group is currently unable to assess the extent of damage to its property and equipment and is unable to determine when these properties will resume their operations. As a result, sales in the fourth quarter of 2011 will be affected. However, the Group has entered into insurance agreements to cover these damaged properties.

33 Additional information

33.1 Reissued financial statements

During 2010, the Group acquired Sino Siam Gas and Petrochemical Co., Ltd. as mentioned in Note 11 c) and recognised the excess in estimated fair value of net assets over the total purchase consideration in business acquisition amounting to Baht 469 million as liabilities in the consolidated financial statements for the year ended 31 December 2010, which were audited and issued on 28 February 2011. Subsequent to the issuance of the said consolidated financial statements. The management has reassessed the recognition of the transactions and determined that the excess should be recognised in the consolidated statements of income in the period of acquisition as required under Thai Accounting Standard 43 (revised 2007): Business Combination. As a result, the Group has revised and reissued these consolidated financial statements to replace the previously issued financial statements.

33.2 Adjusting events after balance sheet date

During interval period from 28 February 2011 to the date of the reissuance of these reissued financial statements. The Group has adjusted the fair value of net assets and allocated new cost of business acquisition in accordance with Thai Accounting Standard 43 (revised 2007): Business Combination. The standard requires the measurement of fair value of net assets acquired to be completed within one year after the acquisition date. The fair value adjustment is made by retroactive adjustment as if its fair value had been recognised since the date of acquisition. The detail adjustments are as follows;

33 Additional information (continued)

33.2 Adjusting events after balance sheet date (continued)

i) Fair value adjustment of net assets of Sino Siam Gas and Petrochemical Co., Ltd.

With reference to Note 11 c), the Group has adjusted the fair value of the net assets acquired and allocated new cost of business acquisition. The impact of the adjustment is to increase the net assets acquired and gain on business acquisition by the same amount of Baht 184 million. The detail of allocation can be analysed as follows;

Consolidated financial statement	As previously reported Baht	Fair value adjustment Baht	Cost allocation on fair value Baht
Plant and equipment, net	2,790,831,377	184,576,561	2,975,407,938
Land lease rights	229,227,532	(580,677)	228,646,855
Liabilities less other assets	(2,144,208,005)	-	(2,144,208,005)
Net assets	875,850,904	183,995,884	1,059,846,788
Total purchase consideration	406,574,965	-	406,574,965
Total purchase consideration less than its net assets (gain)	<u>(469,275,939)</u>	<u>(183,995,884)</u>	<u>(653,271,823)</u>

ii) Fair value adjustment of net assets of SingGas (LPG) Pte. Ltd.

With reference to Note 11 b), the Group has adjusted the fair value of the net assets acquired and allocated new cost of business acquisition. The impact of the adjustment is to increase the net assets acquired by Baht 247 million and decrease goodwill by the same amount. The detail of allocation can be analysed as follows;

Consolidated financial statements	As previously reported Baht	Fair value adjustment Baht	Cost allocation on fair value Baht
Plant and equipment, net	86,797,224	90,000,719	176,797,943
Intangible assets	25,217,459	157,241,460	182,458,919
Liabilities less other assets	(21,035,122)	-	(21,035,122)
Net assets	90,979,561	247,242,179	338,221,740
Total purchase consideration	449,498,504	-	449,498,504
Goodwill	<u>358,518,943</u>	<u>(247,242,179)</u>	<u>111,276,764</u>

The impact of depreciation charges on the fair value adjustment was not recorded in the consolidated financial statements for year ended 2010 because it is not material.

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33 Additional information (continued)

33.3 Aggregated impact of adjustment on gain on business acquisition and adjusting events after balance sheet date

As a result of adjustments in Note 33.1, the recognition of gain on business acquisition and Note 33.2, adjusting events after balance sheet date, the impact to the consolidated balance sheet and the consolidated statement of income are as follows;

The adjustments as discussed in the above do not have any impact to the company financial statements for the year ended 31 December 2010.

	Notes	Consolidated			
		Property, plant and equipment, net Baht	Intangible assets Baht	Total purchase consideration less than its net assets at book value Baht	Unappropriated retained earnings as at 31 December 2010 Baht
Previous report		9,240,078,285	1,852,080,940	(469,275,938)	(2,754,063,123)
Correction of errors	33.1	-	-	469,275,938	(469,275,938)
Fair value adjustments					
- Sino Siam Gas and Petrochemical Co., Ltd.	33.2 i)	184,576,561	(580,676)	-	(183,995,885)
- SingGas (LPG) Pte Ltd.	33.2 ii)	90,000,719	(90,000,719)	-	-
As restated		<u>9,514,655,565</u>	<u>1,761,499,545</u>	<u>-</u>	<u>(3,407,334,946)</u>

	Notes	Consolidated		
		Gain on business acquisition Baht	Net profit for the year Baht	Basic earnings per share Baht per share
Statement of income for the year ended 31 December 2010				
Previous report		-	1,156,985,857	1.28
Correction of errors	33.1	469,275,938	469,275,938	0.51
Fair value adjustment				
- Sino Siam Gas and Petrochemical Co., Ltd.	33.2 i)	183,995,885	183,995,885	0.20
As restated		<u>653,271,823</u>	<u>1,810,257,680</u>	<u>1.99</u>