

**SIAMGAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND COMPANY  
FINANCIAL STATEMENTS**

**31 DECEMBER 2011**

## **AUDITOR'S REPORT**

To the Shareholders of Siamgas and Petrochemicals Public Company Limited

I have audited the accompanying consolidated and company statements of financial position as at 31 December 2011 and 2010, and the related consolidated and company statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended of Siamgas and Petrochemicals Public Company Limited and its subsidiaries (the Group), and of Siamgas and Petrochemicals Public Company Limited (the Company), 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 audits.

I conducted my audits 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 audits provide 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 2011 and 2010, and the consolidated and company results of operations, and cash flows for the years then ended of the Group and the Company, respectively, in accordance with generally accepted accounting principles.

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

Bangkok  
28 February 2012

**Siamgas and Petrochemicals Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2011 and 2010**

	Notes	Consolidated		Company	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	1,529,606,273	938,779,913	190,164,920	233,897,855
Trade and other receivables	8	2,176,497,916	1,273,558,133	1,041,789,735	372,444,652
Trade accounts receivable from related parties	32	1,269,130	1,220,442	1,228,304,691	173,802,014
Inventories, net	9	4,839,566,198	1,909,950,976	3,148,146,323	1,116,788,944
Other current assets	10	292,660,959	143,833,074	150,365,156	42,189,403
<b>Total current assets</b>		<b>8,839,600,476</b>	<b>4,267,342,538</b>	<b>5,758,770,825</b>	<b>1,939,122,868</b>
<b>Non-current assets</b>					
Investments in subsidiaries	12	-	-	7,435,972,471	5,500,975,854
Investments in joint ventures	12	500,000	500,000	500,000	500,000
Long-term investment		200,000	200,000	-	-
Long-term loans to related parties, net	32	-	-	1,241,964,747	552,981,300
Investment property, net	13	28,300,285	30,858,417	-	-
Property, plant and equipment, net	14	12,255,347,036	9,483,797,148	3,139,974,867	2,913,622,576
Goodwill	15	1,349,548,937	1,349,548,937	-	-
Intangible assets		20,594,220	8,429,287	10,634,889	44,933
Leasehold rights, net	16	631,744,817	403,521,321	6,741,410	7,882,961
Deposit for investment	11	-	150,756,500	-	-
Other non-current assets	17	186,517,391	187,778,522	132,424,952	63,344,922
<b>Total non-current assets</b>		<b>14,472,752,686</b>	<b>11,615,390,132</b>	<b>11,968,213,337</b>	<b>9,039,352,546</b>
<b>Total assets</b>		<b>23,312,353,162</b>	<b>15,882,732,670</b>	<b>17,726,984,162</b>	<b>10,978,475,414</b>

Director \_\_\_\_\_ Director \_\_\_\_\_

The notes to the consolidated and company financial statements from pages 12 to 67 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2011 and 2010**

	Notes	Consolidated		Company	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings from financial institutions	18	5,891,563,246	2,171,598,180	5,861,563,246	1,047,450,650
Trade and other payables	19	2,545,908,391	1,933,302,423	1,331,325,085	1,181,975,046
Trade accounts payable to related parties	32	-	-	61,575,031	32,969,531
Current portion of long-term loans	20	1,490,769,439	688,746,676	1,299,356,250	604,356,250
Current portion of finance lease liabilities		16,672,580	-	-	-
Accrued income tax		152,035,250	265,153,543	-	97,497,335
Other current liabilities	21	78,217,223	64,730,238	14,727,183	16,975,840
<b>Total current liabilities</b>		<b>10,175,166,129</b>	<b>5,123,531,060</b>	<b>8,568,546,795</b>	<b>2,981,224,652</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net	20	3,497,640,232	2,200,806,074	2,729,512,026	1,756,368,279
Long-term loans from related parties	32	-	-	764,200,000	1,310,000,000
Finance lease liabilities, net		18,263,526	-	-	-
Cylinder deposits	22	2,698,747,730	2,433,207,268	420,358,301	305,966,623
Employee benefit obligations	23	79,078,198	-	28,874,976	-
Other non-current liabilities		21,296,021	23,654,408	7,031,199	1,783,778
<b>Total non-current liabilities</b>		<b>6,315,025,707</b>	<b>4,657,667,750</b>	<b>3,949,976,502</b>	<b>3,374,118,680</b>
<b>Total liabilities</b>		<b>16,490,191,836</b>	<b>9,781,198,810</b>	<b>12,518,523,297</b>	<b>6,355,343,332</b>

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**Siamgas and Petrochemicals Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2011 and 2010**

	Notes	Consolidated		Company	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
Share capital	24				
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	24	1,874,481,829	1,874,481,829	1,874,481,829	1,874,481,829
Retained earnings					
Appropriated					
- Legal reserve	26	162,088,663	162,088,663	162,088,663	162,088,663
- Reserve for treasury stock	27	272,143,445	272,143,445	272,143,445	272,143,445
Unappropriated		3,912,845,451	3,407,334,946	2,601,403,930	2,016,075,146
Other components of equity		(125,089,218)	(359,708,198)	(379,513,556)	(379,513,556)
<u>Less</u> Treasury stock	24 , 27	<u>(272,143,445)</u>	<u>(272,143,445)</u>	<u>(272,143,445)</u>	<u>(272,143,445)</u>
<b>Total parent's shareholders' equity</b>		<u>6,774,326,725</u>	<u>6,034,197,240</u>	<u>5,208,460,866</u>	<u>4,623,132,082</u>
Non-controlling interests		<u>47,834,601</u>	<u>67,336,620</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>		<u>6,822,161,326</u>	<u>6,101,533,860</u>	<u>5,208,460,866</u>	<u>4,623,132,082</u>
<b>Total liabilities and shareholders' equity</b>		<u>23,312,353,162</u>	<u>15,882,732,670</u>	<u>17,726,984,162</u>	<u>10,978,475,414</u>

The notes to the consolidated and company financial statements from pages 12 to 67 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**

**Statements of Income**

**For the years ended 31 December 2011 and 2010**

	Notes	Consolidated		Company	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
<b>Revenue</b>					
Revenue from sales		37,067,535,964	21,388,669,015	25,832,666,098	11,487,867,101
Revenue from transportation		461,443,624	335,383,594	-	-
Revenue from services		377,678,142	136,457,310	99,124,760	74,664,085
<b>Total revenue</b>		37,906,657,730	21,860,509,919	25,931,790,858	11,562,531,186
Cost of sales and services		(35,956,869,669)	(19,621,360,818)	(25,302,579,066)	(10,601,879,608)
<b>Gross profit</b>		1,949,788,061	2,239,149,101	629,211,792	960,651,578
Dividend income	25	-	-	1,013,813,779	627,399,240
Gain on business acquisition	11	498,167,715	653,271,823	-	-
Other income	28	189,085,201	139,078,473	92,069,922	53,310,830
<b>Total other income</b>		687,252,916	792,350,296	1,105,883,701	680,710,070
<b>Profit before expenses</b>		2,637,040,977	3,031,499,397	1,735,095,493	1,641,361,648
Selling expenses		(138,567,542)	(58,913,704)	(40,100,810)	(30,944,537)
Administrative expenses		(707,983,727)	(501,311,018)	(287,851,547)	(203,623,813)
Management's remuneration	29	(54,446,548)	(41,333,796)	(29,967,986)	(24,544,598)
<b>Total expenses</b>		(900,997,817)	(601,558,518)	(357,920,343)	(259,112,948)
<b>Profit before finance costs and income tax</b>	29	1,736,043,160	2,429,940,879	1,377,175,150	1,382,248,700
Finance costs		(424,925,648)	(66,588,611)	(334,152,736)	(43,873,162)
<b>Profit before income tax</b>		1,311,117,512	2,363,352,268	1,043,022,414	1,338,375,538
Income tax	30	(334,772,263)	(553,094,588)	(17,469,707)	(204,474,676)
<b>Net profit for the year</b>		976,345,249	1,810,257,680	1,025,552,707	1,133,900,862
<b>Attributable to:</b>					
Equity holders of the parent		994,336,887	1,832,470,447	1,025,552,707	1,133,900,862
Non-controlling interests		(17,991,638)	(22,212,767)	-	-
<b>Net profit for the year</b>		976,345,249	1,810,257,680	1,025,552,707	1,133,900,862
<b>Earnings per share for profit attributable to the equity holders of the parent</b>					
	31				
Basic earnings per share (Baht)		1.08	1.99	1.12	1.23

The notes to the consolidated and company financial statements from pages 12 to 67 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statements of Comprehensive Income**  
**For the years ended 31 December 2011 and 2010**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Net profit for the year	976,345,249	1,810,257,680	1,025,552,707	1,133,900,862
Other comprehensive income:				
- Currency translation difference	234,618,980	(29,050,691)	-	-
<b>Other comprehensive income for the year</b>	<b>234,618,980</b>	<b>(29,050,691)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b><u>1,210,964,229</u></b>	<b><u>1,781,206,989</u></b>	<b><u>1,025,552,707</u></b>	<b><u>1,133,900,862</u></b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	1,228,955,867	1,803,419,756	1,025,552,707	1,133,900,862
Non-controlling interests	(17,991,638)	(22,212,767)	-	-
	<b><u>1,210,964,229</u></b>	<b><u>1,781,206,989</u></b>	<b><u>1,025,552,707</u></b>	<b><u>1,133,900,862</u></b>

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Siamgas and Petrochemicals Public Company Limited  
 Statements of Changes in Equity  
 For the years ended 31 December 2011 and 2010

Consolidated													
Attributable to equity holders of the parent													
	Issued and paid-up share capital	Premium on share capital	Retained earnings			Revaluation surplus on land	Other components of equity		Currency translation difference	Total other component of equity	Treasury stock	Non-controlling interests	Total equity
			Legal reserve	Reserve for treasury stock	Unappropriated Restated		Difference from purchase of assets from a business combination under common control	Difference from taking equity of a business combination under common control					
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Opening balance</b>													
- 1 January 2011	950,000,000	1,874,481,829	162,088,663	272,143,445	3,407,334,946	310,443,917	(660,734,022)	22,582,995	(32,001,088)	(359,708,198)	(272,143,445)	67,336,620	6,101,533,860
Adjustments from changes in accounting policy (Note 2.3)													
- Employee benefit obligations	-	-	-	-	(71,407,018)	-	-	-	-	-	-	-	(71,407,018)
Dividends paid (Note 25)	-	-	-	-	(417,419,364)	-	-	-	-	-	-	(1,510,381)	(418,929,745)
Total comprehensive income for the year													
	-	-	-	-	994,336,887	-	-	-	234,618,980	234,618,980	-	(17,991,638)	1,210,964,229
<b>Closing balance</b>													
- 31 December 2011	<u>950,000,000</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>272,143,445</u>	<u>3,912,845,451</u>	<u>310,443,917</u>	<u>(660,734,022)</u>	<u>22,582,995</u>	<u>202,617,892</u>	<u>(125,089,218)</u>	<u>(272,143,445)</u>	<u>47,834,601</u>	<u>6,822,161,326</u>
<b>Opening balance</b>													
- 1 January 2010	950,000,000	1,874,481,829	116,864,254	272,143,445	2,081,717,838	310,443,917	(660,734,022)	22,582,995	(2,950,397)	(330,657,507)	(272,143,445)	83,629,818	4,776,036,232
Legal reserve	-	-	45,224,409	-	(45,224,409)	-	-	-	-	-	-	5,919,569	5,919,569
Dividends paid	-	-	-	-	(461,628,930)	-	-	-	-	-	-	-	(461,628,930)
Total comprehensive income for the year													
	-	-	-	-	1,832,470,447	-	-	-	(29,050,691)	(29,050,691)	-	(22,212,767)	1,781,206,989
<b>Closing balance</b>													
- 31 December 2010	<u>950,000,000</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>272,143,445</u>	<u>3,407,334,946</u>	<u>310,443,917</u>	<u>(660,734,022)</u>	<u>22,582,995</u>	<u>(32,001,088)</u>	<u>(359,708,198)</u>	<u>(272,143,445)</u>	<u>67,336,620</u>	<u>6,101,533,860</u>

The notes to the consolidated and company financial statements from pages 12 to 67 are an integral part of these financial statements.



**Siamgas and Petrochemicals Public Company Limited**  
**Statements of Changes in Equity**  
**For the years ended 31 December 2011 and 2010**

	Company									
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings			Revaluation surplus on land Baht	Other components of equity		Treasury stock Baht	Total equity Baht
			Legal reserve Baht	Reserve for treasury stock Baht	Unappropriated Baht		Difference from taking equity of a business combination under common control Baht	Total other component of equity Baht		
<b>Opening balance - 1 January 2011</b>	950,000,000	1,874,481,829	162,088,663	272,143,445	2,016,075,146	281,220,466	(660,734,022)	(379,513,556)	(272,143,445)	4,623,132,082
Adjustments from changes in accounting policy (Note 2.3)										
- Employee benefit obligations	-	-	-	-	(26,706,128)	-	-	-	-	(26,706,128)
Dividends paid (Note 25)	-	-	-	-	(413,517,795)	-	-	-	-	(413,517,795)
Total comprehensive income for the year	-	-	-	-	1,025,552,707	-	-	-	-	1,025,552,707
<b>Closing balance - 31 December 2011</b>	<u>950,000,000</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>272,143,445</u>	<u>2,601,403,930</u>	<u>281,220,466</u>	<u>(660,734,022)</u>	<u>(379,513,556)</u>	<u>(272,143,445)</u>	<u>5,208,460,866</u>
<b>Opening balance - 1 January 2010</b>	950,000,000	1,874,481,829	116,864,254	272,143,445	1,386,426,803	281,220,466	(660,734,022)	(379,513,556)	(272,143,445)	3,948,259,330
Legal Reserve	-	-	45,224,409	-	(45,224,409)	-	-	-	-	-
Dividends paid	-	-	-	-	(459,028,110)	-	-	-	-	(459,028,110)
Total comprehensive income for the year	-	-	-	-	1,133,900,862	-	-	-	-	1,133,900,862
<b>Closing balance - 31 December 2010</b>	<u>950,000,000</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>272,143,445</u>	<u>2,016,075,146</u>	<u>281,220,466</u>	<u>(660,734,022)</u>	<u>(379,513,556)</u>	<u>(272,143,445)</u>	<u>4,623,132,082</u>

The notes to the consolidated and company financial statements from pages 12 to 67 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statements of Cash Flows**  
**For the years ended 31 December 2011 and 2010**

	Notes	Consolidated		Company	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
<b>Cash flows from operating activities</b>					
Net profit before income tax		1,311,117,512	2,363,352,268	1,043,022,414	1,338,375,538
Adjustments for:					
Depreciation expenses - property, plant and equipment	13, 14	671,607,872	451,216,943	61,599,906	61,724,814
Amortisation expenses		51,832,500	9,080,158	3,077,195	1,172,629
Interest expenses		356,024,125	42,384,089	274,194,576	27,934,574
Allowance for doubtful debts (reversal)		11,095,787	(166,076)	(7,170)	(356,414)
Provision for diminution in value of inventories (reversal)		(1,113)	(2,775,855)	-	-
Written off of property, plant and equipment		4,075,813	-	688,204	-
Unrealised loss on exchange rate		76,261,259	1,186,085	53,714,184	807,727
Gain on sales/written off of property, plant and equipment, net		(25,136,039)	(22,172,146)	(19,835,613)	(1,146,490)
Gain from business acquisition	11	(498,167,715)	(653,271,823)	-	-
Employee benefit obligations	23	8,461,407	-	2,457,093	-
Bad debt write-off		223,199	-	223,199	-
Amortization-expense-front end fee		4,843,747	-	4,843,747	-
Interest received	28	(18,233,976)	(4,979,455)	(48,228,954)	(17,819,514)
Dividends received	25	-	-	(1,013,813,779)	(627,399,240)
		1,954,004,378	2,183,854,188	361,935,002	783,293,624
Changes in operating working capital (excluding effect of business acquisition)					
- trade and other receivables		(931,800,557)	42,360,933	(646,475,582)	43,909,614
- trade accounts receivable from related parties		(48,688)	(53,201)	(1,054,502,678)	(163,156,725)
- inventories		(2,904,738,452)	(1,101,883,405)	(2,031,357,379)	(1,020,298,402)
- other current assets		(111,192,195)	11,074,814	(7,617,203)	49,642,447
- other non-current assets		71,252,730	(107,113,257)	40,541,380	(10,663,593)
- trade and other payables		611,533,222	506,956,350	127,476,735	629,562,495
- trade accounts payable to related parties		-	-	28,605,500	(501,323)
- cylinder deposits		267,712,165	145,625,300	114,391,678	47,811,545
- other current liabilities		(43,429,024)	(22,083,518)	(1,913,306)	490,123
- other non-current liabilities		(2,285,239)	4,456,696	5,247,420	(254,420)
- employee benefit obligations paid		(790,227)	-	(288,245)	-
Cash flows receipts from/(payments for) operating activities before interest and income tax paid		(1,089,781,887)	1,663,194,900	(3,063,956,678)	359,835,385
- Interest paid		(359,330,095)	(37,996,703)	(274,529,927)	(29,735,969)
- Income tax paid		(509,528,709)	(623,818,392)	(176,605,193)	(234,159,744)
Net cash receipts from/(payments for) operating activities		(1,958,640,691)	1,001,379,805	(3,515,091,798)	95,939,672

The notes to the consolidated and company financial statements from pages 12 to 67 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 2011 and 2010**

	Notes	Consolidated		Company	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
<b>Cash flows from investing activities</b>					
Proceeds from disposals of short-term investments		-	10,110,800	-	-
Proceeds from long-term loans to related parties	32	-	-	100,676,752	168,525,000
Payment for short-term loans to related parties	32	-	-	(767,924,200)	(506,506,300)
Proceeds from disposal of investment in a subsidiary	11	-	22,062,790	-	22,062,790
Acquisition of subsidiary	11	(1,399,159,378)	(1,063,541,211)	(1,934,996,617)	(2,796,875,035)
Acquisition of joint venture	11	-	-	-	(500,000)
Purchases of property, plant and equipment		(1,468,986,362)	(1,401,720,229)	(406,128,439)	(638,454,955)
Proceeds from disposals of property, plant and equipment		66,881,431	39,907,118	13,964,413	21,939,774
Purchases of intangible assets		(5,891,645)	(1,199,560)	-	-
Interest received		18,233,976	4,979,455	9,308,558	5,811,262
Dividends received		-	-	1,013,813,779	627,399,240
Net cash payments from investing activities		<u>(2,788,921,978)</u>	<u>(2,389,400,837)</u>	<u>(1,971,285,754)</u>	<u>(3,096,598,224)</u>
<b>Cash flows from financing activities</b>					
Proceed from short-term loan from financial institution		3,643,486,954	1,046,642,923	4,737,634,485	1,046,642,923
Proceeds from long-term loans from related parties	32	-	-	430,000,000	1,110,000,000
Payments on long-term loans from related parties	32	-	-	(975,800,000)	(625,000,000)
Proceeds from long-term loans from financial institutions	20	3,325,602,790	2,151,525,000	2,780,000,000	1,990,000,000
Repayments on long-term loans from financial institutions	20	(1,231,589,618)	(195,767,462)	(1,116,700,000)	(139,275,471)
Payments to subsidiary's former shareholder for transfer of its loan to the Group		-	(1,554,660,944)	-	-
Proceed from sale and lease back		45,496,000	-	-	-
Repayments for liabilities under finance lease agreement		(7,963,190)	(66,025)	-	-
Dividends payments		<u>(418,929,746)</u>	<u>(461,628,930)</u>	<u>(413,517,795)</u>	<u>(459,028,110)</u>
Net cash receipts from financing activities		<u>5,356,103,190</u>	<u>986,044,562</u>	<u>5,441,616,690</u>	<u>2,923,339,342</u>
<b>Net (decrease) increase in cash and cash equivalents</b>					
Cash and cash equivalents - opening balance		608,540,521	(401,976,470)	(44,760,862)	(77,319,210)
Exchange gains (loss) on cash and cash equivalents		928,734,313	1,331,089,140	233,897,855	311,217,065
		<u>(17,714,161)</u>	<u>(378,357)</u>	<u>1,027,928</u>	<u>-</u>
<b>Cash and cash equivalents - closing balance</b>					
	7	<u>1,519,560,673</u>	<u>928,734,313</u>	<u>190,164,921</u>	<u>233,897,855</u>

The notes to the consolidated and company financial statements from pages 12 to 67 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 2011 and 2010**

	Consolidated		Company	
	2011	2010	2011	2010
Notes	Baht	Baht	Baht	Baht
<b>Non-cash items</b>				
Payable for purchase of property, plant and equipment (included in other accounts payable)	55,467,654	34,738,916	33,307,839	11,434,536
Receivable for disposals of property, plant and equipment (included in other accounts receivable)	-	-	48,324,057	13,184,726
Advance payments for property, plant and equipment (included in other assets)	110,333,233	19,251,816	113,629,031	39,653,914

The notes to the consolidated and company financial statements from pages 12 to 67 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the years ended 31 December 2011 and 2010**

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**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 were authorised by the Board of Directors on 28 February 2012.

**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 the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and company financial statements are disclosed in Note 4.

**Siamgas and Petrochemicals Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the years ended 31 December 2011 and 2010**

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**2 Accounting policies (continued)**

**2.1 Basis of preparation (continued)**

Comparative figures have been reclassified to conform with changes in the presentation of the current financial statements are set out below.

	<b>As restated</b>	<b>Consolidated</b>
	<b>Million Baht</b>	<b>As previously reported</b>
		<b>Million Baht</b>
<b>Statement of financial position as at 31 December 2010</b>		
Trade and other receivables	1,274	1,136
Other current assets	144	282
Investment property	31	-
Property, plant and equipment	9,484	9,515
Goodwill	1,350	-
Intangible assets	412	1,762
Trade and other payables	1,933	1,733
Other payables	-	102
Other current liabilities	65	163
	<b>As restated</b>	<b>Company</b>
	<b>Million Baht</b>	<b>As previously reported</b>
		<b>Million Baht</b>
<b>Statements of financial position as at 31 December 2010</b>		
Trade and other receivables	373	323
Other current assets	42	92
Trade and other payables	1,182	1,141
Other payables	-	20
Other current liabilities	17	38

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.

**2.2 Reissuance of the consolidated financial statements for the year ended 31 December 2010**

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 (updated 2007): Business Combination. As a result, the Group has revised and reissued the consolidated financial statements for the year ended 31 December 2010. The reissued consolidated financial statements were audited and reissued on 11 November 2011.

**Siamgas and Petrochemicals Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the years ended 31 December 2011 and 2010**

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**2 Accounting policies (continued)**

**2.3 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards**

- a) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards effective for the periods beginning on or after 1 January 2011 and adopted by the Group:

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)	Lease
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
TSIC 31	Revenue - Barter Transactions Involving Advertising Services

The Group applied 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): The revised standard will prohibit the presentation of items of income and expenses in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. Entities can choose whether to present one statement (the statement of comprehensive income) or two statements (the statement of income and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning of the comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements whose period begins on or after 1 January 2011, and which period is the first to apply this 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 has adopted TAS 1 (Revised 2009) with effect from 1 January 2011. The Group chooses to present two statements (the statement of income and statement of comprehensive income).

**2 Accounting policies (continued)**

**2.3 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (continued)**

TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of property, plant and equipment, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has obligation to do. An entity requires that an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised standard also requires an entity to review useful life, residual value and depreciation method at least at each financial year-end. The Group has adopted this standard with effect from 1 January 2011. However, the revised standard does not have significant impact to the property, plant and equipment of the Group. The prospective adjustment method has been applied for property, plant and equipment to identify and depreciate significant components separately. For obligation for dismantling and removing the item and restoring the site is immaterial. The Group and the Company has reviewed new useful life and residual value of plant and equipment which affect to decrease depreciation and increase net profit by the same amount of Baht 112 million and Baht 8 million in the consolidated and company financial statements for the year ended 31 December 2011, respectively.

TAS 19: This deals with accounting for employee benefits. The standard classifies employee benefits into four 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 a defined benefit plan either in other comprehensive income or profit and loss. Actuarial gain or loss for other long-term employee benefits shall be recognised in profit and loss. The Group has adopted this standard from 1 January 2011 and chooses the accounting treatment in the first adoption of an increase of employees benefits by adjusting retained earnings as at 1 January 2011.

The Group has adjusted the effect to the retained earnings as at 1 January 2011. The impacts to the balance as at 1 January 2011 are as follows:

	<b>Consolidated Baht'000</b>	<b>Company Baht'000</b>
<b>Balance as at 1 January 2011</b>		
- Retirement benefit obligations, increased	71,407	26,706
- Retained earnings, decreased	(71,407)	(26,706)

TAS 23 (revised 2009): The revised standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs was removed. The Group has adopted the standard prospectively from 1 January 2011 but it is not expected to have any impact on the Group's financial statement, because the Group has already applied the capitalised model.

TAS 24 (revised 2009): The definition of 'related party' has been expanded to include parties with joint control over the entity, a joint venture in which the entity is a venture, and a post-employment benefit plan for the benefit of employees of an entity. The Group has adopt the revised standard with effect from 1 January 2011, which may have an impact only on the disclosure of related parties' information in the notes to financial statements.



**2 Accounting policies (continued)**

**2.3 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (continued)**

TAS 27 (revised 2009): The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and gain or loss is recognised in profit or loss. The Group has adopted the standard prospectively for transactions with non-controlling interests with effect from 1 January 2011.

TAS 28 (revised 2009): On the loss of significant influence, the entity shall measure a remaining investment at fair value and recognise any gain or loss in profit or loss. The Group has adopted the revised standard with effect from 1 January 2011.

TAS 38 (revised 2009): The revised standard clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has a similar useful economic life. The Group has adopted the revised standard with effect from 1 January 2011. The standard will not result in a material impact on the consolidated or company financial statements.

TAS 40 (revised 2009): The revised standard has specific presentation and measurement requirements for investment property. The Group has to present an investment property separately in the statement of financial position. The entity can choose to measure it using either the cost model or the fair value model. Under the fair value model, any changes in fair value are recognised in profit or loss. The Group has adopted the standard with effect from 1 January 2011. The Group applies the cost model for the measurement. In adoption of the investment property standard, the Group has reclassified the statement of financial position as at 31 December 2010, as presented for comparative purpose, as follows:

	<u>Consolidated</u> <u>Baht'000</u>	<u>Company</u> <u>Baht'000</u>
<b>Statement of financial position as at 31 December 2010</b>		
- Property, plant and equipment, decreased	(30,858)	-
- Investment property, increased	30,858	-

TFRS 3 (revised 2009): The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group has adopted the revised standard prospectively to all business combination with effect from 1 January 2011.

## **2 Accounting policies (continued)**

### **2.3 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (continued)**

- b) New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework

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

The Group does not early adopt these standards.

### **2.4 Group accounting - investments in subsidiaries and interests in joint ventures**

#### **2.4.1 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 are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

**2 Accounting policies (continued)**

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

**2.4.1 Investments in subsidiaries (continued)**

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's subsidiaries and the financial effects of the acquisitions and disposals of subsidiaries are shown in Note 11 and Note 12.

**2.4.2 Transactions and non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

**2.4.3 Interests in joint ventures**

The Group's interests in jointly controlled entities are accounted for by equity method in the consolidated financial statements. The Group recognises that portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

In the Company's separate financial statements, interest in jointly controlled entities are accounted for using the cost method.

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 Accounting policies (continued)**

**2.5 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 currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position 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 profit or loss.

The 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 statement of financial position are translated at the exchange rates ruling on the end of reporting period. 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 exchange differences are recognised in the statement of income as part of the gain or loss on disposal of a foreign entity.

**2.6 Cash and cash equivalents**

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

**2.7 Short-term investments**

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

**2.8 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 Accounting policies (continued)**

**2.9 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.

**2.10 Investment Property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on investment properties (Buildings) is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives over periods of 20 - 30 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

## **2 Accounting policies (continued)**

### **2.11 Property, plant and equipment**

Land is shown at fair value, based on valuations by external independent valuers every five years or when the fair value of a revalued asset differs materially from its carrying amount. All other plant and equipment are stated at cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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 of each asset to its residual value over the estimated useful life as follows:

Land improvement	5 - 10 years
Leasehold improvement	contract period
Buildings and infrastructure	5 - 32 years
Terminals, gas filling and service stations and gas storage tanks	3 - 50 years
Gas vessels	2.5 - 32 years
Gas cylinders	10 - 15 years
Machine, factory tools and equipment	5 - 32 years
Furniture, fixtures and office equipment	5 - 20 years
Vehicles	5 - 30 years
Dry-docking	2.5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gain or losses, net" in statement of income.

When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

## **2 Accounting policies (continued)**

### **2.12 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 at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported as an intangible asset and included in interests in joint ventures respectively in the consolidated statement of financial position.

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 groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

### **2.13 Intangible assets**

#### **2.13.1 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 between five to ten years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use or sell it;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 10 years.

#### **2.13.2 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 Accounting policies (continued)**

### **2.14 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 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.

### **2.15 Leases - where a Group company is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially 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 and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss 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 and the lease term.

#### **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. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. 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 Accounting policies (continued)**

### **2.16 Income tax**

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 property, plant and equipment, revaluations of certain non-current assets, provisions for impairments of assets, provisions for pensions and other post retirement benefits, and tax losses carried forward and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base.

### **2.17 Employee benefits**

Group companies operate various employee benefit schemes. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of employee benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related employee benefit liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

Past-service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays contributions to publicly administered employee benefit insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## **2 Accounting policies (continued)**

### **2.18 Provisions**

Provisions for legal claims and constructive obligation 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 the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.19 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.

### **2.20 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 any company in the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

### **2.21 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 on a straight-line basis over the lease term. Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the 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)**

### **2.22 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.

### **2.23 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.

### **2.24 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.

### **2.25 Financial instruments**

Financial assets carried in the statement of financial position include cash and cash equivalents, short-term investments, trade and other 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 and other 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 involving 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.

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**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.

**3.1.2 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	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht	2011 % p.a.	2010 % p.a.
Short-term loans from commercial banks	5,891.56	2,171.60	5,861.56	1,047.45	MOR-1, MLR-0.5	MLR-0.5
Long-term loans from commercial banks	5,004.44	2,908.83	4,043.30	2,380.00	and 4.10-5.30 MLR, MLR-1, MLR-2, 4.95 and 5.78	and 2.50 - 5.23 MLR, MLR-1, MLR-2, 4.95 and 4.11
Long-term loans from subsidiaries	-	-	764.20	1,310.00	Fixed deposits + 0.25	Fixed deposits + 0.25

In order to manage the interest rate risk on long-term loans from commercial banks, the Company entered into an interest rate swap agreement with local bank (see Note 20) 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. In February 2012, the Group has fully re-paid long-term loans from commercial banks. Therefore, the Group cancels the interest rate swap agreement with banks in February 2012.

**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.

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**3 Financial risk management** (continued)

**3.1 Financial risk factors** (continued)

**3.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an amount of committed credit facilities and also issue of bond in the financial market, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit facilities available for the operating and investing purpose of the group in future.

**3.2 Fair value**

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

The carrying amounts of the financial assets and financial liabilities approximate their fair values. For long-term loans from financial institutions, and long-term loans to/from related parties with interest charged at the floating rates, the carrying amount of such loans approximates the fair value. For cylinder deposits which are on demand deposits and the Company cannot estimate the exact repayment period, the fair value cannot be reliably calculated. For long-term loans from financial institutions which are carried at the constant rate. The Group disclosed its fair value below.

The book value and fair value of Long-term loans from financial institutions is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Long-term loans, net				
- Book Value	270	390	270	390
- Fair Value	235	351	235	351

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the management expects would be available to the Group and the Company at the date of the statement of financial position. The carrying amounts of short-term borrowings and lease obligations and convertible bonds 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 2011, the notional amount and the fair value of financial instrument are as follows: (31 December 2010: obligation at Baht 4.64 million).

**Unit: Million Baht**

	<b>Consolidated and Company Financial Statements</b>				
	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 20)	-	270	-	270	0.29

#### **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) 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.

###### **(b) Estimated impairment of goodwill**

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.14. 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 (See Note 15).

Determination of the assumptions is necessary for the impairment testing. During the year 2011 and 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.

###### **(c) Retirement benefits**

The present value of the retirement obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for retirement benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement liability.

Other key assumptions for retirement benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 22.

**4 Critical accounting estimates, assumptions and judgements (continued)**

**(d) 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 20).

**6 Segment information**

The Group presents segment information in accordance with business segment in the financial report by considering from the group of related products within the Group.

The significant business segments are as follows:

Petroleum and

- Petrochemical products : Petroleum trading for household cooking, industry and transportation business, petrochemical products 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**

	<b>Consolidated</b>				<b>Total Million Baht</b>
	<b>Petroleum and petrochemical products Million Baht</b>	<b>Transportation services Million Baht</b>	<b>Other business segment Million Baht</b>	<b>Elimination entries Million Baht</b>	
<b>For the year ended 31 December 2011</b>					
Sales and service income	41,539	1,758	252	(5,642)	37,907
Cost of goods sold and services	(39,943)	(1,424)	(268)	5,678	(35,957)
Operating profit	1,596	334	(16)	36	1,950
Gain from business acquisition (Note 11)	498	-	-	-	498
Unallocated income/(expenses)					(1,454)
Net profit for the year for the parent					<u>994</u>
Segment fixed assets	8,245	1,913	614	1,483	12,255
Unallocated assets					11,057
Total consolidated assets					<u>23,312</u>
<b>For the year ended 31 December 2010</b>					
Sales and service income	21,816	1,391	164	(1,511)	21,860
Cost of goods sold and services	(19,830)	(1,047)	(199)	1,455	(19,621)
Operating profit	1,986	344	(35)	(56)	2,239
Gain from business acquisition (Note 11)	653	-	-	-	653
Unallocated income/(expenses)					(1,060)
Net profit for the year for the parent					<u>1,832</u>
Segment fixed assets	7,339	1,289	629	227	9,484
Unallocated assets					6,399
Total consolidated assets					<u>15,883</u>

**7 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011 Million Baht</b>	<b>2010 Million Baht</b>	<b>2011 Million Baht</b>	<b>2010 Million Baht</b>
Cash on hand	11	10	4	7
Deposits held at call with banks	1,519	929	186	227
Cash and bank balances	<u>1,530</u>	<u>939</u>	<u>190</u>	<u>234</u>

The average interest rate on deposits held at call with banks was ranged between 0.01% - 0.25% per annum (2010: 0.50% per annum).



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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:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Cash and bank balances	1,530	939	190	234
Bank overdrafts (Note 18)	(10)	(10)	-	-
<b>Cash and cash equivalents</b>	<b>1,520</b>	<b>929</b>	<b>190</b>	<b>234</b>

**8 Trade and other receivables, net**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Trade receivables	2,082	1,194	948	325
<u>Less</u> Provision for impairment	(43)	(41)	(3)	(3)
<u>Less</u> Provision for discounted receivable	(26)	(17)	-	-
Trade receivables - net	2,013	1,136	945	322
Prepayments	113	49	44	31
Advance payment	50	89	2	4
Other receivables from related parties	-	-	51	15
<b>Trade and other receivables, net</b>	<b>2,176</b>	<b>1,274</b>	<b>1,042</b>	<b>372</b>

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Trade accounts receivable</b>				
Within credit term	1,829	1,014	907	300
Overdue				
- below 3 months	191	105	37	19
- 3 months to 12 months	-	17	-	3
- more than 12 months	62	58	4	3
Total	2,082	1,194	948	325
<u>Less</u> Allowance for doubtful accounts	(43)	(41)	(3)	(3)
Provision for discount receivable	(26)	(17)	-	-
<b>Trade accounts receivable, net</b>	<b>2,013</b>	<b>1,136</b>	<b>945</b>	<b>322</b>

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**9 Inventories, net**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Petroleum products	4,444	1,588	3,118	1,078
Petrochemical products	50	50	-	-
Oil products	30	31	-	-
Finished goods	82	58	1	-
Raw material	45	63	-	-
Supplies and others	84	46	-	1
Goods in transit	109	50	29	38
Work in process	12	24	-	-
<b>Total</b>	<b>4,856</b>	<b>1,910</b>	<b>3,148</b>	<b>1,117</b>
<u>Less</u> Allowance for diminution in value of inventories	(17)	-	-	-
<b>Inventories, net</b>	<b>4,839</b>	<b>1,910</b>	<b>3,148</b>	<b>1,117</b>

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 2011, the inventories included minimum mandatory reserve on crude oil and petroleum products amounting to Baht 178.58 million in the consolidated financial statements, and Baht 86.71 million in the company financial statements (31 December 2010: Baht 97.95 million and Baht 45.66 million, respectively), which were net of allowance for net realisable value.

**10 Other current assets**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Refundable corporate income tax	87	26	87	26
VAT refundable	3	35	-	-
Insurance claim receivable	23	23	-	-
Accrued interest income on loans to subsidiaries	-	-	53	14
Deposits	162	-	3	-
Others	18	60	7	2
<b>Total</b>	<b>293</b>	<b>144</b>	<b>150</b>	<b>42</b>

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**11 Business acquisition**

**a) Business acquisition of Siam Ocean Gas and Energy Limited**

As at 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. It engages in 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 consideration of the acquisition was USD 51 million or Baht 1,573.5 million. The Group paid deposit of USD 5 million, approximately Baht 151 million when the Group had entered into the equity interest transfer agreement on 29 September 2009. The remaining amount was fully re-paid at the date of acquisition.

Details of net assets acquired are as follows:

	<b>Million Baht</b>
Plant and equipment, net	1,784
Intangible assets	235
Other assets less liabilities	53
Estimated fair value of net assets	2,072
Gain on business acquisition	(498)
Total purchase consideration	1,574
<u>Less</u> Cash and cash equivalents of the subsidiary	(136)
Net cash paid for the acquisition	<u>1,438</u>

The Group has already received the asset valuation report from an independent valuer therefore, the Group recognised the provisional fair value of the net assets acquired in excess of the purchase consideration of Baht 498 million as gain on business acquisition in the consolidated statement of income for the year ended 31 December 2011. However, the measurement of the fair value of other assets and liabilities is being reviewed yet. The Group is required to complete the fair value assessment within twelve months from the acquisition date.

**b) 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 fair value of the net identifiable assets of Super Gas Co., Ltd., which was reviewed by the Group management and 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:

	<b>Million Baht</b>
Plant and equipment, net	140
Intangible assets	21
Other assets less liabilities	15
Fair value of net assets	176
Goodwill	208
Total purchase consideration	384
<u>Less</u> Cash and cash equivalents of the subsidiary	(17)
Net cash paid for the acquisition	<u>367</u>

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**11 Business acquisition** (continued)

**c) 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. 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>Million Baht</u>
Plant and equipment, net	177
Intangible assets	182
Liabilities less other assets	<u>(21)</u>
Net assets at fair value	338
Goodwill	<u>111</u>
Total purchase consideration	449
<u>Less</u> Cash and cash equivalents of the subsidiary	<u>(68)</u>
Net cash paid for the acquisition	<u>381</u>

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

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**11 Business acquisition** (continued)

**d) 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. It engages in 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 was 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 consolidated statement of income in 2010.

Details of net assets acquired are as follows:

	<u>Million Baht</u>
Plant and equipment, net	2,975
Intangible assets	229
Liabilities less other assets	<u>(2,144)</u>
Net assets at fair value	1,060
Gain on business acquisition	<u>(653)</u>
Total purchase consideration	407
<u>Less</u> Cash and cash equivalents of the subsidiary	<u>(91)</u>
Net cash paid for the acquisition	<u><u>316</u></u>

In 2011, as a result of business acquisition of Siam Ocean Gas and Energy Limited, the acquired company generated income of Baht 192 million and net loss of Baht 63 million which were included in the consolidated financial statements for the year ended 31 December 2011. The subsidiary had not operated its business prior to the acquisition, therefore income and net loss of the subsidiary during 1 January 2011 to the date of acquisition is insignificant.

**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:

	<u>Consolidated</u>		<u>Company</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
At 1 January	-	-	5,501	2,726
Acquisitions (Note 11)	-	-	1,935	2,797
Disposals (Note 11)	-	-	-	(22)
At 31 December	<u>-</u>	<u>-</u>	<u>7,436</u>	<u>5,501</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
		2011	2010	
<b>Direct Subsidiaries</b>				
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 Co., Ltd.	Vietnam	100.00%	100.00%	Petroleum products distribution
SingGas (LPG) Pte. Ltd.	Singapore	95.00%	95.00%	Petroleum products distribution
United Gas & Petrochemicals Sdn. Bhd.	Malaysia	100.00%	100.00%	Petroleum products distribution
Siam Gas Trading Pte. Ltd.	Singapore	100.00%	-	Petroleum products distribution
<b>Indirect Subsidiaries (holding by Unique Gas and Petrochemicals Public Company Limited)</b>				
Unique Gas Trading Company Limited	Thailand	-	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%	Transportation services
Unique Gas International Company Limited	Thailand	-	99.99%	Transportation services
Unique Gas Carrier Company Limited	Thailand	-	99.94%	Transportation services
Siam Lucky Marine Company Limited	Thailand	27.28%	-	Transportation services

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

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

	<b>Country of incorporation</b>	<b>% ownership interest</b>		<b>Type of business</b>
		<b>2011</b>	<b>2010</b>	
<b>Indirect Subsidiary (holding by Lucky Carrier Company Limited)</b>				
Lucky Marine Company Limited	Thailand	-	99.99%	Transportation services
Siam Lucky Marine Company Limited	Thailand	72.72%	-	Transportation services
<b>Indirect Subsidiaries (holding by Siamgas Hongkong Co., Ltd.)</b>				
Sino Siam Gas and Petrochemical Co., Ltd.	The People's Republic of China	100.00%	100.00%	Petroleum and petrochemical products distribution
Siam Ocean Gas and Energy Co., Ltd.	The People's Republic of China	100.00%	-	Petroleum and petrochemical products distribution
<b>Direct Joint Venture</b>				
SG Gas Sdn. Bhd.	Malaysia	29.99%	-	Petroleum products distribution
Siam Nathalin Co., Ltd.	Thailand	50.00%	50.00%	Transportation for medium range size up very large crude oil carrier (VLCC)

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

**Investments in subsidiaries**

Detail of investments in subsidiaries is as follows:

	<b>Paid-up Capital</b>		<b>Cost Method</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Siamgas Hongkong Co., Ltd.	4,088	2,155	4,088	2,155
Unique Gas and Petrochemicals Public Company Limited	105	105	2,105	2,105
SingGas (LPG) Pte. Ltd.	336	336	427	427
Super Gas Co., Ltd.	133	133	384	384
Siam Ethanol Export Company Limited	400	400	280	280
Lucky Carrier Company Limited	70	70	70	70
Siam Quality Steel Company Limited	70	70	70	70
United Gas & Petrochemicals Sdn. Bhd.	10	10	10	10
Siam Gas Trading Pte.Ltd.	2	-	2	-
			<u>7,436</u>	<u>5,501</u>

The movement in Investments in subsidiaries and interests in joint ventures during the year is as follows:

In the year 2011 and 2010, the Company invested in additional ordinary shares of Siamgas Hongkong Co., Ltd. which is incorporated in Hongkong at the same proportion of 100% amounting to USD 63 million or Baht 1,932.5 million and USD 64.3 million or Baht 1,953.6 million, respectively.

As at 27 May 2011, the Company established Siamgas Trading Pte. Ltd. (subsidiary), incorporated in Singapore, by holding 100% of the share capital of the subsidiary, totalling of Baht 2 million, and established SG Gas Sdn. Bhd., incorporated in Malaysia (joint venture), however the Group has not invested in capital of this joint venture yet. As at 31 December 2011, these companies have not commenced their business operations.



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

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, assets, liabilities and commitments of the old subsidiaries were transferred to Siam Lucky Marine Company Limited on the amalgamation date. Such amalgamation does not have any impact to the shareholding of the Group therefore, it does not have any impacts to the consolidated and company financial statements being presented.

**Investment in a joint venture**

Detail of investment in a joint venture is as follow:

	<b>Paid-up Capital</b>		<b>Consolidated</b>		<b>Company</b>	
	<b>(the Group's portion)</b>		<b>Equity Method</b>		<b>Cost Method</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
SG Gas Sdn. Bhd	-	-	-	-	-	-
Siam Nathalin Co., Ltd.	0.5	0.5	0.5	0.5	0.5	0.5
	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

As 31 December 2011, SG Gas Sdn. Bhd and Siam Nathalin Co., Ltd have not commenced their operations.

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**13 Investment Property**

	<b>Consolidated</b>		
	<b>Land Million Baht</b>	<b>Buildings Million Baht</b>	<b>Total Million Baht</b>
<b>As at 1 January 2010</b>			
Cost	11	83	94
<u>Less</u> Accumulated depreciation	-	(61)	(61)
Net book amount	<u>11</u>	<u>22</u>	<u>33</u>
<b>For the year ended 31 December 2010</b>			
Opening net book amount	11	22	33
Depreciation	-	(2)	(2)
Closing net book amount	<u>11</u>	<u>20</u>	<u>31</u>
<b>As at 31 December 2010</b>			
Cost	11	83	94
<u>Less</u> Accumulated depreciation	-	(63)	(63)
Net book amount	<u>11</u>	<u>20</u>	<u>31</u>
<b>For the year ended 31 December 2011</b>			
Opening net book amount	11	20	31
Depreciation	-	(3)	(3)
Closing net book amount	<u>11</u>	<u>17</u>	<u>28</u>
<b>As at 31 December 2011</b>			
Cost	11	83	94
<u>Less</u> Accumulated depreciation	-	(66)	(66)
Net book amount	<u>11</u>	<u>17</u>	<u>28</u>
Fair value as of 31 December 2010	<u>22</u>	<u>48</u>	<u>70</u>
Fair value as of 31 December 2011	<u>22</u>	<u>53</u>	<u>75</u>

The Group's investment properties were revalued by independent valuer.

Investment property at cost of Baht 27.37 million (2010: Baht 29.93 million) has been pledged as a security for borrowings (Note 20).

Amount recognised in the statement of income that are related to investment property are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011 Million Baht</b>	<b>2010 Million Baht</b>	<b>2011 Million Baht</b>	<b>2010 Million Baht</b>
Rental income	0.05	0.05	-	-
Direct operation expense arise from investment property, that generated rental income	2	2	-	-

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**14 Property, plant and equipment, net**

	Consolidated									Total Million Baht
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas Vessels Million Baht	Gas cylinders Million Baht	Machine, factory tools and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	
<b>At 1 January 2010</b>										
Cost - Historical cost	1,874	537	1,129	1,253	2,620	315	205	994	232	9,159
- Revaluation	277	-	-	-	-	-	-	-	-	277
	2,151	537	1,129	1,253	2,620	315	205	994	232	9,436
<u>Less</u> Accumulated depreciation	-	(131)	(647)	(592)	(1,956)	(39)	(167)	(652)	-	(4,184)
Net book value	2,151	406	482	661	664	276	38	342	232	5,252
<b>Year ended 31 December 2010</b>										
Opening net book value	2,151	406	482	661	664	276	38	342	232	5,252
Reclassification to investment property	(11)	(22)	-	-	-	-	-	-	-	(33)
Net book value after reclassification	2,140	384	482	661	664	276	38	342	232	5,219
Additions	232	8	4	403	223	-	13	13	499	1,395
Acquisition of subsidiaries	-	2,005	100	-	47	1,042	43	16	39	3,295
Transfer in / out	-	32	203	37	-	-	3	103	(378)	-
Reclassification from assets held for sale	9	42	-	-	-	-	-	-	-	51
Disposals, net	-	-	-	(13)	-	-	(1)	-	(4)	(18)
Currency translation differences	-	-	(3)	-	-	-	-	-	(3)	(6)
Depreciation charge	-	(39)	(72)	(119)	(100)	(36)	(17)	(66)	-	(449)
Closing net book value	2,381	2,432	714	969	834	1,282	79	408	385	9,484
<b>At 31 December 2010</b>										
Cost - Historical cost	2,104	2,780	1,495	1,610	2,916	1,588	258	1,120	385	14,256
- Revaluation	277	245	-	-	-	-	26	3	-	551
	2,381	3,025	1,495	1,610	2,916	1,588	284	1,123	385	14,807
<u>Less</u> Accumulated depreciation	-	(593)	(781)	(641)	(2,082)	(306)	(205)	(715)	-	(5,323)
Net book value	2,381	2,432	714	969	834	1,282	79	408	385	9,484

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**14 Property, plant and equipment, net (continued)**

	Consolidated									
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas Vessels Million Baht	Gas cylinders Million Baht	Machine, factory tools and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
<b>Year ended</b>										
<b>31 December 2011</b>										
Opening net book value	2,381	2,432	714	969	834	1,282	79	408	385	9,484
Additions	3	5	3	506	215	7	49	7	603	1,398
Acquisition of subsidiaries	-	1,156	-	-	-	463	164	1	-	1,784
Transfer in / out	-	7	120	241	(2)	(10)	(30)	50	(386)	(10)
Disposals, net	-	-	(1)	(31)	(4)	-	-	(1)	(4)	(41)
Currency translation differences	-	199	-	-	(1)	102	9	-	-	309
Depreciation charge	-	(165)	(72)	(160)	(83)	(115)	(26)	(48)	-	(669)
Closing net book value	<u>2,384</u>	<u>3,634</u>	<u>764</u>	<u>1,525</u>	<u>959</u>	<u>1,729</u>	<u>245</u>	<u>417</u>	<u>598</u>	<u>12,255</u>
<b>At 31 December 2011</b>										
Cost - Historical cost	2,107	6,356	1,621	2,134	3,114	1,713	1,969	1,169	598	20,781
- Revaluation	277	962	-	-	-	463	24	3	-	1,729
	2,384	7,318	1,621	2,134	3,114	2,176	1,993	1,172	598	22,510
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(3,684)</u>	<u>(857)</u>	<u>(609)</u>	<u>(2,155)</u>	<u>(447)</u>	<u>(1,748)</u>	<u>(755)</u>	<u>-</u>	<u>(10,255)</u>
Net book value	<u>2,384</u>	<u>3,634</u>	<u>764</u>	<u>1,525</u>	<u>959</u>	<u>1,729</u>	<u>245</u>	<u>417</u>	<u>598</u>	<u>12,255</u>

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**14 Property, plant and equipment, net (continued)**

	Company							Total Million Baht
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas cylinders Million Baht	Furniture, fixtures and office equipments Million Baht	Vehicles Million Baht	Construction in progress Million Baht	
<b>At 1 January 2010</b>								
Cost - Historical cost	1,485	115	152	362	15	33	212	2,374
- Revaluation	248	-	-	-	-	-	-	248
	1,733	115	152	362	15	33	212	2,622
<u>Less</u> Accumulated depreciation	-	(21)	(64)	(108)	(7)	(19)	-	(219)
Net book value	<u>1,733</u>	<u>94</u>	<u>88</u>	<u>254</u>	<u>8</u>	<u>14</u>	<u>212</u>	<u>2,403</u>
<b>Year ended 31 December 2010</b>								
Opening net book value	1,733	94	88	254	8	14	212	2,403
Additions	233	6	2	100	2	4	259	606
Transfer in / out	-	26	128	-	-	-	(154)	-
Disposals, net	-	-	-	(28)	-	-	(6)	(34)
Depreciation charge	-	(8)	(14)	(33)	(2)	(4)	-	(61)
Closing net book value	<u>1,966</u>	<u>118</u>	<u>204</u>	<u>293</u>	<u>8</u>	<u>14</u>	<u>311</u>	<u>2,914</u>

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**14 Property, plant and equipment, net (continued)**

	Company							Total Million Baht
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas cylinders Million Baht	Furniture, fixtures and office equipments Million Baht	Vehicles Million Baht	Construction in progress Million Baht	
<b>At 31 December 2010</b>								
Cost - Historical cost	1,718	147	282	434	17	37	311	2,946
- Revaluation	248		-	-	-	-	-	248
	1,966	147	282	434	17	37	311	3,194
<u>Less</u> Accumulated depreciation	-	(29)	(78)	(141)	(9)	(23)	-	(280)
Net book value	<u>1,966</u>	<u>118</u>	<u>204</u>	<u>293</u>	<u>8</u>	<u>14</u>	<u>311</u>	<u>2,914</u>
<b>Year ended</b>								
<b>31 December 2011</b>								
Opening net book value	1,966	118	204	293	8	14	311	2,914
Additions	3	4	3	57	2	6	279	354
Transfer in / out	-	5	10	-	-	-	(52)	(37)
Disposals, net	-	-	-	-	-	-	(29)	(29)
Depreciation charge	-	(4)	(15)	(38)	(1)	(4)	-	(62)
Closing net book value	<u>1,969</u>	<u>123</u>	<u>202</u>	<u>312</u>	<u>9</u>	<u>16</u>	<u>509</u>	<u>3,140</u>
<b>At 31 December 2011</b>								
Cost - Historical cost	1,721	156	295	491	19	43	509	3,234
- Revaluation	248	-	-	-	-	-	-	248
	1,969	156	295	491	19	43	509	3,482
<u>Less</u> Accumulated depreciation	-	(33)	(93)	(179)	(10)	(27)	-	(342)
Net book value	<u>1,969</u>	<u>123</u>	<u>202</u>	<u>312</u>	<u>9</u>	<u>16</u>	<u>509</u>	<u>3,140</u>

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**14 Property, plant and equipment - net (continued)**

As at 31 December 2011, the Company's land, building including those under construction, machine and equipment with net book value of Baht 1,753.79 million (2010: Baht 1,753.59 million) have been used as collateral for credit facilities and loan from a local commercial bank (see Notes 18 and 20).

As at 31 December 2011, the subsidiaries have used certain plots of land and building with net book value of Baht 387.31 million (2010: Baht 423.69 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 962.91 million (2010: Baht 1,013.25 million) as collateral for credit facilities and loans of a subsidiary with local commercial banks (see Notes 18 and 20).

Cost of fixed assets which are fully depreciated and still in use in the consolidated and company financial statements as at 31 December 2011 are approximately Baht 3,670.40 million and Baht 38.58 million, respectively (As at 31 December 2010: Baht 2,098.61 million and Baht 27.67 million, respectively).

The Group's external independent appraiser had appraised land using the market value method, the revaluation was shown as follows:

	<b>Consolidated Million Baht</b>	<b>Company Million Baht</b>
Appraised land increment (decrement)		
At 1 January 2010	310	281
Appraisal	-	-
At 31 December 2010	310	281
Appraisal	-	-
At 31 December 2011	<u>310</u>	<u>281</u>

Borrowing costs of Baht 16.12 million (2010: Baht 46.71 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% (2010: 4.95%) was used representing the actual borrowing cost of the loan used to finance the project.

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 (31 December 2011: Baht 44.35 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.

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**15 Goodwill**

	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>
<b>At 1 January</b>		
Cost	1,541	1,237
<u>Less</u> Accumulated amortisation	<u>(191)</u>	<u>(191)</u>
<b>Net book amount</b>	<b><u>1,350</u></b>	<b><u>1,046</u></b>
<b>Year ended 31 December</b>		
Opening net book amount	1,350	1,046
Acquisition of subsidiaries	-	304
<b>Closing net book amount</b>	<b><u>1,350</u></b>	<b><u>1,350</u></b>
<b>At 31 December</b>		
Cost	1,541	1,541
<u>Less</u> Accumulated amortisation	<u>(191)</u>	<u>(191)</u>
<b>Net book amount</b>	<b><u>1,350</u></b>	<b><u>1,350</u></b>

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	<b>Average rate</b>
Gross margin	3.74 - 20.64 %
Growth rate	0.00 - 4.79 %
Discount rate	9.05 %



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**16 Leasehold rights - net**

	<b>Consolidated</b>	
	<b>Land and leasehold rights</b>	
	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>
<b>At 1 January</b>		
Cost	499	28
<u>Less</u> Accumulated amortisation	(95)	(9)
Net book value	<u>404</u>	<u>19</u>
<b>Year ended 31 December</b>		
Opening net book value	404	19
Exchange differences	23	-
Additions	1	-
Acquisition of subsidiaries	235	388
Amortisation charge	(32)	(3)
Closing net book value	<u>631</u>	<u>404</u>
<b>At 31 December</b>		
Cost	758	499
<u>Less</u> Accumulated amortisation	(127)	(95)
Net book value	<u>631</u>	<u>404</u>
	<b>Company</b>	
	<b>Land and leasehold rights</b>	
	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>
<b>At 1 January</b>		
Cost	12	12
<u>Less</u> Accumulated amortisation	(4)	(3)
Net book value	<u>8</u>	<u>9</u>
<b>Year ended 31 December</b>		
Opening net book value	8	9
Amortisation charge	(1)	(1)
Closing net book value	<u>7</u>	<u>8</u>
<b>At 31 December</b>		
Cost	12	12
<u>Less</u> Accumulated amortisation	(5)	(4)
Net book value	<u>7</u>	<u>8</u>

**Siamgas and Petrochemicals Public Company Limited**  
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**17 Other non-current assets**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Deposits at bank used as collateral	11	3	-	-
Deposits	61	107	65	5
Down payment - Cylinders	49	-	49	25
Deferred charges	24	37	-	-
Others	42	41	18	33
<b>Total</b>	<b>187</b>	<b>188</b>	<b>132</b>	<b>63</b>

**18 Bank overdrafts and short-term loans from financial institutions**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Bank overdrafts	10	10	-	-
Short-term loans from financial institutions	5,882	2,162	5,862	1,047
<b>Total</b>	<b>5,892</b>	<b>2,172</b>	<b>5,862</b>	<b>1,047</b>

As at 31 December 2011, the Group and the Company have short-term promissory notes from financial institutions of Baht 5,891.56 million and Baht 5,861.56 million, respectively. The promissory notes bear interest at the rates of 0.98 - 4.95 per annum and MLR-0.50% per annum (2010: The group had short-term loan under promissory note with a local bank for prepayment of raw material in amount of Baht 2,161.55 million and Bah 1,047.45 million carried interest of 2.50% - 5.23% per annum and MLR-0.50% per annum). The promissory notes are secured by land, machine and equipment of the Group and the Company (see Note 14).

As at 31 December 2011 and 2010, 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 its land, machine and equipment as collateral. The overdrafts are also guaranteed by the subsidiary's certain directors based on equity proportion (see Note 14).

**19 Trade and other payables**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Trade payables	1,899	1,732	1,132	1,141
Accrued expense	489	96	41	13
Amounts due to related party	5	3	95	8
Other payable	153	102	63	20
<b>Total</b>	<b>2,546</b>	<b>1,933</b>	<b>1,331</b>	<b>1,182</b>

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**20 Long-term loans from financial institutions, net**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Current portion of long-term loans, net</b>				
Thai currency	1,496	694	1,304	609
<u>Less</u> Deferred financing fee	(5)	(5)	(5)	(5)
	<u>1,491</u>	<u>689</u>	<u>1,299</u>	<u>604</u>
<b>Long-term loans, net</b>				
Thai currency	3,509	2,215	2,739	1,771
<u>Less</u> Deferred financing fee	(11)	(14)	(9)	(14)
	<u>3,498</u>	<u>2,201</u>	<u>2,730</u>	<u>1,757</u>
Total long-term loans	<u>4,989</u>	<u>2,890</u>	<u>4,029</u>	<u>2,361</u>

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

<b>For the year ended 31 December 2011</b>	<b>Consolidated</b>	<b>Company</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Opening balance	2,890	2,361
Addition	3,326	2,780
Repayments	(1,231)	(1,117)
Amortisation of financing fees	4	5
Ending balance	<u>4,989</u>	<u>4,029</u>

As at 31 December 2011 and 2010, the long-term loans represented long-term loans from local commercial banks as follows:

**The Company**

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 2011, the outstanding balance is Baht 270 million (2010: Baht 390 million) carried interest at of THB FIX 3 months reference the rate of Reuters plus 2% per annum. 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 14). 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 3.2).

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

**The Company (continued)**

The Company has long-term loan with a commercial bank to purchase land, machine and construction of service stations. As at 31 December 2011, the outstanding balance is Baht 135.8 million (2010: Baht 170 Million) carried interest at MLR-2% per annum. Principal is repayable on a monthly basis; of which the 1<sup>st</sup> - 58<sup>th</sup> installments are not lower than Baht 2.85 million per installment and the 59<sup>th</sup> 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 (Note 14).

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. Moreover, on 7 June 2011 and 12 July 2011, the Company had drawdown additional loan facilities of Baht 520 million and Baht 760 million, respectively, for investment in another foreign subsidiary. The long-term loan bore interest at the rate of THB FIX+3 % per annum. The repayments are made on a quarterly basis with the amount of Baht 193.75 million each. The loan is secured by two foreign subsidiaries' share certificates. As at 31 December 2011, the outstanding balance is Baht 2,325 million.

On 29 June 2011, the Company had 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 repayments are made on a quarterly basis with the amount Baht 93.75 million each. The loan is secured by two foreign subsidiaries' share certificates. As at 31 December 2011, the outstanding balance is Baht 1,312.50 million.

**The subsidiaries**

As at 31 December 2011, Lucky Marine Company Limited has long-term loans from local commercial banks as follows;

Long-term loan of Baht 91.42 million (2010: Baht 111.81 million) carries interest at the rate of MLR-1.00% per annum. Principal is repayable on a monthly basis; of which the 1<sup>st</sup> - 83<sup>rd</sup> installments are Baht 1.70 million per installment, the 84<sup>th</sup> installments are Baht 1.40 million. The first installment commenced in October 2010 and the loan shall be due for full repayment by September 2016. The subsidiary has used its vessels as collateral (see Note 14). In addition, the loan is also guaranteed by Lucky Carrier Company Limited.

Long-term loan of Baht 74.79 million (2010: Baht 87.95 million) carries interest at the rate of MLR-1.00% per annum. Principal is repayable on a monthly basis; of which the 1<sup>st</sup> - 83<sup>rd</sup> 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 14). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

Long-term loan of Baht 146.09 million (2010: Baht 161.43 million) carries interest at the rate of MLR-1.00% per annum. The repayments of principal and interest totalling Baht 2.20 million are made on a monthly basis. The remaining balance is repayable in the last installment. The subsidiary has used its vessels as collateral (see Note 14). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

Long-term loan of Baht 65.93 million carries interest at the rate of MLR-1.00% per annum. The repayments of principal and interest totalling Baht 0.85 million are made on a monthly basis. The remaining balance is repayable in the last installment. The subsidiary has used its vessels as collateral (see Note 14). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

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

**The subsidiaries (continued)**

Long-term loan of Baht 329.17 million carries interest at the rate of MLR-1.50% per annum. The repayments of principal and interest totalling Baht 15.67 million are made on a quarterly basis. The remaining balance is repayable in the last installment. The subsidiary has used its vessels as collateral (see Note 14). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

Long-term loan of Baht 100 million carries interest at the rate of MLR-1.50% per annum. The repayments of principal and interest totalling Baht 8.50 million are made on a quarterly basis. The remaining balance is repayable in the last installment. The subsidiary has used its vessels as collateral (see Note 14). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

As at 31 December 2011, Siam Ethanol Exports Company Limited has long-term loans from local commercial banks as follows;

Long-term loan of Baht 129.16 million (2010: Baht 140.97 million) carries interest at the rate of MLR-1.00% per annum. The subsidiary has mortgaged its land, building, machine and equipment (see Note 14). The loan is also guaranteed by some directors based on equity proportion.

Long-term loan of Baht 24.58 million (2010: Baht 26.67 million) carries interest at the rate of MLR per annum. The subsidiary has mortgaged its land, building, machine and equipment (see Note 14). The loan is also guaranteed by some directors based on equity proportion.

As at 31 December 2011, Lucky Carrier Company Limited has long-term loans from local commercial banks as follows;

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 with a period of 3 years. As of 31 December 2011, the remaining balance is of Baht 35 million. The repayment within one year is Baht 16.7 million and more than 1 year but not over 3 years is Baht 18.3 million.

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

Risk from change in interest rate of the group after record the result of foreign exchange rate was below:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Long-term loans, net				
- at fixed rates	270	390	270	390
- at floating rates	4,719	2,500	3,759	1,971
Total long-term loans, net	4,989	2,890	4,029	2,361

After taking into account of interest rate swaps, the weighted average effective interest rates of the long-term loans of the Group was approximately 5.88% per annum for Thai Baht loans (2010: 5.26% 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 5.72% per annum for Thai Baht loans (2010: 4.83% per annum).

Maturity of long-term loans is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Within 1 year	1,491	689	1,299	604
Later than 1 year but not later than 5 years	3,420	2,111	2,730	1,757
Later than 5 years	78	90	-	-
Total long-term loans, net	4,989	2,890	4,029	2,361

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 loan agreements. As at 31 December 2011, certain financial ratios of the Company and a subsidiary were not in accordance with the loan covenants. However, the Company had successfully obtained consents from the lenders to waive the loan covenants. In addition, the Company has early settled all of its long term-loans amounting to Baht 4,040 million in February 2012 (Note 34 a).

**Credit facilities**

As at 31 December 2011, the Group has fully utilised the credit loan facilities from financial institutions (2010: the available credit loan facilities from financial institutions amounted of Baht 2,780 million).

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**21 Other current liabilities**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Accounts payable - Revenue Department	-	-	7	8
Accrued interest expenses	5	8	5	5
Deferred revenue	52	34	-	-
Retention	5	5	-	-
Others	16	18	3	4
<b>Total</b>	<b>78</b>	<b>65</b>	<b>15</b>	<b>17</b>

**22 Cylinder deposits**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Beginning balance	2,433	2,254	306	258
Acquisition of subsidiaries	-	33	-	-
Cylinder deposits/transfer in	285	165	114	57
Refund deposits/transfer out	(19)	(19)	-	(9)
<b>Ending balance</b>	<b>2,699</b>	<b>2,433</b>	<b>420</b>	<b>306</b>

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 33). The significant refund of deposits will occur when gas business operations significantly decline.

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**23 Employee benefit obligations**

	<u>Consolidated</u> <u>31 December</u> <u>2011</u> <u>Million Baht</u>	<u>Company</u> <u>31 December</u> <u>2011</u> <u>Million Baht</u>
Statement of financial position		
Employee benefits	79	29
Statement of income		
Employee benefits	8	2

The amounts recognised in the statement of financial position are as follows:

Present value of obligations	79	29
Liability in the statement of financial position	79	29

Movements in employee benefit obligations are as follows:

	<u>Consolidated</u> <u>31 December</u> <u>2011</u> <u>Million Baht</u>	<u>Company</u> <u>31 December</u> <u>2011</u> <u>Million Baht</u>
Beginning balance	71	27
Service cost	6	2
Interest cost	2	-
Benefit paid	-	-
Ending balance	79	29

Costs of employee benefits recognised in the statement of income are as follows:

	<u>Consolidated</u> <u>31 December</u> <u>2011</u> <u>Million Baht</u>	<u>Company</u> <u>31 December</u> <u>2011</u> <u>Million Baht</u>
Current service costs	6	2
Interest costs	2	-
Total	8	2

The principal actuarial assumptions used were as follows:

	<u>2011</u>
Discount rate	3.9%
Inflation rate	3.0%
Salary increase rate	5.0% - 7.0%
Pre-retirement mortality rate	0.11% - 1.48%



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**24 Share capital**

	Number of share Million shares	Ordinary share Million Baht	Share premium Million Baht	Treasury stock Million Baht	Total Million Baht
As at 1 January 2010	950	950	1,875	(272)	2,553
Issue of ordinary shares	-	-	-	-	-
As at 31 December 2010	950	950	1,875	(272)	2,553
Issue of ordinary shares	-	-	-	-	-
As at 31 December 2011	950	950	1,875	(272)	2,553

As at 31 December 2011, total authorised number of shares were shares 950 million with a par value of Baht 1 per share (31 December 2010: shares 950 million with a par value of Baht 1 per share). All shares were issued and fully paid-up with the share premium of Baht 1,875 million and treasury stock of Baht 272 million (Note 25).

**25 Dividends paid**

**The Company**

At the Annual General Shareholders' meeting of the Company held on 25 April 2011, the shareholders passed a resolution the dividend payment for the year 2010 at Baht 0.50 per share, totalling of Baht 459.46 million. The Company already paid interim dividends for the operating results for the first half year of 2010 at Baht 0.20 per share, totalling of Baht 183.78 million on 10 September 2010. The remaining dividends of Baht 0.30 per share, totalling of Baht 275.68 million were paid to the shareholders on 6 May 2011.

At the Board of Directors' meeting of the Company held on 15 August 2011, the Board of Directors approved the appropriation of interim dividends for the operating results for the six-month period ended 30 June 2011 at Baht 0.15 per share, totalling of Baht 137.84 million. The interim dividends have been paid in full amount on 15 September 2011.

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.

**25 Dividends paid** (continued)

**The Subsidiaries**

At the Board of Directors' meeting of SingGas (LPG) Pte. Ltd. held on 28 February 2011, the Board of Directors approved the appropriation of dividends for the operating results for the year ended 31 December 2009 at SGD 1 million or Baht 24.2 million. The Company received the dividends and recognised as income with the amount of Baht 22.7 million in the company statement of income. The remaining dividends of Baht 1.5 million were paid to non-controlling interest.

At the Annual General Shareholders' meeting of Unique Gas and Petrochemical Public Company Limited held on 22 April 2011, the shareholders passed the resolution for the dividend payment for the year 2010 at Baht 60 per share, totalling of Baht 627 million. These dividends were paid to the shareholders on 6 May 2011.

At the Annual General Shareholders' meeting of Lucky Carrier Company Limited held on 29 April 2011, the shareholders passed the resolution for the dividend payment for the year 2010 at Baht 10 per share, totalling Baht 50 million. These dividends were paid to the shareholders on 12 May 2011.

At the Annual General Shareholders' meeting of Unique Gas and Petrochemical Public Company Limited held on 15 August 2011, the shareholders passed the resolution for the interim dividends for the operating results for the six-month period ended 30 June 2011 at Baht 30 per share, totalling Baht 314 million. These dividends were paid to the shareholders on 15 September 2011.

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.

**26 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.

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**27 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 2011, the Company had set aside the treasury stock reserve of Baht 272.14 million.

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.

Details of treasury stock are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Value of treasury stock (Million Baht)	272	272	272	272
Number of treasury stock (Million Shares)	31	31	31	31
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

**28 Other income**

<b>For the year ended 31 December</b>	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b> <b>Million Baht</b>	<b>2010</b> <b>Baht</b>	<b>2011</b> <b>Baht</b>	<b>2010</b> <b>Baht</b>
Rental income	76	54	15	13
Interest income	18	5	48	18
Profit on disposal of property, plant and equipment	25	25	20	1
Others	70	55	9	21
	<b>189</b>	<b>139</b>	<b>92</b>	<b>53</b>

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**29 Expenses by nature**

For the year ended 31 December	Consolidated		Company	
	2011	2010	2011	2010
	Million Baht	Million Baht	Million Baht	Million Baht
Depreciation and amortisation expenses	723	460	65	63
Staff expenses	822	627	171	150
Management's remuneration	54	41	30	25

**30 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 2011.

**31 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.

For the year ended 31 December	Consolidated		Company	
	2011	2010	2011	2010
Net profit for the period attributable to the parent company (Million Baht)	994	1,832	1,026	1,134
Weighted average number of ordinary shares after deduction of treasury stock (Million Shares)	919	919	919	919
Basic earnings per share (Baht/Share)	1.08	1.99	1.12	1.23

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

### **32 Related party transactions**

As at 31 December 2011, the major shareholders of the Company are shareholders in Weeraborwornpong family, which own 56.24% 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:

<b>Transactions</b>	<b>Pricing policies</b>
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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**32 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**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Trade accounts receivable</b>				
Subsidiaries	-	-	1,228	174
Other related parties - the same shareholders and directors	1	1	-	-
<b>Total</b>	<u>1</u>	<u>1</u>	<u>1,228</u>	<u>174</u>
<b>Other receivable</b>				
Subsidiaries	-	-	51	15
<b>Accrued interest income</b>				
Subsidiaries	-	-	53	14
<b>Cylinder deposits</b>				
Subsidiaries	-	-	2	2
<b>Deposits for purchase of cylinders</b>				
Subsidiaries	-	-	12	25
<b>Deposits for building</b>				
Other related parties - the same shareholders and directors	4	4	1	1
<b>Trade accounts payable</b>				
Subsidiaries	-	-	62	33
<b>Other payable</b>				
Subsidiaries	-	-	94	-
Other related parties - the same shareholders and directors	5	3	1	8
<b>Total</b>	<u>5</u>	<u>3</u>	<u>95</u>	<u>8</u>
<b>Accrued interest</b>				
Subsidiaries	-	-	2	-

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**32 Related party transactions (continued)**

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

**Long-term loans to subsidiaries**

<b>For the year ended 31 December</b>	<b>Company</b>	
	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Opening balance	553	215
Additions	768	507
Proceeds	(101)	(169)
Difference from translations	22	-
Ending balance	1,242	553
Current portion	-	-
Ending balance, net	<u>1,242</u>	<u>553</u>

As at 31 December 2011, the Company has long-term loans to subsidiaries with interest rates as follows:

- Interest rate of 5.25% per annum (2010: 5.25% per annum) is charged for loans totalling Baht 242.48 million (2010: Baht 288.48 million). These loans are due by 2013 or when the subsidiary has sufficient working capital.
- Interest rate of 5.25% per annum (2010: average fixed deposit account rate for 12 months for three local commercial banks plus 0.25% per annum) is charged for a loan of Baht 100 million (2010: Baht 100 million). The loan is due by 2014.
- Interest rate of average MLR rate for three local commercial banks plus 0.50% per annum (2010: the same interest rate of 2011) is charged for a loan of Baht 167.30 million (2010: Baht 164.5 million). The loan is due when the subsidiary is able to obtain a loan from a financial institution.
- Interest rate of 5.25% per annum is charged for loan of Baht 31.55 million (2010: nil). The loan is due by 2013.
- Interest rate for 3 months of THB FIX plus 3.10% per annum is charged for loan of Baht 700.64 million (2010: nil). The loan is due by 2016.

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**32 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**

<b>For the year ended 31 December</b>	<b>Company</b>	
	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Opening balance	1,310	825
Additions	430	1,110
Repayments	(976)	(625)
Ending balance, net	764	1,310

As at 31 December 2011, the Company has loans from a subsidiary with interest rate based on the average fixed deposit interest rate of four Thai commercial banks plus 0.25% per annum (2010: 0.25% per annum). The loans are repayable within 2015.

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

<b>For the year ended 31 December</b>	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Sales of gas</b>				
Subsidiaries	-	-	3,952	166
Other related parties - the same shareholders and directors	7	6	2	2
<b>Total</b>	<b>7</b>	<b>6</b>	<b>3,954</b>	<b>168</b>
<b>Wharfing service income</b>				
Subsidiaries	-	-	41	41
<b>Other income</b>				
Subsidiaries	-	-	20	21
<b>Dividend income</b>				
Subsidiaries	-	-	1,014	627
<b>Interest income</b>				
Subsidiaries	-	-	47	17
<b>Sell asset/equipment</b>				
Subsidiaries	-	-	48	35



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**32 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	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
<b>Purchase of goods</b>				
Subsidiaries	-	-	2	1
<b>Purchase of assets and equipment</b>				
Subsidiaries	-	-	50	73
Other related parties - the same shareholders and directors	-	1	-	-
<b>Total</b>	-	1	50	73
<b>Transportation expenses</b>				
Subsidiaries	-	-	334	363
<b>Wharfing expenses</b>				
Subsidiaries	-	-	172	17
<b>Rental expenses</b>				
Subsidiaries	-	-	2	2
Other related parties - the same shareholders and directors	19	17	6	6
<b>Total</b>	19	17	8	8
<b>Interest expenses</b>				
Subsidiaries	-	-	28	13
<b>Other expenses</b>				
Subsidiaries	-	-	5	5
Other related parties - the same shareholders and directors	19	14	8	5
<b>Total</b>	19	14	13	10
<b>Management remuneration</b>				
Short-term employee benefits	52	41	29	24
Post-employment benefits	2	-	1	-
<b>Total</b>	54	41	30	24

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**33 Commitments and contingent liabilities**

a) Letter of guarantee

As at 31 December 2011 and 2010, the Company has bank guarantees issued on its behalf as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Letter of guarantee	1,801	1,763	874	863
Letter of credit	951	349	951	349

As at 31 December 2011, bank letters of guarantees are secured by certain plots of land, land improvement and vessels as mentioned in Notes 14, and personally guaranteed by the Company's directors.

As at 31 December 2011, the Group has available credit facilities with commercial banks for letter of credit, trust receipt, cheque discounted, letter of guarantee, forward contract, of Baht 19,234.46 million (2010: Baht 7,289.54 million). Credit facilities are secured by subsidiaries' shares as mentioned in Note 20, certain plots of land, land improvement and vessels as mentioned in Notes 14, and personal guarantees by the Company's directors.

b) As at 31 December 2011 and 2010, Group and the Company and subsidiaries have commitment from long-term land and building lease agreements as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Within 1 year	38	34	16	17
During 2 - 5 years	57	41	30	20
Later than 5 years	27	9	20	2
<b>Total</b>	<b>122</b>	<b>84</b>	<b>66</b>	<b>39</b>

c) As at 31 December 2011 and 2010, the Group and the Company have capital commitments at the statements of financial position date but not recognised in the financial statements as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Property, plant and equipment	210	-	164	-

**33 Commitments and contingent liabilities (continued)**

- d) During year 2004, the Company had entered into the Asset 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 22 in relation to contingent liabilities from cylinder deposits.

**34 Post balance sheet events**

- a) Offering for sales of debenture bonds

At the Board of Directors' meeting of the Company No. 4/2554 on 15 August 2011 and the extraordinary shareholders' meeting No. 1/2554 on 7 October 2011, it passed the resolution to approve the issuance and offering of bonds and/or bill of exchange with the limit of Baht 10,000 million. In the combination with the first approval in the issuance and offering of debenture bonds and/or bill of exchange of Baht 3,000 million from the extraordinary shareholders' meeting No. 1/2552 on 24 April 2009, the total facility in issuance and offering of debenture bonds and/or bill of exchange with the amount not exceeding Baht 13,000 million.

During 6 - 8 February 2012, the Company has issued unsubordinated and unsecured debenture bonds and has appointed the shareholders representative for general investors. Total value of debenture bonds is Baht 4,500 million. The par value is equal to offering price at Baht 1,000 per unit. Interest is repayment every 3 months.

Bonds are evaluated credit ratings at BBB + (Stable) by TRIS. The details of the bonds are as follows;

<b>Type of bond</b>	<b>year</b>	<b>Interest rate</b>
1. 2 - years bond	1 <sup>st</sup>	4.75% per annual
	2 <sup>nd</sup>	5.00% per annual
2. 3 - years bond	1 <sup>st</sup> - 2 <sup>nd</sup>	5.00% per annual
	3 <sup>rd</sup>	5.50% per annual
3. 4 - years bond	1 <sup>st</sup> - 2 <sup>nd</sup>	5.00% per annual
	3 <sup>rd</sup>	5.50% per annual
	4 <sup>th</sup>	5.90% per annual

**34 Post balance sheet events (continued)**

a) Offering for sales of debenture bonds (continued)

The Company has successfully issued the bonds amounting to Baht 4,500 million and already used the proceeds from bond issuance to repay long-term loans of Baht 4,040.45 million and short-term loan of Baht 500 million in February 2012.

b) Dividend payment

On 28 February 2012, at the Board of Directors' meeting of the Company, it passed a resolution to propose the payment of dividend for the year 2011 amounting to Baht 0.45 per share, totalling Baht 413.52 million, inclusive of interim dividends for the first six months of 2011. The Board of Directors will propose to the shareholders at their meeting to get an approval for dividend. The Company had already paid interim dividend for the operating result for the six-months period of the year 2011 amounting to Baht 0.15 per shares, totalling Baht 137.84 million in September 2011.