

SIAMGAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED

**CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS**

31 DECEMBER 2012

AUDITOR'S REPORT

To the Shareholders of Siamgas and Petrochemicals Public Company Limited

I have audited the accompanying consolidated and company financial statements of Siamgas and Petrochemicals Public Company Limited and its subsidiaries, and of Siamgas and Petrochemicals Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the related consolidated and company statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Chaisiri Ruangritchai
Certified Public Accountant (Thailand) No. 4526
PricewaterhouseCoopers ABAS Ltd.

Bangkok
22 February 2013

Siamgas and Petrochemicals Public Company Limited
Statements of Financial Position
As at 31 December 2012 and 2011

		Consolidated		Company	
		2012	2011	2012	2011
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	1,461,276,267	1,529,606,273	203,215,334	190,164,920
Trade and other receivables	8	2,876,347,220	2,177,767,046	1,788,129,858	2,270,094,426
Inventories, net	9	8,143,194,853	4,839,566,198	6,793,853,208	3,148,146,323
Other current assets	10	132,286,059	292,660,959	13,449,139	150,365,156
Total current assets		12,613,104,399	8,839,600,476	8,798,647,539	5,758,770,825
Non-current assets					
Investments in subsidiaries	12	-	-	7,629,342,502	7,435,972,471
Investments in joint ventures	12	804,399	500,000	804,399	500,000
Long-term investment		200,000	200,000	-	-
Long-term loans to related parties, net	33	-	-	1,607,865,465	1,241,964,747
Investment property, net	13	25,742,153	28,300,285	-	-
Property, plant and equipment, net	14	12,860,754,037	12,255,347,036	3,441,959,164	3,139,974,867
Goodwill	15	1,349,548,937	1,349,548,937	-	-
Intangible assets		19,523,652	20,594,220	8,137,747	10,634,889
Leasehold rights, net	16	584,503,362	631,744,817	5,599,858	6,741,410
Other non-current assets	17	302,633,187	186,517,391	319,595,831	132,424,953
Total non-current assets		15,143,709,727	14,472,752,686	13,013,304,966	11,968,213,337
Total assets		27,756,814,126	23,312,353,162	21,811,952,505	17,726,984,162

Director _____ Director _____

The notes to the consolidated and company financial statements from pages 13 to 64 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statements of Financial Position
As at 31 December 2012 and 2011

		Consolidated		Company	
		2012	2011	2012	2011
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	18	7,585,072,727	5,891,563,246	7,585,068,794	5,861,563,246
Trade and other payables	19	4,181,482,292	2,545,908,391	2,709,985,716	1,392,900,116
Current portion of long-term loans	20	202,782,918	1,490,769,439	-	1,299,356,250
Current portion of finance lease liabilities	20	50,557,158	16,672,580	-	-
Accrued income tax		173,274,265	152,035,250	82,603,332	-
Other current liabilities	21	95,229,026	78,217,223	59,020,914	14,727,183
Total current liabilities		12,288,398,386	10,175,166,129	10,436,678,756	8,568,546,795
Non-current liabilities					
Long-term loans from financial institutions, net	20	740,074,694	3,497,640,232	-	2,729,512,026
Long-term loans from related parties	33	3,000,000	-	251,000,000	764,200,000
Finance lease liabilities, net	20	34,459,306	18,263,526	-	-
Bonds	22	4,487,917,885	-	4,487,917,885	-
Cylinder deposits	23	3,021,469,984	2,698,747,730	553,109,521	420,358,301
Employee benefit obligations	24	85,226,605	79,078,198	30,821,878	28,874,976
Other non-current liabilities		15,149,170	21,296,021	7,726,198	7,031,198
Total non-current liabilities		8,387,297,644	6,315,025,707	5,330,575,482	3,949,976,501
Total liabilities		20,675,696,030	16,490,191,836	15,767,254,238	12,518,523,296

The notes to the consolidated and company financial statements from pages 13 to 64 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statements of Financial Position
As at 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Liabilities and					
shareholders' equity (continued)					
Shareholders' equity					
Share capital	25				
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	25	1,874,481,829	1,874,481,829	1,874,481,829	1,874,481,829
Retained earnings					
Appropriated					
- Legal reserve	27	162,088,663	162,088,663	162,088,663	162,088,663
- Reserve for					
treasury stock	28	272,143,445	272,143,445	272,143,445	272,143,445
Unappropriated		4,312,480,396	3,912,845,451	3,437,641,331	2,601,403,930
Other components of equity		(250,150,983)	(125,089,218)	(379,513,556)	(379,513,556)
<u>Less</u> Treasury stock	25 , 28	<u>(272,143,445)</u>	<u>(272,143,445)</u>	<u>(272,143,445)</u>	<u>(272,143,445)</u>
Total parent's					
shareholders' equity		7,048,899,905	6,774,326,725	6,044,698,267	5,208,460,866
Non-controlling interests		<u>32,218,191</u>	<u>47,834,601</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>7,081,118,096</u>	<u>6,822,161,326</u>	<u>6,044,698,267</u>	<u>5,208,460,866</u>
Total liabilities and					
shareholders' equity		<u>27,756,814,126</u>	<u>23,312,353,162</u>	<u>21,811,952,505</u>	<u>17,726,984,162</u>

The notes to the consolidated and company financial statements from pages 13 to 64 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statements of Income
For the years ended 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Revenue					
Revenue from sales		46,628,219,634	37,067,535,964	31,554,917,673	25,832,666,098
Revenue from transportation		616,159,579	743,618,263	-	-
Revenue from services		93,089,005	95,503,503	123,502,303	99,124,760
Total revenue		47,337,468,218	37,906,657,730	31,678,419,976	25,931,790,858
Cost of sales and services		(44,815,304,478)	(35,411,958,768)	(30,968,212,485)	(25,302,579,066)
Cost of transportation		(448,370,885)	(544,910,901)	-	-
Total cost of sales, services and transportation		(45,263,675,363)	(35,956,869,669)	(30,968,212,485)	(25,302,579,066)
Gross profit		2,073,792,855	1,949,788,061	710,207,491	629,211,792
Dividend income	26	-	-	964,091,647	1,013,813,779
Gain on business acquisition		-	498,167,715	-	-
Other income	29	414,408,007	189,085,201	442,312,410	92,069,922
Total other income		414,408,007	687,252,916	1,406,404,057	1,105,883,701
Profit before expenses		2,488,200,862	2,637,040,977	2,116,611,548	1,735,095,493
Selling expenses		(151,842,615)	(138,567,542)	(52,358,243)	(40,100,810)
Administrative expenses		(774,624,232)	(762,430,275)	(328,743,317)	(317,819,533)
Total expenses		(926,466,847)	(900,997,817)	(381,101,560)	(357,920,343)
Profit before finance costs and income tax	30	1,561,734,015	1,736,043,160	1,735,509,988	1,377,175,150
Finance costs		(434,278,923)	(424,925,648)	(392,467,854)	(334,152,736)
Profit before income tax		1,127,455,092	1,311,117,512	1,343,042,134	1,043,022,414
Income tax	31	(330,646,622)	(334,772,263)	(93,288,183)	(17,469,707)
Net profit for the year		796,808,470	976,345,249	1,249,753,951	1,025,552,707
Attributable to:					
Equity holders of the parent		817,052,707	994,336,887	1,249,753,951	1,025,552,707
Non-controlling interests		(20,244,237)	(17,991,638)	-	-
Net profit for the year		796,808,470	976,345,249	1,249,753,951	1,025,552,707
Earnings per share for profit attributable to the equity holders of the parent					
Basic earnings per share (Baht)	32	0.89	1.08	1.36	1.12

The notes to the consolidated and company financial statements from pages 13 to 64 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statements of Comprehensive Income
For the years ended 31 December 2012 and 2011

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Net profit for the year	796,808,470	976,345,249	1,249,753,951	1,025,552,707
Other comprehensive income:				
- Currency translation difference	(125,061,765)	234,618,980	-	-
Other comprehensive income for the year	(125,061,765)	234,618,980	-	-
Total comprehensive income for the year	671,746,705	1,210,964,229	1,249,753,951	1,025,552,707
Total comprehensive income attributable to:				
Owners of the parent	691,990,942	1,228,955,867	1,249,753,951	1,025,552,707
Non-controlling interests	(20,244,237)	(17,991,638)	-	-
	671,746,705	1,210,964,229	1,249,753,951	1,025,552,707

The notes to the consolidated and company financial statements from pages 13 to 64 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 2012 and 2011

	Consolidated												
	Attributable to equity holders of the parent												
	Other components of equity												
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings			Revaluation surplus on land Baht	Difference from purchase of assets from a business combination under common control Baht	Difference from taking equity of a business combination under common control Baht	Currency translation difference Baht	Total other component of equity Baht	Treasury stock Baht	Non- controlling interests Baht	Total equity Baht
			Legal	Reserve for	Unappropriated								
			reserve	treasury stock	Restated								
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance													
- 1 January 2012	950,000,000	1,874,481,829	162,088,663	272,143,445	3,912,845,451	310,443,917	(660,734,022)	22,582,995	202,617,892	(125,089,218)	(272,143,445)	47,834,601	6,822,161,326
Dividends paid (Note 26)	-	-	-	-	(417,417,762)	-	-	-	-	-	-	(1,410,513)	(418,828,275)
Capital contributions from holder of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	6,038,340	6,038,340
Total comprehensive income for the year	-	-	-	-	817,052,707	-	-	-	(125,061,765)	(125,061,765)	-	(20,244,237)	671,746,705
Closing balance													
- 31 December 2012	950,000,000	1,874,481,829	162,088,663	272,143,445	4,312,480,396	310,443,917	(660,734,022)	22,582,995	77,556,127	(250,150,983)	(272,143,445)	32,218,191	7,081,118,096
Opening balance													
- 1 January 2011	950,000,000	1,874,481,829	162,088,663	272,143,445	3,335,927,928	310,443,917	(660,734,022)	22,582,995	(32,001,088)	(359,708,198)	(272,143,445)	67,336,620	6,030,126,842
Dividends paid (Note 26)	-	-	-	-	(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
Closing balance													
- 31 December 2011	950,000,000	1,874,481,829	162,088,663	272,143,445	3,912,845,451	310,443,917	(660,734,022)	22,582,995	202,617,892	(125,089,218)	(272,143,445)	47,834,601	6,822,161,326

The notes to the consolidated and company financial statements from pages 13 to 64 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 2012 and 2011

	Company									
	Other components of equity									Total equity Baht
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings			Revaluation surplus on land Baht	Difference from taking equity of a business combination under common control Baht	Total other component of equity Baht	Treasury stock Baht	
			Reserve for							
			Legal reserve Baht	treasury stock Baht	Unappropriated Baht					
Opening balance - 1 January 2012	950,000,000	1,874,481,829	162,088,663	272,143,445	2,601,403,930	281,220,466	(660,734,022)	(379,513,556)	(272,143,445)	5,208,460,866
Dividends paid (Note 26)	-	-	-	-	(413,516,550)	-	-	-	-	(413,516,550)
Total comprehensive income for the year	-	-	-	-	1,249,753,951	-	-	-	-	1,249,753,951
Closing balance - 31 December 2012	950,000,000	1,874,481,829	162,088,663	272,143,445	3,437,641,331	281,220,466	(660,734,022)	(379,513,556)	(272,143,445)	6,044,698,267
Opening balance - 1 January 2011	950,000,000	1,874,481,829	162,088,663	272,143,445	1,989,369,018	281,220,466	(660,734,022)	(379,513,556)	(272,143,445)	4,596,425,954
Dividends paid (Note 26)	-	-	-	-	(413,517,795)	-	-	-	-	(413,517,795)
Total comprehensive income for the year	-	-	-	-	1,025,552,707	-	-	-	-	1,025,552,707
Closing balance - 31 December 2011	950,000,000	1,874,481,829	162,088,663	272,143,445	2,601,403,930	281,220,466	(660,734,022)	(379,513,556)	(272,143,445)	5,208,460,866

The notes to the consolidated and company financial statements from pages 13 to 64 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statements of Cash Flows
For the years ended 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cash flows from operating activities					
Net profit before income tax		1,127,455,092	1,311,117,512	1,343,042,134	1,043,022,414
Adjustments for:					
Depreciation expenses - property, plant and equipment	13, 14	776,645,859	671,607,872	71,124,487	61,599,906
Amortisation expenses - intangible assets, leasehold right and other assets		52,715,261	51,832,500	3,658,694	3,077,195
Interest expenses		366,582,814	356,024,125	334,595,544	274,194,576
Allowance for doubtful debts (reversal)		1,587,826	11,095,787	-	(7,170)
Reversal of provision for diminution in value of inventories		(12,235,332)	(1,113)	-	-
Impairment charge on investment in subsidiary	12	-	-	22,000,000	-
Written off of property, plant and equipment		1,918,847	4,075,813	1,198,895	688,204
Unrealised (gain) loss on exchange rate		(9,344,836)	76,261,259	15,333,245	53,714,184
Gain on sales/written off of property, plant and equipment, net		(8,258,995)	(25,136,039)	(14,439,070)	(19,835,613)
Gain from business acquisition		-	(498,167,715)	-	-
Employee benefit obligations	24	8,485,670	8,461,407	2,366,782	2,457,093
Bad debt write-off		16,110	223,199	-	223,199
Amortization-expense-front end fee		20,541,678	4,843,747	20,174,609	4,843,747
Interest received	29	(11,848,989)	(18,233,976)	(85,757,142)	(48,228,954)
Dividends received	26	-	-	(964,091,647)	(1,013,813,779)
		2,314,261,005	1,954,004,378	749,206,531	361,935,002
Changes in operating working capital					
- trade and other receivables		(700,184,110)	(931,849,245)	433,640,511	(1,700,978,260)
- inventories		(3,285,864,833)	(2,904,738,452)	(3,640,498,843)	(2,031,357,379)
- other current assets		162,461,423	(111,192,195)	84,826,802	(7,617,203)
- other non-current assets		(154,271,041)	71,252,730	(135,085,934)	40,541,380
- trade and other payables		1,629,925,731	611,533,222	1,329,706,727	156,082,235
- cylinder deposits		322,722,254	267,712,165	132,751,220	114,391,678
- other current liabilities		(23,567,980)	(43,429,024)	4,554,054	(1,913,306)
- other non-current liabilities		(6,146,852)	(2,285,239)	695,000	5,247,420
- employee benefit obligations paid		(2,337,263)	(790,227)	(419,880)	(288,245)
Cash flows receipts from/(payments for) operating activities before interest and income tax paid		256,998,334	(1,089,781,887)	(1,040,623,812)	(3,063,956,678)
- Interest paid		(326,003,033)	(359,330,095)	(294,855,868)	(274,529,927)
- Income tax paid		(311,494,130)	(509,528,709)	(10,684,850)	(176,605,193)
Net cash receipts from (payments for) operating activities		(380,498,829)	(1,958,640,691)	(1,346,164,530)	(3,515,091,798)

The notes to the consolidated and company financial statements from pages 13 to 64 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 2012 and 2011

		Consolidated		Company	
		2012	2011	2012	2011
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Proceeds from long-term loans to related parties	33	-	-	46,400,000	100,676,752
Payment for long-term loans to related parties	33	-	-	(437,000,000)	(767,924,200)
Acquisition of subsidiary			(1,399,159,378)	(215,370,031)	(1,934,996,617)
Acquisition of joint venture		(304,399)	-	(304,399)	-
Purchases of property, plant and equipment		(1,506,911,707)	(1,468,986,362)	(405,905,642)	(406,128,439)
Proceeds from disposals of property, plant and equipment		45,057,687	66,881,431	154,043,182	13,964,413
Purchases of intangible assets		(2,490,638)	(5,891,645)	(20,000)	-
Interest received		11,848,989	18,233,976	8,250,150	9,308,558
Dividends received	26	-	-	964,091,647	1,013,813,779
Net cash receipts from (payments for) investing activities		(1,452,800,068)	(2,788,921,978)	114,184,907	(1,971,285,754)
Cash flows from financing activities					
Proceed from short-term loan from financial institution		1,712,944,557	3,643,486,954	1,732,895,025	4,737,634,485
Proceeds from long-term loans from related parties	33	3,000,000	-	425,000,000	430,000,000
Repayments of long-term loans from related parties	33	-	-	(938,200,000)	(975,800,000)
Proceeds from long-term loans from financial institutions	20	299,250,000	3,325,602,790	-	2,780,000,000
Repayments of long-term loans from financial institutions	20	(4,359,600,848)	(1,231,589,618)	(4,043,300,000)	(1,116,700,000)
Proceeds from issue of bonds, net	22	4,482,175,000		4,482,175,000	
Proceed from sale and lease back		-	45,496,000	-	-
Capital contributions from holder of non-controlling interest		6,038,340	-	-	-
Proceeds from (Repayments for) liabilities under finance lease agreement		50,080,358	(7,963,190)	-	-
Dividends payments	26	(418,828,275)	(418,929,746)	(413,516,550)	(413,517,795)
Net cash receipts from financing activities		1,775,059,132	5,356,103,190	1,245,053,475	5,441,616,690
Net (decrease) increase in cash and cash equivalents					
		(58,239,765)	608,540,521	13,073,852	(44,760,862)
Cash and cash equivalents - opening balance		1,519,560,673	928,734,313	190,164,921	233,897,855
Exchange gains (loss) on cash and cash equivalents		(44,641)	(17,714,161)	(23,439)	1,027,927
Cash and cash equivalents - closing balance					
	7	1,461,276,267	1,519,560,673	203,215,334	190,164,920

The notes to the consolidated and company financial statements from pages 13 to 64 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 2012 and 2011

	Consolidated		Company	
	2012	2011	2012	2011
Notes	Baht	Baht	Baht	Baht
Non-cash items				
Payable for purchase of property, plant and equipment (included in other accounts payable)	62,148,488	55,467,654	20,686,711	33,307,839
Receivable for disposals of property, plant and equipment (included in other accounts receivable)	-	-	-	48,324,057
Advance payments for property, plant and equipment (included in other assets)	47,095,037	110,333,233	36,117,769	113,629,031

The notes to the consolidated and company financial statements from pages 13 to 64 are an integral part of these financial statements.

1 General information

Siamgas and Petrochemicals Public Company Limited (the “Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s registered office is 553, 30th Floor, The Palladium Building, Ratchaprarop Road, Makkasan, Ratchathewi, 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 22 February 2013.

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.

Comparative figures have been adjusted to conform with changes in the presentation in the current period. The time charter income of Baht 282 million in the statements of income for the year ended 31 December 2011 have been reclassified from revenue from services to revenue from transportation to reflect the nature of revenue.

2 Accounting policies (continued)

2.1 Basis of preparation (continued)

The effect from reclassification in Consolidated Statement of Income for the year ended 31 December 2011 is as follow:

	Current reported Baht	Consolidated Previously reported Baht
Consolidated Statement of Income for the year ended 31 December 2011		
Revenue from transportation	743,618,263	461,443,624
Revenue from services	95,503,503	377,678,142

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

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 Operating Segments
TFRS 8	
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

TAS 12 deals only with taxes on income, comprising current and deferred tax. Current tax expense for a period is based on the taxable and deductible amounts that will be shown on the tax return for the current year. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax accounting is based on the temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements.

2 Accounting policies

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

The Group is assessing the impact of deferred taxes and will adopt the standard from 1 January 2013.

TSIC 21 clarifies that deferred tax liability or asset that arises from the revaluation of a non-depreciable asset in accordance with TAS 16 shall be measured on the basis of the tax consequences that would follow from recovery of the carry amount of that asset through sale, regardless of the basis of measuring the carrying amount of that asset.

TSIC 25 clarifies that a change in the tax status of an entity or its shareholders does not give rise to increases or decreases in amounts recognised outside profit or loss. The current and deferred tax consequences of a change in tax status shall be included in profit or loss for the period., unless those consequences related to transactions and events that result, in the same or different period, in a direct credit or charge to the recognised amount of equity or in amounts recognised in other comprehensive income. Those tax consequences shall be charged directly to equity or other comprehensive income, respectively.

TAS 20 applies in accounting for, and in the disclosure of, government grants and in the disclosure of other forms of government assistance. Government grants are recognised when there is reasonable assurance that the entity will comply with conditions related to them and that the grants will be received. Grants related to income are recognised in profit or loss over periods necessary to match them with the related costs that they are intended to compensate. Grants related to assets are either offset against the carrying amount of the relevant asset or presented as deferred income in the statement of financial position.

TSIC 10 clarifies on TAS 20 that government assistance to entities meets the definition of government grants in TAS 20, even if there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors. Such grants shall therefore not be credited directly to shareholders' interests.

The Group is assessing the impact of the standard and the related interpretation.

TAS 21 (revised 2009) requires an entity to determine its functional currency which is the currency of the primary economic environment in which the entity operates. Currency other than functional currency of an entity is foreign currency. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rate of monetary items denominated in foreign currency are recognised in profit or loss. The standard permits the presentation currency of a reporting entity to be any currencies. The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transactions; and (c) all resulting exchange differences are recognised in the statement of comprehensive income. The management is currently assessing the impact of applying this standard and will adopt it commencing from 1 January 2013.

TFRS 8 requires a management approach under which segment information is presented on the same basis that used for internal reporting purpose as provided to the chief operating decision makers. The new standard will have an impact on segment disclosures.

2 Accounting policies (continued)

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

2.3.1 Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible 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.

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 Accounting policies (continued)

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

2.3.2 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.

2.3.3 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)

2.4 Foreign currency translation

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

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign 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.

2.5 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.

2.6 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 administrative expenses.

2.7 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 Accounting policies (continued)

2.8 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.

2.9 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.

2 Accounting policies (continued)

2.9 Property, plant and equipment (continued)

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.

2.10 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 Accounting policies (continued)

2.11 Intangible assets

2.11.1 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.

2.11.2 Leasehold rights

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

2.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment 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 Accounting policies (continued)

2.13 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.

2.14 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 Accounting policies (continued)

2.15 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 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.

2.16 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 Accounting policies (continued)

2.17 Cylinder deposits

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

2.18 Share capital

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

Where 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.

2.19 Revenue recognition

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

Revenue from rental is recognised 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.

2.20 Dividends

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

2.21 Segment reporting

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

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

2 Accounting policies (continued)

2.22 Related party transactions

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

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

2.23 Financial instruments

Financial assets carried in the 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, bonds, other payables and cylinder deposits. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. 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.

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

3.1.1 Foreign exchange risk

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

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Interest rate risk

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

	Consolidated		Company		Interest rate per annum	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht	2012 % p.a.	2011 % p.a.
Short-term loans from commercial banks	7,201.33	5,891.56	7,201.33	5,861.56	0.80-3.85	MOR-1, MLR-0.5 and 4.10-5.30
Long-term loans from commercial banks	944.83	5,004.44	-	4,043.30	MLR-1, MLR-1.5	MLR, MLR-1, MLR-2, 4.95 and 5.78
Long-term loans from related parties	3	-	251.00	764.20	Fixed deposits + 0.25	Fixed deposits + 0.25
Bond	4,487.92	-	4,487.92	-	4.75-5.90	-

In order to manage the interest rate risk on long-term loans or bonds, the Group has maintained the fixed-interest borrowings. At the year end, interest rate of bonds at 4.75% - 5.9% (4.75% - 5.9%) was the fixed rate. The Group sometimes borrows at floating rates but does not use interest rate swaps as cash flow hedges of future interest payments because the Group assesses that the changes in interest rate will not significantly affect to the Group's operation.

3.1.3 Credit risk

The credit risk of the Group is export sales to primarily customers in overseas. However, the Group has no significant concentrations of credit risks for local sales. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an 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 Financial risk management (continued)

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, bonds 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 long-term loans from related parties, terms to maturity are uncertain, and cylinder deposits which are on demand deposits, the Company cannot estimate a reliable repayment period, therefore the fair value cannot be reliably estimated. For long-term loans from financial institutions and bonds which have fixed interest rates, the Group disclosed their fair values below. The book value and fair value of long-term loans from financial institutions are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Long-term loans, net				
- Book Value	-	270	-	270
- Fair Value	-	235	-	235

The book value and fair value of bonds are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Bonds, net				
- Book Value	4,500.00	-	4,500.00	-
- Fair Value	4,569.31	-	4,569.31	-

The fair values of long-term loans and bonds which bear fixed interest rate are based on discounted cash flows using discount rates based upon the borrowing and bond rates which the management expects would be available to the Group and the Company at the date of the financial statements. The carrying amounts of long-term loans with the floating interest rate and finance lease liabilities approximate their fair values.

As at 31 December 2011, the Company had outstanding interest rate swap contracts with the notional amount of Baht 270 million. The fair value of interest rate swap contracts had been calculated using a rate quoted by the Company's commercial banker to terminate the contract at the date of statement of financial position. The net fair value of financial instrument was obligation of Baht 0.29 million (2012: no outstanding interest rate swap contract because the Company fully repaid long-term loans from bank in February 2012).

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 and equipment and intangible assets

Management determines the estimated useful lives and residual values of the Group's plant and equipment and intangible assets. The management reviews the calculations of 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) Estimation of impairment of goodwill and investments in subsidiaries and joint ventures

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.13. 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 (Note 15). Determination of the assumptions is necessary for the impairment testing.

During the year 2010 and 2011, 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.

The Group tests whether investment has suffered any impairment when indicators of impairment trigger. The recoverable amounts of cash-generating units have been determined based on the fair value net selling cost or value-in-use calculations as mentioned above. The determination is calculated based on the best available information.

4 Critical accounting estimates, assumptions and judgements (continued)

4.1 Critical accounting estimates and assumptions (continued)

(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 24.

(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 and bond prospectus (Note 18, 20, 22).

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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 businesses, and petrochemical trading

Transportation services : Transportation services by land and ship

Other segment : Cylinder manufacturing and ethanol production

Financial information by business segment

	Consolidated				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other business segment Million Baht	Elimination entries Million Baht	Total Million Baht
For the year ended 31 December 2012					
Sales and service income	49,402	1,737	449	(4,251)	47,337
Cost of goods sold and services	(47,633)	(1,360)	(429)	4,159	(45,263)
Operating profit	1,769	377	20	(92)	2,074
Other income	636	55	6	(283)	414
Net income before operating expense	2,405	432	26	(375)	2,488
Unallocated income/(expenses)					(1,671)
Net profit for the year for the parent					817
Segment fixed assets	9,909	2,406	618	(72)	12,861
Unallocated assets					14,898
Total consolidated assets					27,759
For the year ended 31 December 2011					
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
Other income	274	25	59	(169)	189
Net income before operating expense	2,368	359	43	(133)	2,637
Unallocated income/(expenses)					(1,643)
Net profit for the year for the parent					994
Segment fixed assets	8,245	1,913	614	1,483	12,255
Unallocated assets					11,057
Total consolidated assets					23,312

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7 Cash and cash equivalents

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Cash on hand	9	11	3	4
Deposits held at call with banks	1,452	1,519	200	186
Cash and bank balances	1,461	1,530	203	190

The average interest rate on deposits held at call with banks was ranged between 0.01% - 3.25% per annum (2011: 0.01% - 2.5% per annum).

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

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Cash and bank balances	1,461	1,530	203	190
Bank overdrafts (Note 18)	-	(10)	-	-
Cash and cash equivalents	1,461	1,520	203	190

8 Trade and other receivables, net

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Trade receivables	2,724	2,056	1,526	948
<u>Less</u> Provision for impairment	(53)	(43)	(3)	(3)
Trade receivables - net	2,671	2,013	1,523	945
Trade receivables from related parties (Note 33)	1	1	197	1,228
Prepayments	113	114	67	44
Advance payment	91	50	1	2
Other receivables from related parties (Note 33)	-	-	-	51
Trade and other receivables, net	2,876	2,178	1,788	2,270

The Company has factored trade accounts receivable of Baht 382 million with recourse condition with a bank and used as collateral for short-term loan (Note 18).

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8 Trade and other receivables, net(continued)

An aging analysis of the trade receivable is as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Trade receivable				
Current	2,483	1,829	1,447	907
Overdue				
- below 3 months	174	191	74	37
- 3 months to 12 months	16	-	2	-
- more than 12 months	51	36	3	4
Total	2,724	2,056	1,526	948
<u>Less</u> Allowance for doubtful accounts	(53)	(43)	(3)	(3)
Trade receivable, net	2,671	2,013	1,523	945

9 Inventories, net

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Petroleum products	7,290	4,444	6,584	3,118
Petrochemical products	60	50	-	-
Oil products	32	30	-	-
Finished goods	13	82	1	1
Raw material	65	45	-	-
Supplies and others	75	84	-	-
Goods in transit	594	109	209	29
Work in process	19	12	-	-
Total	8,148	4,856	6,794	3,148
<u>Less</u> Allowance for diminution in value of inventories	(5)	(17)	-	-
Inventories, net	8,143	4,839	6,794	3,148

The cost of inventories recognised as expense and included in ‘cost of sales’ amounted to Baht 44,467 million (2011: Baht 34,715 million) for the consolidated financial statements and amounted to Baht 29,273 million (2011: Baht 24,723 million) for the company financial statements.

According to regulations issued by the Ministry of Energy, the Group and the Company are required to reserve petroleum products and crude oil at 1% and 5% of the total trading volume of petroleum products and crude oil in Thailand in each period, respectively. As at 31 December 2012, the inventories included minimum mandatory reserve on petroleum products and crude oil amounting to Baht 191.46 million in the consolidated financial statements, and Baht 89.91 million in the company financial statements (31 December 2011: Baht 178.58 million and Baht 86.71 million, respectively), which were net of allowance for net realisable value.

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10 Other current assets

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
VAT refundable	56	3	-	-
Corporate income tax refundable	-	87	-	87
Insurance claim receivable	-	23	-	-
Accrued interest income on loans to Subsidiaries (Note 33)	-	-	1	53
Deposits	22	162	2	3
Others	54	18	11	7
Total	132	293	14	150

11 Business acquisition

Business acquisition of Siam Ocean Gas and Energy Limited

As at 30 June 2011, the Group acquired 100% of the 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. The Company is engaged in a fully-integrated LPG business with a terminal designed to import, store and throughput propane and butane, distribute to the market via barges, tank trucks and cylinders. The consideration paid for the acquisition was USD 51 million or Baht 1,573.5 million. The Group paid a deposit of USD 5 million, approximately Baht 151 million when the Group had initially acquired an equity interest in the Company on 29 September 2009. The balance of the acquisition was fully re-paid at the date of acquisition on 30 June 2011.

Details of net assets acquired are as follows:

	Million Baht
Plant and equipment, net	1,784
Intangible assets	235
Other assets less liabilities	53
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	1,438

The Group has obtained an independent for purpose of determining the fair value of assets acquired and has asset valuation report from an independent value therefore, the Group recognised the fair value of the net assets acquired in excess of the purchase consideration of Baht 498 million as a gain on business acquisition in the consolidated statement of income for the year ended 31 December 2011.

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 has 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 joint ventures

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

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
At 1 January	-	-	7,436	5,501
Acquisitions	-	-	215	1,935
Impairment charge	-	-	(22)	-
At 31 December	-	-	7,629	7,436

The principal subsidiaries and joint venture are as follows:

	Country of incorporation	% ownership interest		Type of business
		2012	2011	
Direct Subsidiaries				
Unique Gas and Petrochemicals Public Company Limited	Thailand	99.59%	99.59%	Petroleum and petrochemical products distribution
Lucky Carrier Company Limited	Thailand	99.99%	99.99%	Transportation and distribution
Siam Quality Steel Company Limited	Thailand	99.99%	99.99%	Manufacturing and distribution of LPG cylinders
Siam Ethanol Export Company Limited	Thailand	70.00%	70.00%	Manufacturing of ethanol products
Siam Lucky Marine Company Limited	Thailand	29.24%	-	Transportation services
Siam Suksawat Company Limited	Thailand	100.00%	-	Container Terminal Service
Siamgas Hongkong Company Limited	Hongkong	100.00%	100.00%	Holding business
Super Gas Company Limited	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%	100.00%	Petroleum products distribution
MyGaz Sdn. Bhd.	Malaysia	70.00%	-	Petroleum products distribution

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

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

	Country of incorporation	% ownership interest		Type of business
		2012	2011	
Indirect Subsidiaries (holding by Unique Gas and Petrochemicals Public Company Limited)				
Chemical Gas Transportation Company Limited	Thailand	99.99%	99.99%	In process of liquidation
Siam Lucky Marine Company Limited	Thailand	19.30%	27.28%	Transportation services
Indirect Subsidiary (holding by Lucky Carrier Company Limited)				
Siam Lucky Marine Company Limited	Thailand	51.46%	72.72%	Transportation services
Indirect Subsidiaries (holding by Siamgas Hongkong Co., Ltd.)				
Sino Siam Gas and Petrochemical Co., Ltd.	The People’s Republic of China	100.00%	100.00%	Petroleum and petrochemical products distribution
Siam Ocean Gas and Energy Co., Ltd.	The People’s Republic of China	100.00%	100.00%	Petroleum and petrochemical products distribution
Direct Joint Ventures				
SG Gas Sdn. Bhd.	Malaysia	29.99%	29.99%	Petrochemical 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:

	Paid-up Capital		Cost Method	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Siamgas Hongkong Co., Ltd.	4,088	4,088	4,088	4,088
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 Suksawat Co., Ltd.	100	-	100	-
Siam Lucky Marine Company Limited	342	242	100	-
MyGaz Sdn. Bhd.	21	-	15	--
Siam Gas Trading Pte. Ltd.	2	2	2	2
Total investment in subsidiaries			7,651	7,436
<u>Less</u> : Impairment charge			(22)	-
Investment in subsidiaries, net			7,629	7,436

Changes of investments in subsidiaries and joint ventures during the year are as follows:

On 31 December 2012, the Company recognised impairment charge on investment in subsidiary, amounting to Baht 22 million because the ethanol business operation is not as planned. The impairment testing was determined based on the fair value net selling cost. The fair value is determined by an independent valuer.

On 28 August 2012, the Company established a new subsidiary, Siam Suksawat Co., Ltd., registered in Thailand. The Company holds 100% of its share capital, totalling Baht 100 million (1,000,000 shares at Baht 100 per share).

On 10 August 2012, the Company established a new subsidiary, MyGaz Sdn. Bhd., registered in Malaysia. The Company holds 70% of its share capital, totalling MRG 1,400,000 or Baht 15 million (1,400,000 shares at MRG 1 per share).

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

Investments in subsidiaries (continued)

On 19 July 2012, the Company acquired all at the newly issued 10 million common shares of Siam Lucky Marine Company Limited, an indirect subsidiary at Baht 10 per share, totalling Baht 100 million. The changes of shareholder structure of Siam Lucky Marine Company Limited after increase of share capital are as follows:

Held by	% ownership interest	
	New Shareholder Structure	Former Shareholder Structure
Siam Gas and Petrochemicals Public Company Limited	29.24	-
Unique Gas and Petrochemicals Public Company Limited	19.30	27.28
Lucky Carrier Company Limited	51.46	72.72
	100.00	100.00

On 29 June 2012, Chemical Gas Transportation Company Limited (CGTC) transferred its entire business to Lucky Carrier Company Limited, a subsidiary of the Group, and then registered the dissolution of CGTC with the Department of Business Development, Ministry of Commerce. Chemical Gas Transportation Company Limited has transferred the assets, liabilities and rights and obligations at the net book value as of the transferred date to Lucky Carrier Company Limited. As at 31 December 2012, Chemical Gas Transportation Company Limited is in the process of liquidation. This business transfer within the Group does not impact to this consolidated and company financial statements being presented.

Investment in joint ventures

Detail of investment in joint ventures is as follow:

	Paid-up Capital (the Group's portion)		Consolidated Equity Method		Company Cost Method	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
SG Gas Sdn. Bhd.	0.3	-	0.3	-	0.3	-
Siam Nathalin Co., Ltd.	0.5	0.5	0.5	0.5	0.5	0.5
	0.8	0.5	0.8	0.5	0.8	0.5

On 19 July 2012, the Company made payment for investment in the joint venture, SG Gas Sdn. Bhd., registered in Malaysia, in the same portion of ownership interest at 29.99 %, totalling MRG 29,990 or Baht 304 thousand (29,990 shares at MRG 1 per share).

As at 31 December 2012, SG Gas Sdn. Bhd and Siam Nathalin Co., Ltd. have not commenced their operations.

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13 Investment property

	Consolidated		
	Land Million Baht	Buildings Million Baht	Total Million Baht
As at 1 January 2011			
Cost	11	83	94
<u>Less</u> Accumulated depreciation	-	(63)	(63)
Net book amount	11	20	31
For the year ended 31 December 2011			
Opening net book amount	11	20	31
Depreciation	-	(3)	(3)
Closing net book amount	<u>11</u>	<u>17</u>	<u>28</u>
As at 31 December 2011			
Cost	11	83	94
<u>Less</u> Accumulated depreciation	-	(66)	(66)
Net book amount	<u>11</u>	<u>17</u>	<u>28</u>
For the year ended 31 December 2012			
Opening net book amount	11	17	28
Depreciation	-	(3)	(3)
Closing net book amount	<u>11</u>	<u>14</u>	<u>25</u>
As at 31 December 2012			
Cost	11	83	94
<u>Less</u> Accumulated depreciation	-	(69)	(69)
Net book amount	<u>11</u>	<u>14</u>	<u>25</u>

As at 31 December 2011, fair values of land and building were Baht 22 million and Baht 53 million, respectively, totalling Baht 75 million. As at 31 December 2012, fair values of land and building were not significant deference from their fair values as at 31 December 2011.

The Group's investment properties at fair value were appraised based on the recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions, locations and categories of the investment properties valued.

As at 31 December 2011, investment property at cost of Baht 72.00 million had been pledged as a security for borrowings and subsequently released from a financial institution in April 2012 (Note 20).

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

	Consolidated		Company	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Rental income	0.05	0.05	-	-
Direct operation expense arise from investment property, that generated rental income	3	2	-	-

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14 Property, plant and equipment, net

	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
As at 1 January 2011										
Cost - Historical cost	2,104	3,025	1,495	1,610	2,916	1,588	284	1,123	385	14,530
- Revaluation	277	-	-	-	-	-	-	-	-	277
	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
For the year ended 31 December 2011										
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	2,384	3,634	764	1,525	959	1,729	245	417	598	12,255
As at 31 December 2011										
Cost - Historical cost	2,107	7,318	1,621	2,134	3,114	2,176	1,993	1,172	598	22,233
- Revaluation	277	-	-	-	-	-	-	-	-	277
	2,384	7,318	1,621	2,134	3,114	2,176	1,993	1,172	598	22,510
<u>Less</u> Accumulated depreciation	-	(3,684)	(857)	(609)	(2,155)	(447)	(1,748)	(755)	-	(10,255)
Net book value	2,384	3,634	764	1,525	959	1,729	245	417	598	12,255

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14 Property, plant and equipment, net (continued)

	Consolidated									
	Land	Buildings, infrastructure and land improvement	Terminals, gas filling and service stations and gas storage tanks	Gas Vessels	Gas cylinders	Machine, factory tools and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
For the year ended										
31 December 2012										
Opening net book value	2,384	3,634	764	1,525	959	1,729	245	417	598	12,255
Additions	-	-	8	65	303	34	30	87	840	1,367
Transfer in / out	-	29	271	535	-	16	1	14	(707)	159
Disposals, net	-	-	(1)	(19)	(3)	-	(8)	(2)	(2)	(35)
Currency translation differences	-	(83)	1	-	-	(25)	(4)	-	-	(111)
Depreciation charge	-	(174)	(77)	(201)	(100)	(157)	(27)	(38)	-	(774)
Closing net book value	2,384	3,406	966	1,905	1,159	1,597	237	478	729	12,861
As at 31 December 2012										
Cost - Historical cost	2,107	7,214	1,920	2,645	3,415	2,195	1,929	1,234	729	23,388
- Revaluation	277	-	-	-	-	-	-	-	-	277
	2,384	7,214	1,920	2,645	3,415	2,195	1,929	1,234	729	23,665
Less Accumulated depreciation	-	(3,808)	(954)	(740)	(2,256)	(598)	(1,692)	(756)	-	(10,804)
Net book value	2,384	3,406	966	1,905	1,159	1,597	237	478	729	12,861

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14 Property, plant and equipment, net (continued)

	Company							
	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	Total Million Baht
As at 1 January 2011								
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	1,966	118	204	293	8	14	311	2,914
For the year ended 31 December 2011								
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	1,969	123	202	312	9	16	509	3,140
As at 31 December 2011								
Cost - Historical cost	1,721	157	295	490	19	41	509	3,232
- Revaluation	248	-	-	-	-	-	-	248
	1,969	157	295	490	19	41	509	3,480
<u>Less</u> Accumulated depreciation	-	(34)	(93)	(178)	(10)	(25)	-	(340)
Net book value	1,969	123	202	312	9	16	509	3,140

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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	
For the year ended								
31 December 2012								
Opening net book value	1,969	123	202	312	9	16	509	3,140
Additions	-	-	5	125	3	8	156	297
Transfer in / out	-	20	117	-	-	-	31	168
Disposals, net	-	-	-	-	-	-	(92)	(92)
Depreciation charge	-	(5)	(17)	(44)	(2)	(3)	-	(71)
Closing net book value	<u>1,969</u>	<u>138</u>	<u>307</u>	<u>393</u>	<u>10</u>	<u>21</u>	<u>604</u>	<u>3,442</u>
As at 31 December 2012								
Cost - Historical cost	1,721	177	417	615	22	49	604	3,605
- Revaluation	248	-	-	-	-	-	-	248
	<u>1,969</u>	<u>177</u>	<u>417</u>	<u>615</u>	<u>22</u>	<u>49</u>	<u>604</u>	<u>3,853</u>
<u>Less</u> Accumulated depreciation	-	(39)	(110)	(222)	(12)	(28)	-	(411)
Net book value	<u>1,969</u>	<u>138</u>	<u>307</u>	<u>393</u>	<u>10</u>	<u>21</u>	<u>604</u>	<u>3,442</u>

14 Property, plant and equipment – net (continued)

As at 31 December 2012, certain of gas vessels of a subsidiary with net book value of Baht 1,397.25 million have been pledged as collateral for loans from local commercial banks (Notes 20).

As at 31 December 2011, certain plots of land, buildings, machines and gas vessels of a subsidiary with net book value of Baht 1,092.91 million had been pledged as collateral for bank overdrafts and loan from local commercial banks (Notes 18 and 20).

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 were pledged as collateral for credit facilities and loan from a local commercial bank and subsequently were all released from local commercial banks in April 2012 (Notes 18 and 20).

As at 31 December 2011, certain plots of land and building with net book value of Baht 387.31 million had been pledged as collateral for credit facilities of the Company and subsequently were all released from local commercial banks in April 2012 (Notes 18 and 20).

The Group's external independent appraiser had appraised land using the market value method.

Borrowing costs of Baht 2.82 million (2011: Baht 16.12 million), arising from bonds issued to refinance the long-term loans 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 4.88% (2011: 4.95%) was used, representing the average borrowing cost of bonds.

Leased assets included above, where the Group is a lessee under finance lease, are trucks. The cost of leased assets is Baht 125.97 million, accumulated depreciation of Baht 5.42 million, at net book value of Baht 120.55 million (2011: the cost of leased assets is Baht 53.37 million, accumulated depreciation of Baht 2.48 million, at net book value of Baht 50.89 million).

15 Goodwill

	2012	2011
	Million Baht	Million Baht
As at 1 January		
Cost	1,541	1,541
<u>Less</u> Accumulated amortisation	(191)	(191)
Net book amount	<u>1,350</u>	<u>1,350</u>
For the year ended 31 December		
Opening net book amount	<u>1,350</u>	<u>1,350</u>
Closing net book amount	<u>1,350</u>	<u>1,350</u>
As at 31 December		
Cost	1,541	1,541
<u>Less</u> Accumulated amortisation	(191)	(191)
Net book amount	<u>1,350</u>	<u>1,350</u>

15 Goodwill (continued)

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:

	<u>Average rate (%)</u>
Gross margin	3.80 – 21.24 %
Growth rate	2.90 – 10.94 %
Discount rate	4.96 – 18.30 %

16 Leasehold rights – net

	<u>Consolidated</u>		<u>Company</u>	
	<u>Land and leasehold rights</u>		<u>Land and leasehold rights</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
As at 1 January				
Cost	758	499	12	12
<u>Less</u> Accumulated amortisation	(127)	(95)	(5)	(4)
Net book value	<u>631</u>	<u>404</u>	<u>7</u>	<u>8</u>
For the year ended 31 December				
Opening net book value	631	404	7	8
Exchange differences	(11)	23	-	-
Additions	-	1	-	-
Acquisition of subsidiaries	-	235	-	-
Amortisation charge	(35)	(32)	(1)	(1)
Closing net book value	<u>585</u>	<u>631</u>	<u>6</u>	<u>7</u>
As at 31 December				
Cost	747	758	12	12
<u>Less</u> Accumulated amortisation	(162)	(127)	(6)	(5)
Net book value	<u>585</u>	<u>631</u>	<u>6</u>	<u>7</u>

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17 Other non-current assets

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Accrued interest income on loans to Subsidiaries (Note 33)	-	-	129	-
Deposits at bank used as collateral	26	11	-	-
Deposits	69	64	51	48
Down payment – cylinders	-	37	-	50
Deferred charges	20	24	-	-
Corporate income tax refundable	87	-	87	-
Prepaid rental	92	34	52	34
Others	9	17	-	-
Total	303	187	319	132

18 Bank overdrafts and short-term loans from financial institutions

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Bank overdrafts	-	10	-	-
Short-term loans from financial institutions	7,585	5,882	7,585	5,862
Total	7,585	5,892	7,585	5,862

As at 31 December 2012, the Company has short-term promissory notes, trust receipts and discount note receivables from local commercial banks in USD 180.24 million and Baht 1,654 million, bear interest rates at the range of 0.8% – 3.85% per annum. The short-term loan of Baht 382 million has been pledged as collateral by certain accounts receivable (Note 8). The terms of the notes require the Company to comply with the conditions as specified in the facility agreements, including maintaining certain financial ratios. As at 31 December 2012, certain financial ratios of the Company were not in accordance with the credit facility agreement. The Company successfully obtained waivers from the lender of the requirement to comply with the conditions of maintaining certain financial ratios as specified in the credit facility agreement, which with effective from the date of financial statements.

As at 31 December 2011, the Group and the Company had short-term promissory notes from local commercial banks of Baht 5,891.56 million and Baht 5,861.56 million, respectively. The promissory notes bear interest rate at the range of 0.98%- 4.95% per annum and MLR-0.50% per annum. The promissory notes were secured by land, machine and equipment of the Group and the Company (Note 14 and 20). The secured assets were subsequently released from the banks in April 2012.

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19 Trade and other payables

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Trade payables	3,325	1,899	2,259	1,132
Trade payables to related parties (Note 33)	-	-	75	62
Other payable	128	153	51	63
Other payable to related parties (Note 33)	2	5	173	95
Accrued expenses	383	398	45	41
Energy fund Payable	343	91	107	-
Total	4,181	2,546	2,710	1,393

20 Long-term loans from financial institutions, net

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Current portion of long-term loans, net				
Thai currency	203	1,496	-	1,304
<u>Less</u> Financing fee	-	(5)	-	(5)
	203	1,491	-	1,299
Long-term loans, net				
Thai currency	742	3,509	-	2,739
<u>Less</u> Financing fee	(2)	(11)	-	(9)
	740	3,498	-	2,730
Total long-term loans	943	4,989	-	4,029

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

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
For the year ended 31 December				
Opening balance	4,989	2,890	4,029	2,361
Addition	299	3,326	-	2,780
Repayments	(4,360)	(1,231)	(4,043)	(1,117)
Financing fees	15	4	14	5
Closing balance	943	4,989	-	4,029

As at 31 December 2012 and 2011, the long-term loans represented long-term loans from local commercial banks as follows:

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

The Company

As at 31 December 2011, the Company had long-term loans from local commercial banks as follows;

The Company had 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 of the loan was Baht 270 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 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 were calculated by reference to such long-term loan agreement, commencing from 12 February 2009.

The Company had long-term loans with a commercial bank to purchase land, machine and construction of service stations. At 31 December 2011, the outstanding balance was Baht 135.8 million which carried interest at MLR-2% per annum. Principal is repayable on a monthly basis; payments for the 1st - 58th installments not lower than Baht 2.85 million per installment with the 59th installment for the remaining unpaid amount. The Company used land including all building constructed and to be constructed thereon, machine and equipment as collateral (Note 14).

The Company had long-term loans with commercial banks to finance its overseas investment. At 31 December 2011, the outstanding balance was Baht 2,325 million which bore interest at the rate of THB FIX+3 % per annum. The repayments were made on a quarterly basis with the amount of Baht 193.75 million each. The loan was secured by two foreign subsidiaries' share certificates.

The Company had long-term loan with a commercial bank for investment in a foreign subsidiary. The outstanding balance was Baht 1,312.50 million which bore interest at the rate of THB FIX+3% per annum. The repayments were made on a quarterly basis in the amount Baht 93.75 million each. The loan was secured by two foreign subsidiaries' share certificates.

In February 2012, the Company proceeded from bond issuance and fully repaid long-term loans (Note 22). Accordingly, the interest rate swap contract with the commercial bank was cancelled. The Company had also released all collaterals with the commercial banks in April 2012.

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

The subsidiaries

As at 31 December 2012, Siam Lucky Marine Company Limited has long-term loans from local commercial banks as follows;

Long-term loan of Baht 71.01 million (2011: Baht 91.42 million) carries interest at the rate of MLR-1.00% per annum. Principal is repayable on a monthly basis; of which the 1st - 83rd instalments are Baht 1.70 million per instalment, the 84th and final instalments are Baht 1.40 million. The first instalment commenced in October 2010 and the loan shall be due for full repayment by September 2016. The loan is secured by the subsidiary's vessel (Note 14) and also guaranteed by Lucky Carrier Company Limited.

Long-term loan of Baht 60.75 million (2011: Baht 74.79 million) carries interest at the rate of MLR-1.00% per annum. Principal is repayable on a monthly basis; of which the 1st - 83rd installments are Baht 1.54 million per installment and the last installment is the remaining unpaid amount. The loan is due for full repayment by April 2017. The loan is secured by the subsidiary's vessels (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 128.65 million (2011: Baht 146.09 million) carries interest at the rate of MLR-1.00% per annum. The repayments of principal and interest totaling Baht 2.20 million are made on a monthly basis. The remaining balance is repayable in the last installment. The loan is secured by the subsidiary's vessels (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 55.79 million (2011: Baht 65.93 million) carries interest at the rate of MLR-1.00% per annum. The repayments of principal and interest totaling Baht 0.85 million are made on a monthly basis. The remaining balance is repayable in the last installment. The loan is secured by the subsidiary's vessels (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 266.47 (2011: Baht 329.17 million) carries interest at the rate of MLR-1.50% per annum. The repayments of principal and interest totaling Baht 15.67 million are made on a quarterly basis. The remaining balance is repayable in the last installment. The loan is secured by the subsidiary's vessels (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 66.00 (2011: Baht 100 million) carries interest at the rate of MLR-1.50% per annum. The repayments of principal and interest totaling Baht 8.50 million are made on a quarterly basis. The remaining balance is repayable in the last installment. The loan is secured by the subsidiary's vessels (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 296.15 carries interest at the rate of MLR-1.50% per annum. Principal is repayable in 78th instalments of Baht 3.85 million per instalment and the last instalment is the remaining unpaid amount. The first instalment commenced in January 2013. The loan is secured by the subsidiary's vessels. In addition, the loan is also guaranteed by Siamgas and Petrochemicals Public Company Limited.

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

The subsidiaries (continued)

Under the terms and conditions as specified in the loan agreements, the subsidiary is not permitted to use pledged assets as collateral for other obligations without prior formal approval from the banks. The subsidiary has to comply with the conditions, including certain debt covenants as specified in the agreement.

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

Long-term loan of Baht 129.16 million carried interest at the rate of MLR-1.00% per annum. The subsidiary had mortgaged its land, building, machine and equipment (Note 14). The loan was also guaranteed by directors regarding to equity proportion.

Long-term loan of Baht 24.58 million carried interest at the rate of MLR per annum. The subsidiary had mortgaged its land, building, machine and equipment (Note 14). The loan was also guaranteed by directors regarding to equity proportion.

In June 2012, the subsidiary fully repaid long-term loans to the local commercial bank and released all collaterals with the bank (Note 22).

Borrowing of the Group after record the result of foreign exchange rate at fix and floating rate of interest are shown below:

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Long-term loans, net				
- at fixed rates	-	270	-	270
- at floating rates	943	4,719	-	3,759
Total long-term loans, net	943	4,989	-	4,029

As at 31 December 2012, the weighted average effective interest rate of the long-term loans of the Group was approximately 6.01% per annum.

As at 31 December 2011, 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 and of the Group was 5.88% per annum.

Maturity of long-term loans is as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	203	1,491	-	1,299
Later than 1 year but not later than 5 years	684	3,420	-	2,730
Later than 5 years	56	78	-	-
Total long-term loans, net	943	4,989	-	4,029

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

Finance lease liabilities

A subsidiary has finance lease agreements for trucks and hire purchase agreements for trucks with financial institutions. As at 31 December, the outstanding of finance lease liabilities were as follows:

	Consolidated	
	2012	2011
	Million Baht	Million Baht
Finance lease liabilities	89	37
<u>Less</u> Deferred interest	<u>(4)</u>	<u>(2)</u>
Total finance lease liabilities - net	<u>85</u>	<u>35</u>

Maturity of finance lease is as follows:

	Consolidated	
	2012	2011
	Million Baht	Million Baht
Current portion of finance lease liabilities - net	51	17
Long term portion of finance lease liabilities - net	34	18
	<u>85</u>	<u>35</u>

Credit facilities

As at 31 December 2012, the Group has available unused credit facilities with commercial banks for letter of credit, trust receipt, cheque discounted, letter of guarantee, and forward contract, of Baht 19,384 million (2011: Baht 19,234.46 million).

21 Other current liabilities

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Accounts payable - Revenue Department	-	-	12	7
Accrued interest expenses	45	5	45	5
Deferred revenue	7	52	-	-
Retention	-	5	-	-
Others	43	16	2	3
Total	<u>95</u>	<u>78</u>	<u>59</u>	<u>15</u>

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22 Bonds

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Long term bonds				
Thai Baht	4,500	-	4,500	-
<u>Less</u> Financing fees	(12)	-	(12)	-
Total bonds, net	4,488	-	4,488	-

The movements of bonds can be analysed as follows;

For the year ended 31 December 2012	Consolidated	Company
	Million baht	Million Baht
Opening balance, net	-	-
Issue of bonds	4,500	4,500
Financing fees	(12)	(12)
Closing balance, net	4,488	4,488

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, a resolution was passed 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 issued unsubordinated and unsecured debenture bonds. 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.

The bonds are rated at BBB + (Stable) by TRIS. The details of the bonds are as follows;

Type of bond	year	Interest rate
2 - years bond	1 st	4.75% per annual
	2 nd	5.00% per annual
3 - years bond	1 st - 2 nd	5.00% per annual
	3 rd	5.50% per annual
4 - years bond	1 st - 2 nd	5.00% per annual
	3 rd	5.50% per annual
	4 th	5.90% per annual

The Company has successfully issued the bonds amounting to Baht 4,500 million and already used the proceeds from the bond issuance to repay long-term loans of Baht 4,040.45 million and a short-term loan of Baht 500 million in February 2012. Under the rights and responsibility of the issuer and the holders of bonds, the Company has to comply with the conditions, including certain financial covenants. As at 31 December 2012, the Group's financial ratios were in compliance with the financial covenants of the bonds.

The bonds are maturity over one year but not over five years.

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23 Cylinder deposits

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	2,699	2,433	420	306
Cylinder deposits/transfer in	322	285	133	114
Refund deposits/transfer out	-	(19)	-	-
Closing balance	3,021	2,699	553	420

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 34). The Company believes that significant refund of deposits will occur when gas business operations significantly decline.

24 Employee benefit obligations

	Consolidated	Company
	31 December	31 December
	2012	2012
	Million Baht	Million Baht
Statement of financial position		
Employee benefits	85	31
Statement of income		
Employee benefits	8	3

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

Present value of obligations	85	31
Liability in the statement of financial position	85	31

Movements in employee benefit obligations are as follows:

	Consolidated	Company
	31 December	31 December
	2012	2012
	Million Baht	Million Baht
For the year ended		
Opening balance	79	29
Current service costs	6	2
Interest costs	2	1
Benefit paid	(2)	(1)
Closing balance	85	31

24 Employee benefit obligations (continued)

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

For the year ended	Consolidated	Company
	31 December 2012	31 December 2012
	Million Baht	Million Baht
Current service costs	6	2
Interest costs	2	1
Total	8	3

The principal actuarial assumptions used were as follows:

	2012
Discount rate	3.9%
Inflation rate	3.0%
Salary increase rate	5% - 7%
Pre-retirement mortality rate	0.11% - 1.48%

25 Share capital

	Number of share	Ordinary share	Share premium	Treasury stock	Total
	Million shares	Million Baht	Million Baht	Million Baht	Million Baht
As at 1 January 2011	950	950	1,875	(272)	2,553
Issue of ordinary shares	-	-	-	-	-
As at 31 December 2011	950	950	1,875	(272)	2,553
Issue of ordinary shares	-	-	-	-	-
As at 31 December 2012	950	950	1,875	(272)	2,553

As at 31 December 2012, total authorised number of shares were shares 950 million with a par value of Baht 1 per share (31 December 2011: 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 28).

26 Dividends paid

The Company

At the Board of Directors' meeting of the Company held on 10 August 2012, it passed a resolution to propose the payment of interim dividend for the six-month period ended 30 June 2012 at Baht 0.15 per share, totalling Baht 137.84 million. This interim dividend was paid to shareholders on 10 September 2012.

At the Annual General Shareholders' meeting of the Company held on 25 April 2012, the shareholders passed a resolution for the dividend payment for the year 2011 at Baht 0.45 per share, totalling of Baht 413.52 million. The Company paid dividend payments according to the shareholders' resolution through interim dividends payment at Baht 0.15 per share, totalling Baht 137.84 million on 15 September 2011; and dividends payment at Baht 0.30 per share, totalling Baht 275.68 million on 8 May 2012.

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 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 183.70 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.

The Subsidiaries

At the Board of Directors' meeting of the Unique Gas and Petrochemical Public Company Limited held on 10 August 2012, it passed a resolution to propose the payment of interim dividend for the six-month period ended 30 June 2012 at Baht 55 per share, totalling Baht 577.5 million. This interim dividend was paid to the shareholders on 10 September 2012.

At the Board of Directors' meeting of Chemical Gas Transportation Company Limited held on 24 May 2012, it passed a resolution for the interim dividend payment at Baht 12 per share, totalling of Baht 60 million. This interim dividend was paid to the shareholders on 15 June 2012.

At the Annual General Shareholders' meeting of Unique Gas and Petrochemical Public Company Limited held on 23 April 2012, the shareholders passed a resolution for the dividend payment for the year 2011 at Baht 65 per share, totalling of Baht 682.5 million. The subsidiary paid dividend payments according to the shareholders' resolution through interim dividends payment at Baht 30 per share, totalling Baht 315 million on 15 September 2011; and dividends payment at Baht 35 per share, totalling Baht 367.5 million on 4 May 2012.

At the Board of Directors' meeting of SingGas (LPG) Pte. Ltd. held on 24 February 2012, the Board of Directors approved the appropriation of dividends for the operating results for the year ended 31 December 2011 at SGD 1 million or Baht 24.4 million. The Company received the dividends and recognised as income with the amount of Baht 23 million in the statement of income. The remaining dividends of Baht 1.4 million were paid to non-controlling interests.

26 Dividends paid (continued)

The Subsidiaries (continued)

At the Board of Directors' 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 315 million. These dividends were paid to the shareholders on 15 September 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 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 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 2010 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.

27 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.

28 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 2012, the Company had set aside the treasury stock reserve of Baht 272.14 million.

28 Treasury stock reserve (continued)

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:

	Consolidated		Company	
	2012	2011	2012	2011
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

At the Board of Directors' meeting of the Company No.1/2013 held on 22 February 2013, the Board of Directors approved the disposal of treasury stock of 31 million shares, amounting to Baht 272 million by way of share capital reduction, since the Company did not sell the treasury stocks in the Thai Stock Exchange during 3 February 2010 and 2 February 2013.

29 Other income

	Consolidated		Company	
For the year ended 31 December	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Rental income	44	76	17	15
Interest income	12	18	86	48
Profit on disposal of property, plant and equipment	6	25	13	20
Gain on exchange rate	314	-	310	-
Others	38	70	16	9
	414	189	442	92

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30 Expenses by nature

For the year ended 31 December	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Depreciation and amortisation expenses	830	723	75	65
Staff expenses	948	822	206	171
Management's remuneration	51	54	29	30
Impairment charge on investment in subsidiaries	-	-	22	-

31 Income tax

According to the Royal Decree No. 530 B.E. 2554 issued under the Revenue Code regarding the corporate income tax rate deduction effective on 15 December 2011, the corporate income tax for listed companies in the Stock Exchange of Thailand has been reduced from 25% to 23% of company's net profit effective for one accounting periods beginning on or after 1 January 2012 and 20% of company's net profit effective for two consecutive accounting periods beginning on or after 1 January 2013. The Company applies the rate of 23% to calculate corporate income tax for the year ended 31 December 2012.

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 year ended 31 December 2011.

32 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	
	2012	2011	2012	2011
Net profit for the period attributable to the parent company (Million Baht)	817	994	1,250	1,026
Weighted average number of ordinary shares after deduction of treasury stock (Million Shares)	919	919	919	919
Basic earnings per share (Baht/Share)	0.89	1.08	1.36	1.12

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

33 Related party transactions

As at 31 December 2012, 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 joint ventures present in Note 12.

The following material transactions were carried out with related parties:

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

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Trade accounts receivable				
Subsidiaries	-	-	197	1,228
Other related parties - the same shareholders and directors	1	1	-	-
Total	1	1	197	1,228
Other receivable				
Subsidiaries	-	-	-	51
Accrued interest income				
Subsidiaries	-	-	130	53
Cylinder deposits				
Subsidiaries	-	-	2	2
Deposits for purchase of cylinders				
Subsidiaries	-	-	-	12
Deposits for building				
Other related parties - the same shareholders and directors	11	4	4	1
Prepayment for building				
Other related parties - the same shareholders and directors	107	-	42	-
Trade accounts payable				
Subsidiaries	-	-	75	62
Other payable				
Subsidiaries	-	-	172	94
Other related parties - the same shareholders and directors	2	5	1	1
Total	2	5	173	95
Accrued interest				
Subsidiaries	-	-	2	2

33 Related party transactions (continued)

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

Long-term loans to subsidiaries

For the year ended 31 December	Company	
	2012	2011
	Million Baht	Million Baht
Opening balance	1,242	553
Additions	437	768
Proceeds	(46)	(101)
Difference from translations	(25)	22
Closing balance, net	<u>1,608</u>	<u>1,242</u>

As at 31 December 2012, the Company has long-term loans to subsidiaries with interest rates as follows:

- Interest rate of 5.25% per annum (2011: 5.25% per annum) is charged for loans of Baht 397.47 million (2011: Baht 242.48 million). These loans are due when the subsidiary has sufficient working capital.
- Interest rate of 5.25% per annum (2011: 5.25% per annum) is charged for a loan of Baht 100 million (2011: Baht 100 million). The loan is due by 2015.
- Interest rate of average MLR rate for three Thai commercial banks plus 0.50% per annum (2011: the same interest rate as 2012) is charged for a loan of Baht 363.30 million (2011: Baht 167.30 million). The loan is due when the subsidiary has sufficient working capital.
- Interest rate of 5.25% per annum (2011: 5.25% per annum) is charged for loans totalling Baht 30.48 million (2011: Baht 31.55 million). The loans are due when the subsidiary has sufficient working capital.
- Interest rate of THB FIX plus 3.10% per annum (2011: the same interest rate as 2012) is charged for loan of Baht 652.60 million (2011: 700.64 million). The loan is due when the subsidiary has sufficient working capital.
- Interest rate of 5.25% per annum is charged for loans totalling Baht 64 million (2011: none). The loans are due when the subsidiary has sufficient working capital.

33 Related party transactions (continued)

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

ii) Loans from/to related parties (continued)

Long-term loans from subsidiaries

For the year ended 31 December	Consolidated		Company	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Opening balance	-	-	764	1,310
Additions	3	-	425	430
Repayments	-	-	(938)	(976)
Closing balance	3	-	251	764

As at 31 December 2012, the Company has loans from subsidiaries with interest rate as follow:

- Interest rate of average fixed deposit interest rate of four Thai commercial banks plus 0.5% per annum (2011: 0.25% per annum) is charged for a loan of Baht 183 million (2011: Baht 764 million). The loans are repayable within 2015.
- Interest rate of average fixed deposit interest rate of three Thai commercial banks plus 0.25% per annum is charged for a loan of Baht 68 million (2011: none). The loans are repayable when the subsidiary is able to obtain a loan from a financial institution.

As at 31 December 2012, the Group has loan from directors of Baht 3 million. There is no interest charge between them. The loan is repayable when the subsidiary has sufficient working capital.

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

For the year ended 31 December	Consolidated		Company	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Sales of gas				
Subsidiaries	-	-	1,678	3,952
Other related parties - the same shareholders and directors	7	7	2	2
Total	7	7	1,680	3,954
Wharfing service income				
Subsidiaries	-	-	48	41
Other income				
Subsidiaries	-	-	30	20
Dividend income				
Subsidiaries	-	-	964	1,014

33 Related party transactions (continued)

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

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

For the year ended 31 December	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Interest income				
Subsidiaries	-	-	85	47
Sales of asset and equipment				
Subsidiaries	-	-	105	48

iv) Purchases of goods and services and interest expenses

For the year ended 31 December	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Purchase of goods				
Subsidiaries	-	-	2	2
Purchase of assets and equipment				
Subsidiaries	-	-	109	50
Transportation expenses				
Subsidiaries	-	-	656	334
Wharfing expenses				
Subsidiaries	-	-	187	172
Rental expenses				
Subsidiaries				
Other related parties - the same	-	-	2	2
shareholders and directors	21	19	7	6
Total	21	19	9	8
Interest expenses				
Subsidiaries	-	-	17	28
Other expenses				
Subsidiaries	-	-	71	5
Other related parties - the same	21	19	9	8
shareholders and directors				
Total	21	19	80	13

33 Related party transactions (continued)

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

iv) Purchases of goods and services and interest expenses (continued)

For the year ended 31 December	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Directors' and key management remunerations				
Short-term employee benefits	50	52	28	29
Post-employment benefits	1	2	1	1
Total	51	54	29	30

34 Commitments and contingent liabilities

a) Entering into business acquisition agreements

On 3 October 2012, the Group entered into an agreement with a foreign company to purchase the LPG business unit and related assets of Shell Timur Sdn. Bhd., incorporated in Malaysia at the shareholding interest of 70%, amounting to Ringgit 10.0 million. The Group paid a deposit of Ringgit 2.0 million on the date of the agreement. The remaining consideration of Ringgit 8.0 million will be paid at the completion date. The Group must comply with the conditions as specified in the agreement. The Group's management is in discussion with the seller and experts to complete the acquisition by the year of 2013.

b) Letter of guarantee

As at 31 December 2012 and 2011, the Company has bank guarantees issued on its behalf as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Letter of guarantee	2,131	1,801	1,184	874
Letter of credit	1,693	951	1,366	951

As at 31 December 2012, the Group has available credit facilities with commercial banks for letter of credit, trust receipt, cheque discounted, letter of guarantee, forward contract. Credit facilities are secured by the subsidiary and personal guarantees by the Company's directors.

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.

34 Commitments and contingent liabilities (continued)

c) Commitment - operating lease

As at 31 December 2012 and 2011, the Group and the Company have commitment from long-term land and building lease agreements as follows:

	Consolidated		Company	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	36	38	17	16
During 2 - 5 years	64	57	40	30
Later than 5 years	41	27	32	20
Total	141	122	89	66

d) Capital commitments

As at 31 December 2012 and 2011, the Group and the Company have capital commitments at the statements of financial position date but not recognised in the financial statements as follows:

	Consolidated		Company	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	Million Baht	Million Baht	Million Baht	Million Baht
Property, plant and equipment	137	210	137	164

- e) 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 to 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 23 in relation to contingent liabilities from cylinder deposits.

35 Post statement of financial position event

a) Dividend payment

On 22 February 2013, at the Board of Directors' meeting of the Company, it passed a resolution to propose the payment of dividend for the year 2012 amounting to Baht 0.4 per share, totalling Baht 367.57 million, inclusive of interim dividends for the first six months of 2012. The Board of Directors will propose 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 2012 amounting to Baht 0.15 per share, totalling Baht 137.84 million on 10 September 2012. The Company will propose this matter in the Shareholder's meeting for approval of dividend payment.

b) Vessel acquisition

On 4 February 2013, a subsidiary entered into purchase of a vessel agreement. The value of vessel was USD 10.5 million. The purchase expenses to be completed by March 2013.

c) Entering into business acquisition agreements

On 3 October 2012, the Company entered into two capital transfer agreements with a foreign company to purchase 100% and 80% interest in Shell Gas (LPG) Vietnam Ltd, and Shell Gas Hai Phong Limited, respectively, incorporated in Vietnam for the initial consideration of USD 0.1 million and USD 0.3 million, respectively. The Company has paid deposits of USD 0.02 million and USD 0.06 million, respectively, on the date of the agreement. The remaining initial consideration of USD 0.08 million and USD 0.24 million will be paid at the completion date. The Company must comply with the conditions as specified in the agreements. The acquisitions were completed on 18 January 2013. After the acquisitions, Shell Gas (LPG) Vietnam Ltd. and Shell Gas Hai Phong Limited have been changed to Citygas Company Limited and Citygas North Company Limited, respectively.