

บริษัท ระยองเพียวริฟายเออร์ จำกัด (มหาชน)
RAYONG PURIFIER PUBLIC COMPANY LIMITED



Commitment to the Petroleum and Petrochemical Business.
Development of Clean Energy for Environment and Community.



ANNUAL REPORT 2010

รายงานประจำปี 2553



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General Information

Company Name	Rayong Purifier Public Company Limited ("Company")
Type of Business	Petroleum business with a 17,000 BPD refining capacity and 4 depots covering the distribution of High Speed Diesel, RONC 91 Gasoline, RONC 95 Gasoline, Chemicals, and Fuel Oil through marketing channels including retails.
Head Office	1010, Shinnawatra Tower III, 14th Floor , Viphavadee Rangsit Road, Chatuchak, Bangkok 10900
Registered Capital	802,870,229 Baht
Ordinary shares	802,870,229 Baht
Par value	1 Baht
Paid registered capital	529,870,229 Baht
Company Register No.	0107546000202
Telephone No.	0-2791-1811,
Fax No.	0-2791-1818
Factory	7/3 Pakorn Songkrohrad Road, Tambol Map-ta-phut, Amphur Muang-Rayong, Rayong Province 21150
Telephone No.	(038) 685 816-9
Fax No.	(038) 685 243
Home page	http://www.rpcthailand.com

References

Securities Registration	Thailand Security Depository Co.,Ltd.
Address	62 The Stock Exchange of Thailand Building, 4th and 7th Floors Ratchadapisek Road, Klongtoey, Bangkok 10110
Telephone No.	0-229 2800 0-2654 5599
Auditor	Ms. Sumalee Leewarabandtt
(year 2008)	Certified Public Accountant (Thailand) No. 3970
Address	Ernst & Yong Office Limited 33 Floor, Lake Rajada Office Complex 193/136-137 Rachadapisek Road, Klongtoey, Bangkok 10110
Telephone No.	0-2264-0777, 0-2661-9190
Fax No.	0-2264-0790





Chairman's statement



In 2010, the world economy in overall was in its expansion, and more capital had been circulated than the previous year. However, the unemployment problems in various countries, including the public debts in the European Union countries and the risk from currency fluctuation were still on the high level, in spite of the fact that the developing countries had strongly expanded. In addition, political problems and natural disasters were still occurred in many countries, including our Thailand. These problems were very serious and posed much difficulties and hardship in all areas.

Regarding the oil price situation, the world oil price has been increasing continuously. The average price of Dubai crude oil in 2010 was USD 78 per barrel. This was because the oil demand was rising due to the economic recovery. Season and natural disasters were also the factors of the continuous increase in the oil price. Comparing Thai Baht to Dollars, Thai Baht was getting much stronger in the second half of the year and expected to get stronger even further. This was because there was a concern over the economic recovery of the United States. And this resulted in investors being interested to put more investment in the oil market.

In connection with the Company's operating results in the year 2010, the Company was still trying to operate and find the way to improve the Company's business status under the condition of high-level fluctuation. The Company's operating result was quite well, in spite of the fact that the net profit decreased from the previous year. The Company had the total sale volume of 809 million liters, increasing by 8% from 750 million liters in the previous year. The Company generated the total revenue of THB 19,544 million, increasing by 27% from THB 15,357 million in the previous year. The net profit for the year 2010 was THB 200 million Baht, decreasing by THB 133 million or 40% from THB 333 million in the previous year. This was because of the external factors, which were difficult for the Company to control. I strongly believe that all executives and staff have performed their duties to the utmost capacity.

With regards to the renewable energy business, Pure Biodiesel Co., Ltd. has already produced and commercially sold its biodiesel "B100" for two years. In the beginning of the previous year, the amount of production and sale was increasing, because the government announced that the sale of diesel oil "B3" would be replaced by the sale of diesel oil "B5" in all areas of the country from 2011 onwards. Such policy was the result of the environmental awareness, and the government wanted to reduce the effects of oil consumption on global warming. Unfortunately, natural disasters that occur in these days are more severe. Thailand had to suffer from long and continuous inundations in the second half of the year, causing damage to the agricultural products, including oil palms. This resulted in the swift shortage of crude palm oil and then the rise of palm oil price. Therefore, in the end of 2010 the government had to postpone the enforcement of the use of diesel oil "B5" until the middle of 2011. Apart from the biodiesel business, the Company is in the stage of exploring possibilities in other renewable energy projects.





In connection with the retail business, Pure Thai Energy Co., Ltd. has opened and operated the total of 78 branches of petrol station throughout the country. The company has also developed and expanded its retail trade from time to time according to the retail trade opportunity by emphasizing on the fuel oil service. Such service includes the provision of B5 and Gasohol 95 in order to respond to and support the renewable energy markets simultaneously. Pure Sammakorn Development Co., Ltd. officially opened its second retail center, “ Pure Place Lifestyle Mall”, for the community on Ramkamhaeng 110 Road on the “perfect 10” date (i.e.10/10/10) with a project value of THB 350 million. The company planned to immediately launch its third project, the name of which is “Pure Place, the Green Living Mall”. It is a community superstore on Ratchapruet Road, with an investment value of THB 200 million, with an aim to truly respond to the needs of people living in that area who have high purchasing power. Such area is also expected to have more people moving in. Additionally, this retail center will emphasize on the variety, completeness, convenience, and pleasant shady atmosphere in accordance with the trend of the development of department store. However, such retail center is during a designing phase. It is expected to be operational by 2011.

In conclusion, the Company has achieved satisfactory business results in various fields of the Company’s business, and the Company’s business still has a foundation and potential to continually grow into various fields of business in the future, in spite of the fact that there is some uncertainty, especially in terms of raw materials availability for manufacturing petroleum in the future, to be further considered and solved.

On behalf of the Board of Directors, I would like to thank shareholders, trading partners, customers, executives in all levels and all staffs for sacrificing their bodies and hearts to solve the Company’s past difficulties. The Company intends to use its best effort to generate worthwhile profit and reward for all shareholders. This is considered as impressive virtue in the past, and such virtue is substantially increased this year. Hopefully, the Company will be able to maintain great virtue for a long future.

Mr. Satja Janetumnugul
Chairman of the Board of Director





Board of Directors and Advisors to the Board of Directors

Pictures of the Board of Directors and Advisors to the Board of Directors
Board of Directors and Advisors to the Board of Directors



Mr. Satja Janetumnugul
Chairman of the Board of
Directors / Director



Mr. Suwinai Suwanhirunkul
Director / Managing Director



Mr. Supapong Krishnakan
Director / Chairman of the
Board of Directors



Mr. Sumit Chanmatee
Director



Mr. Suthad Khancharoensuk
Director



Mr. Tawat Ungsuprasert
Director



Mr. Viravat Cholvanich
Independent Director



Dr. Vichit Yamboonruang
Independent Director / Chairman
of the Audit Committee



Mr. Arnooparp Charmikorn
Independent Director /
Audit Committee



Mr. Bibit Bijaisoradat
Independent Director /
Audit Committee



Pictures of the Executive Board of Directors

Pictures of the Executive Board of Directors



Mr. Supapong Krishnakan
Director / Chairman of the
Board of Directors



Mr. Suwinai Suwanhirunkul
Director / Managing Director



Mr. Satja Janetumnugul
Chairman of the Board of
Directors / Director



Mr. Sumit Chanmatee
Director

Picture of the Management



Mrs. Siraporn Krishnakan
Assistant Managing Director



Mr. Somboon Sirichainarumitr
General Manager – Business
& Finance Function



Mr. Wasun Sutrong
General Manager -
Manufacturing Function

Department Manager

- | | | |
|------------------|--------------------|--|
| 1. Mr. Chutiphon | Poldech | Distribution Department Manager |
| 2. Mr. Thanate | Pipatthanawachakit | Information Technology Department Manager |
| 3. Mr. Boonlert | Petlerkwong | Business Department Manager |
| 4. Ms. Moluedee | Prapakornrattana | Engineering and Technical Department Manager |
| 5. Mrs. Wannee | Kitiworanunnakul | Finance and Accounting Department Manager |
| 6. Mrs. Supanee | Tunchaisrinakorn | Managing Director Office Manager |
| | | Internal Control and Audit Office Manager |
| 7. Mr. Praival | Bannasirilux | Operation Department Manager |
| 8. Mr. Rungson | Muangsorot | Plant Administration Department Manager |



1. Rayong Purifier (PCL)'s policy on Corporate Social Responsibility.

Rayong Purifier (PCL) (The "Company") policy on Corporate Social Responsibility is to involve and assist in various social activities with many communities whether they are related to the company or not.

The Company is a refinery that is own and operates wholly by Thai. The Company is conscious of the importance of the community that the company has established and conducts business. The Corporate Social Responsibility policy dictates that the Company must conduct business fairly, justly, and conscientiously of environment and surrounding communities. Furthermore, the Company established plans and policies on give back to the communities through various social contribution activities with the communities that may or may not be related to the company.

2. The Company's structures or plans relating to social relation

Currently the Company has established structures or plans of social relation. A PR section of the Corporate Affairs Office will administrate these activities which will divide into the following categories.

Mass relation

The Company has consistently focuses on the community and the mass relation. This reinforces the better understanding of each other. The Company maintains a good standing relation with schools, community leaders, and government agencies in each local community such as in Rayong, Nakhonsawan, Nakhonratchasima, or where "Pure" service station is located. The activities include Children's Day event, drawing contest, scholarship, employees' volunteer teaching, educational activities, or involvement in local community activities.

Corporate Social Responsibility

Sports: The Company has a policy to promote sports. The company support Thailand National Futsal Team. This is to support the team to be successful and to be well known internationally. Moreover, to promote the development and propel the Thai futsal team into international success and to promote the popularity of the sport among Thais. The Company also sees the significance of employee health, supporting the establishment of Badminton Club such that all employees get to exercise and build good relationship among the working unit, and among management and employees.





Giving back to the community: The Company has established a Project for giving back to the community "We're Pure Group For With Love To Thailand", to consideration various social activities such as :

- support mobile medical units to improve the health of residents living in remote rural area
- donations to the Rajaprajanugroh Foundation to assist victims of various events
- support the activities of the Association of the Physically Handicapped of Thailand
- Perform useful activities with students, by cleaning the area in Yannasangwararam Temple.
- Lunch activities for students at Phu ngam non sa ard School. And provide seeds for vegetables grown as food to school lunch for children.
- employees enthusiastically participate in each of the company supported activities through Company's established clubs such as San Farn Pan Ruk (pursue dreams, share love) Club
- employees will gather to donate money and goods to various foundations on a monthly basis

The environment: The Company received environmental certification ISO 14001, which include waste-water treatment systems, and monitoring and test air quality before discharge. From this point, the Company established policies pertaining the environment. The Company organized krathong contest to the elementary to high school level schools. The krathong was to be made of materials made from tapioca starch, which is biodegradable. This is another activity that received a lot of interest from various schools.

Rayong Purifier Public Company Limited welcomed Shareholders visiting Refinery and Biodiesel Plant.

Rayong Purifier Public Company Limited("the Company") and its affiliates Pure Biodiesel, welcomed the Shareholders of the company to visit the Plant's Petroleum and Petrochemical and process of Biodiesel Plant. Mr. Supamong Krishnakan Chairman of the Executive Board; Mrs. Siraporn Krishnakan Assistant Managing Director and Mr. Bunlue Sripodok Managing Director of Pure Biodiesel Plant welcomed and discuss and answer question from Shareholders, earned understanding of the processes and business pratices continue.



Also in the afternoon, Shareholders visited the childrens of Phurhu School, The school is under the patronage of Supreme Patriarch to give the opportunity for the child poverty to have education. Rayong Purifier has the chance to help develop the school, by helping teachers to teach on Saturday-Sunday and manage activity that are beneficial for the childrens for more than a period of 3 years. The Shareholders and Rayong Purifier have collaborated to give corn seeds to the childrens and in funding for expenses of the school.

Rayong Purifier donated money and goods to help the flood victims.

Executives and employees of Rayong Purifier Public Company Limited have jointly donated money and goods to help the flood victims. With capital contributions amounting to 100,000 baht through the "Family News 3" Thai Television Channel 3(TV3) and supplies the equipment needed to deliver ThaiPBS Channel.



Welcome CARAVAN "Hug Thailand" of Tourism Authority of Thailand.

On 24-27 September, 2010, the Rayong Purifier Public Company Limited and "Pure" Gas Station, welcomed the CARAVAN "HUG Thailand" organized by the Tourism Authority of Thailand to promote Thai people to turn to tourism in a long more. By the company, organized a luncheon for the caravan at "Pure" Gas Station Branch 1, Nakorn Sawan province. In addition to visiting Depot Rayong Purifier, The Depot Manager Mr. Seksith Aonkham, who presenting about the process of fuel supply efficiency to go on sale to consumers. Including also explains how to choose the oil to suit each vehicle type.



Financial Highlights

Financial Highlights

Financial Ratios	Unit	31 Dec. 2008	31 Dec. 2009	31 Dec. 2010
Current Ratio	เท่า	0.68	0.86	1.11
Inventory Turnover Ratio	เท่า	18.83	15.90	15.57
Average Collection Period	Day	5	3	5
Net Profit Margin	%	(2.24)	2.17	1.02
Gross Profit Margin	%	(0.19)	5.30	3.33
Return on Equity	%	(50.78)	29.24	13.57
Return on Assets	%	(14.52)	8.97	4.57
Net Profit per Share	Baht	(1.01)	0.69	0.40
Book Value per Share	Baht	1.58	2.36	2.97
Debt to Equity Ratio	Times x	2.33	2.26	1.97
Long-term Loan to Equity Ra	Times x	0.15	0.23	0.33

Financial Position and Operating Results (Unit : Million Baht)

Baht million or stated otherwise	31 Dec. 2008	31 Dec. 2009	31 Dec. 2010
Total assets	3,096	3,713	4,364
Total liabilities	2,310	2,574	2,893
Total Shareholders' equity	786	1,139	1,471
Revenue from sales	22,507	15,357	19,544
Total revenue	22,729	15,484	19,744
Gross profit	(42)	814	6 51
EBITDA	(284)	546	426
Net profit	(504)	333	200
Earnings per share (Baht)	(1.01)	0.69	0.40

Reported on the Results of Operation

Rayong Purifier Public Company Limited (the “Company”) concludes the 2010 performance as follows:

Operation Results

The Company's primary source of revenue is from selling Diesel, Biodiesel B5, Gasoline 91, Gasohol 91, Gasohol 95, petro-chemicals, and fuel oil. In 2010, the revenue from the sale of oil products and petro-chemicals was 19,545 million Baht; increasing by 27.27 % from 2009 which achieved the revenue of 15,357 million Baht. The average selling price per liter in 2010 was 24.37 Baht and in 2009 was 20.60 Baht. The total liter of oil products and petro-chemicals sold was 809 million liters in 2010 as compared to 750 million liters in 2009, an increased of 7.78 %. This is caused by the rising demand in oil consumption and the increase of oil price from the previous year.

In 2010 the total expenses of the Company and its subsidiaries was 19,483 million Baht; an increased of 29.13 % as compared to 15,088 million Baht in 2009. The expenses can be divided into 2 main categories, which are the cost of sales and sales and the administration expense. The cost of sales of the Company and its subsidiaries increased by 4,399 million Baht or 30.05 % from 14,637 million Baht (average prices of 19.51 Baht per liter) in 2009 to 19,036 million Baht (average prices of 23.54 Baht per liter) in 2010. The increase of the cost of sales is due to the cost of raw material which increased from the previous year. In 2010, the selling and administration expenses is 448 million Baht; a decreased of 0.77 % as compared to 451 million Baht in 2009.

In 2010, the Company achieved a net profit of 200 million Baht as compared to a net loss of 333 million Baht in 2009, a decreased of 133 million Baht or 40%

Production

In 2010, the Company produced 631 million liters or 10.87 KBD as compared to the production capacity of 987.00 million liters or 17 KBD, representing 63.93% utilization. This is compared with the fact that in 2009, the Company produced 607 million liters or 10.45 KBD as compared to the production capacity of 17 KBD, representing 61.47% utilization. In 2010, the energy consumption in production in FOEB was 1.60%, decreasing from 2009, which was 1.68%. The majority of products were diesel and the remaining were petro-chemicals, fuel oil, and other products.

Currently the refinery operates securely and efficiently. The Company is certified in Quality System ISO 9001:2000, Occupational Health and Safety (OHSAS 18001 of the U.S.), and Environmental Management Systems (ISO 14001).





Future Plan

In 2010, the Company invested in the 2 following projects.

1. Renewable Energy Projects

The Company is interesting in investing in the renewable energy projects such as biodiesel production, ethanol production, which can be used to mix with the Company's petroleum oil, and other alternative renewable energy projects. This also satisfies the policy of the government in the reduction of petroleum imports by increasing the usage of domestic agricultural product.

Other renewable energy projects:

In August 2010, the Board of Directors of the Company passed the resolution that the Company and Renewable Energy Co., Ltd jointly would establish the joint venture company called RPC Energy Co., Ltd. The Company will holds shares of 70% of the registered capital of THB 125 million. Such joint venture company will conduct the renewable energy business. Initially, if the team of analysts of the Company finds that the project is feasible and commercially worthwhile, the team will present its proposal to the Company's executive for proposing to the Board of Directors for approval. It is expected that the project will be operated through the joint venture company. As of 31 August 2010, such joint venture company is in the process of incorporation.

Currently, the Company is performing feasibility study, cost-benefit analysis, and investment risks in other possible projects relating to renewable energy.

2. Expansion of service stations

The Company aims to expand the number of "Pure" service station to 100 stations to satisfy the need of consumers as well as to increase the profits of the Company by capitalize from the final marketing margin in the value chain of the petroleum business.

Currently, the Company expanded and increased the number of service stations to the total of 78 stations. The Company plans to increase the number of service stations, as well as improve the services to increase sales. In addition, the Company plans to expand the development of other non-oil business by developing a plaza in the services station; the first of which is expected to begin operation in early 2010.

Furthermore; the Company organizes events to give knowledge, to build customer confidence in "Pure" by focusing on diesel oil "Pure B5", which is produced by the Company in all process, and to encourage people to turn to alternative energy. The 3-year anniversary event was to thank customers for their support of "Pure" for the last 3 years. Another pride of the company is that the Company's 7 stations won the prize in competing in the "pump khunnarp plodpai nachaiborigarn" project (Station of quality, security, and service) organized by the Department of Energy Business, Ministry of Energy.





Shareholding and Management Structure

As of January 20, 2011 , the list of top ten shareholders including related persons as specified in Section 258 of the Securities Act B.E. 2535 is as follows:

Names of Shareholders	Number of shares	Percent
1. Petro-Instruments Corp.	158,293,625	29.87
2. Mr. Tawat Ungsuprasert & Spouse	434,035,250	6.42
3. Mr. Piti Thammamongkol	19,121,525	3.609
4. Mr. Kiat Sittheeamorn	16,628,800	3.14
5. Ms. Montana Janetumnugul	16,522,800	3.12
6. Mr. Satja Janetumnugul	9,312,375	1.76
7. Ms.Viravadee Cholvanich	8,309,075	1.57
8. Mr.Supapong Krishnakan	7,290,574	1.38
9. Juristic Person – Suesgul By Mrs.Parinya Khancharoensuk	6,666,250	1.258
10. Ms.Pirakhwan Khancharoensuk	5,265,075	0.994
Total	281,445,349	53.16

Source : List of registered shareholders of Rayong Purifier PLC as of 20 January, 2011,

Note : Based on the paid-up capital of 529,870,229 shares



Structure of Rayong Purifier Public Company Limited

Rayong Purifier Public Company Limited As of January 1, 2011



The Management Structure

The Company's management structure comprises the Board of Directors, Executive Board of Directors, the Audit Committee, and the Nominating and remuneration Committee.

Board of Directors

As of 25 February 2011, the Board of Directors comprises 10 directors as follows:

Name	Position
1. Mr. Viravat Cholvanich	Chairman Of The Board Of Directors / Independent Director
2. Mr. Suwinai Suwanhirunkul	Director / Managing Director
3. Mr. Satja Janetumnugul	Director
4. Mr. Sumit Chanmatee	Director
5. Mr. Supapong Krishnakan	Director
6. Mr. Suthud Khancharoensuk	Director
7. Mr. Tawat Ungsuprasert	Director
8. Dr. Vichit Yamboonruang	Independent Director / Chairman Of The Audit Committee
9. Mr. Arnooparp Vharmikorn	Independent Director / Audit Committee
10. Mr. Bibit Bijaisoradat	Independent Director / Audit Committee

Mrs. Siraporn Krishnakan is the Secretary to the Board of Directors

Mrs. Supanee Tunchaisrinakorn is the Secretary to the Company Secretary. She was

The Authorized Signatory

The authorized signatory is composed of :

1. Mr. Supapong Krishnakan, Mr. Satja Janetumnugul, Mr. Sumit Chanmatee, and Mr. Suwinai Suwanhirunkul; two of the said four directors jointly sign and stamped with the Company's seal; or
2. Mr. Supapong Krishnakan, or Mr. Satja Janetumnugul, or Mr. Sumit Chanmatee, or Mr. Suwinai Suwanhirunkul; one of the said four directors jointly sign with Mr. Viravat Cholvanich or Mr. Suthud Khancharoensuk or Mr. Tawat Ungsuprasert, and stamped with the Company's seal.

Authority and Responsibilities of the Board of Directors

1. The Board of Directors may appoint any person to conduct the Company's business under the Board's supervision or may delegate authority to that person within the timeframe deemed appropriate. However, the Board may revoke or alter that authority anytime. The Board assigns the Executive Board to conduct business within the scope of authority and responsibility of the Executive Board. However, the authority of the Executive Board or the delegation of authority thereof to the appointed person(s) will exclude the power to approve transactions that may be in conflict of interests with the Company and its affiliated companies, or as specified in the Securities and Exchange Commission's announcements and regulations, except for transactions that are in accordance with the prescribed policy and criteria previously approved by the Board of Directors.

2. The Board of Directors has the authority to approve and change the authorized signatory director(s).
3. The Board of Directors may approve an interim dividend when the Company has sufficient profits and then reports the decision to the shareholders in the next shareholder meeting.
4. The Board of Directors must comply with laws and the Company's objectives, Article of Association, as well as the shareholder resolutions. However, in some cases, the Board must get the shareholders' approvals prior to implementation i.e., activities that need shareholders' approval per law requirement, related party transactions as required by SET's regulation on acquisition or disposal of assets, and those activities as required by related government agencies.
5. The Board of Directors must convene meet at least quarterly and attended by more than half of the Board members. The Board's decision is based on majority vote, in which each director has one vote. When the voting is equal, the Chairman of the meeting shall vote for the final decision.
6. The Board of Directors shall arrange for an annual general meeting of shareholders within four months after the end of the Company's fiscal year.
7. A director shall immediately inform the Company once he/she has any conflict of interests in a contract(s) executed by the Company executed or when his/her number of shares or debentures in the Company or affiliates that the director holds has increased or decreased.
8. A director shall not conduct any competing business with the Company, be a partner in any business partnership, be an unlimited-liability partner in a limited business partnership, or be a director of any private or public company that is operating competitively in similar business to that of the Company. However, the aforesaid requirements will not be in effect if the shareholders are notified of those conditions prior to appointing the said director to the Board of Directors.

Executive Board

As of December 31, 2011, the Executive Board comprises 4 directors as follows:

Name	Position
1. Mr. Supapong Krishnakarn	Chairman of the Executive Board
2. Mr. Suwinai Suwanhirunkul	Executive Board/Managing Director
3. Mr. Sumit Chanmatee	Executive Board
4. Mr. Satja Janetumnugul	Executive Board

Authority and Responsibilities of the Executive Board

1. Prescribe policy, objectives, mission, guidelines, and oversee the company's operation on production and distribution activities
2. Consider and approve the purchase of fixed assets with the amount of not exceeding Baht 50 million. The approval has to be in accordance with the budget approved by the Board of Directors and complied with the regulation prescribed by the Stock Exchange of Thailand on the acquisition and disposal of assets of the listed companies or related party transactions, or those of related authorities.
3. Perform the request for and extension of credit line for the amount of not higher than Baht 50 million.
4. Consider and approve in principle for new project investment or business expansion to be proposed to the Board of Directors for further considerations.
5. Consider and approve the Company's general management and operation which exceed the Managing Director's authority.

6. Prescribe the Company's organization chart and management process as well as that of the Executive Board of Directors to include all details of the appointment, training, recruitment, and termination of the Company's employees.
7. Prescribe the policy of the compensation and salary structure.
8. Perform other tasks assigned periodically by the Board of Directors.

The Audit Committee

As of December 31, 2010 the Audit Committee comprises 3 directors as follows:

Name	Position
1. Dr. Vichit Yamboonruang	Chairman of the Audit Committee
2. Mr. Arnooparp Charmikorn	Member of the Audit Committee
3. Mr. Bibit Bijaisoradat	Member of the Audit Committee

Mrs. Supanee Tunchaisrinakorn is the Secretary to the Audit Committee.

Authority and Responsibilities of the Audit Committee

The audit committee of the company has the scope of duties and responsibilities to the Board of Director on the following matters:

1. Review the Company's financial reporting process to financial statement to ensure the accuracy and sufficient;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer dismissal and to yearly performance evaluation of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and to ensure that they are in compliance with the laws and the Exchange's regulations;
7. Review and discuss risk management and internal control systems to Board of Directors to ensure;
8. Review reliability and effectiveness of information technology related to financial reporting and internal control;
9. Review the audit plans to ensure that generally accepted principles are in practiced;
10. Review the appropriateness of the Audit Committee Charter and the Internal Audit Charter;
11. The Committee, if necessary, might seeks independent opinion from experts in other profession at the expense of the company with the Board of Director' approval. The hiring procedure should conform to the company policy;
12. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

The Nominating and Remuneration Committee

As of December 31, 2010, the Nominating and Remuneration Committee comprises 4 directors as follows:

Name	Position
1. Dr. Vichit Yamboonruang	Chairman of the Committee
2. Mr. Tawat Ungsuprasert	Member of the Committee
3. Mr. Suthud Khancharoensuk	Member of the Committee
4. Mr. Bibit Bijaisoradat	Member of the Committee

Authority and Responsibilities of the Nominating and Remuneration Committee

1. Propose the remuneration of Directors and Managing Director thereof to the Board of Director for consideration and approval
2. Nominate Directors and Managing Director and propose to the Board of Director for consideration and approval
3. Perform other tasks assigned by the Board of Directors

The Management

As of January 1, 2011, the Company's managements comprises 15 directors as follows:

Name	Position
1. Mr. Supapong Krishnakan	Director / Chairman of the Board of Directors
2. Mr. Suwinai Suwanhirunkul	Director / Managing Director
3. Mr. Satja Janetumnugul	Chairman of the Board of Directors / Director
4. Mr. Sumit Chanmatee	Director
5. Mrs.Siraporn Krishnakan	Assistant Managing Director
6. Mr.Somboon Sirichainarumitr	General Manager – Business & Finance Function
7. Mr.Wasun Sutrong	General Manager - Manufacturing Function
8. Mr.Chutipphon Poldech	Distribution Department Manager
9. Mr.Thanate Pipatthanawachakit	Information Technology Department Manager
10. Mr.Boonlert Petlerkwong	Business Department Manager
11. Ms.Moluedee Prapakornrattana	Engineering and Technical Department Manager
12. Mrs.Wannee Kitiworanunnakul	Finance and Accounting Department Manager
13. Mrs.Supanee Tunchaisrinakorn	Managing Director Office Manager
	Internal Control and Audit Office Manager
14. Mr.Praival Bannasirilux	Operation Department Manager
15. Mr.Rungson Muangsorot	Plant Administration Department Manager

Authority and Responsibilities of the Managing Director

The Managing Director has the authority and responsibilities to conduct business in accordance with the Board of Directors' assignment and shall follow strictly and ethically the Company's business plan or budget that has been approved by the Board of Directors. The Managing Director shall also act diligently to protect the Company's and the shareholders' best interests. The authority and responsibilities of the Managing Director are described as follows:

1. Oversee and supervise the Company's routine operation
2. Oversee the process of recruitment, appointment, promotion, and salary adjustment, based primarily on the pre-approval of the related authority in each department
3. Consider and approve the purchase of fixed assets with the amount not exceeding Baht 10 million. The approval must be complied with the Stock Exchange of Thailand's regulation on the acquisition and disposal of assets of the listed companies or related party transactions or regulations of related authorities.
4. Prepare and propose the Company's policy, business plan, and budget to the Board of Directors for approval and report the progress thereof to the Board of Directors on the quarterly basis.
5. Execute the policy, business plan, and budget, which have been approved by the Board of Directors. The above authority of the Managing Director shall not be valid if, in exercising such authority, the Managing Director may receive benefits or have potential conflict of interest with the Company.

The Appointment of Directors and Management

The Company sets up the Nominating and Remuneration Committee to be responsible for the appointment of directors and management. In this regard, an individual who is eligible to be appointed as director and management of the Company must possess the qualifications as specified in the Public Company Act B.E. 2535, Section 68 and the Company's requirement, and shall not be disqualified per the SEC announcement dated March 22, 2000 on request for approval and Approval to offer new shares. The appointment process is as follows:

Appointment of the Board of Directors

The Board of Directors must comprise at least 5 members but not exceed 15 members. The directors shall be elected by the shareholders in the shareholder's meeting. At least half of the directors must have permanent residence in Thailand. According to the Company's Articles of Associations, the shareholder's meetings shall elect the directors per the following principles and methods:

1. One shareholder has one vote for one share held.
2. Each shareholder can use all of his/her eligible votes to elect only one or many director(s) but cannot split his/her votes erratically.
3. An individual in receipt of the highest number of votes and those in order of descent shall be elected as Directors as per the required number. In case that two or more individuals receive an equal number of votes which exceed the available positions, the Chairman of the meeting shall make the final decision.

At every Annual General Shareholder's Meeting, one-third of the directors shall resign. In case that the number of directors cannot be equally divided into three parts, the number nearest to one-third shall resign. Those outgoing directors may be re-elected.

The authorized signatory comprises the joint signatures from any two directors and stamped with the Company's seal.

Appointment of the Executive Board

The Board of Directors elects and appoints the Executive Board by electing from the Company's directors.

Appointment of the Audit Committee

The Board of Directors appoints at least 3 persons who are qualified per the SET's announcements to be the members of the Audit Committee with three-year term.

Remunerations for the Directors and Management

1. Financial remuneration

In 2009, the fee for 10 directors totaled Baht 4.33 million, paid for the meeting allowances in congruence with the Company's performance.

The fee for 12 Executive Directors and Managements totaled Baht 27.39 million, paid for salary and bonus in congruence with the Company's performance

In 2010, the fee for 10 directors totaled Baht 4.59 million, paid for the meeting allowances in congruence with the Company's performance.

The fee for 15 Executive Directors and Managements totaled Baht 37.62 million, paid for salary and bonus in congruence with the Company's performance.

The details of remuneration for individual directors are as follows:

Name	Payment (Baht) 2009	Payment (Baht) 2010
1. Mr. Viravat Cholvanich	577,500.00	615,000
2. Mr. Suwinai Suwanhirunkul	390,000.00	400,000
3. Mr. Satja Janetumnugul	390,000.00	395,000
4. Mr. Sumit Chanmatee	385,000.00	395,000
5. Mr. Supapong Krishnakan	390,000.00	400,000
6. Mr. Suthad Khancharoensuk	390,000.00	415,000
7. Mr. Tawat Ungsuprasert	385,000.00	420,000
8. Dr. Vichit Yamboonruang	480,000.00	525,000
9. Mr. Arnooparp Vharmikorn	470,000.00	500,000
10. Mr. Bibit Bijaisoratat	470,000.00	520,000
Total	4,327,500.00	4,585,000

2.. Other forms of remuneration

2.1 Others

In 2009, the Company's provident fund contribution for 12 Executive Directors (excluding Independent Directors) and Management was Baht 2.46 million.

In 2010, the Company's provident fund contribution for 15 Executive Directors (excluding Independent Directors) and Management was Baht 2.59 million.



Corporate Governance

The Company perceives the importance to enforce the corporate governance practices in accordance with the Corporate Governance Policy across all levels of employees, the Management, and the Board of Directors. These practices are to ensure operating transparency, promote managerial integrity effectiveness, and efficiency across the firm, for the benefits of shareholders, customers, investors, and the general public.

1. Right of shareholders

The Company's Board of Directors perceives the significance of good corporate governance, the internationally standardized operation, the compliance with SET's regulations, the rights of shareholders and the promotion of their rights thereof. The Audit Committee was set up to supervise the business in various aspects so as to promote favorable corporate culture and corporate governance. This effort is a key factor encouraging the Company to achieve its desirable performances and targeted business objectives. As a result, the shareholders will reap the highest benefit out of this practice. In this regard, the Company aims that the Directors and the employees of all levels hold on to the following values:

- Perform each task with their best knowledge and capability, along with professional practices, honesty, and morality
- Formulate cooperative solidarity in workplace
- Hold firmly to rules and regulations and perform for the benefit of the Company, the country and the society as a whole
- Create mutual interactions and be readily responsive to any circumstances.

In 2003, the company registered in the Stock Exchange of Thailand and became a public company. The firm has a policy to send the inviting letters for a meeting and accompanying documents to the shareholders at least 7 days earlier, in order to reach the minimum period determined by the law. Moreover, the company has a policy to treat all the shareholders equally. That is, a shareholder can vote independently to elect the board of directors, partake in resolution making, opining, and enquiring the meeting as per the meeting's agenda and proposed issue. Every shareholder has the right and equity to receive correct, well-rounded, and updated information, of which he/she can also check for its verity. The company has a policy to provide more alternatives for the shareholders by permitting an independent director to be entrusted by a shareholder, in the event the latter cannot attend the meeting.

2. The equity of the shareholders

In 2003, the company registered in the Stock Exchange of Thailand and became a public company. The firm has a policy to send the inviting letters for a meeting and accompanying documents to the shareholders at least 7 days earlier, in order to reach the minimum period determined by the law. Moreover, the company has a policy to treat all the shareholders equally. That is, a shareholder can vote independently to elect the board of directors, partake in resolution making, opining, and enquiring the meeting as per the meeting's agenda and proposed issue. Every shareholder has the right and equity to receive correct, well-rounded, and updated information, of which he/she can also check for its verity. The company has a policy to provide more alternatives for the shareholders by permitting an independent director to be entrusted by a shareholder, in the event the latter cannot attend the meeting.



In the past years, the company's directors and management have been considering about the eradication of the interests' conflict with prudence, honesty, and independence under the frame of decent morality. This effort is to achieve the overall benefits of the company, transparency, and protection of personal interest through exploitation. The company is in the process of initiating an instruction bill forbidding the directors, management, and operational staffs not to use the firm and its subsidiary's internal data which are significant and confidential for the pursuit of personal benefits. Besides, if there is any interrelated program, the firm will be complied with the criterion and method notified by the Stock Exchange of Thailand.

3. The roles of stakeholders

The company is attentive to the right of the beneficiaries in all groups, be they the internal beneficiaries like staffs and the Company's and its subsidiaries' executives, or the external beneficiaries like competitors, creditor, the governmental authority and other related agents. The company actually conducts its operation in compliance with the provisions of law and other relevant regulations in order to maintain the appropriate care of these beneficiaries. Also, in the past years, the company has treated all of its staffs equally and fairly by providing appropriate amount of income. The purchase of products and services from the trade partners are done in accordance with the conditions mutually determined in the signed contract. The customers have been well taken care of with responsibility and confidentiality. Also, the company's conduct has specified the deeds of fair competition by not securing competitors' confidential data in the inappropriate manner. Finally, the firm has a policy to do business in regard to mutual development and prosperity with the community.

4. Information Disclosure and Transparency

The Board of Director is responsible for the Company's and its subsidiaries' financial statement and information as appearing in the annual report. They also oversee the effective internal control system to ensure that the accounting records be thorough, accurate, and adequate to maintain the property, and to be notified of possible weaknesses to assure that the financial statements are free of material misstatements.



Investor Relations

After being registered in the Stock Exchange of Thailand, the Company has a policy to nominate a person to be in charge of investor relations. This particular individual will make sure that the disclosure of general and financial information, as well as significant data affecting the price of the Company's stock, be accurate, complete, transparent, and thorough. Such information will be distributed to investors and the public via the following channels:

1. The Stock Exchange of Thailand
 - List of annual data (Form 56-1)
 - Annual report (Form 56-2)
 - Electronic media (SCP Client)
2. Newspaper
3. Magazine
4. Television
5. Company website
6. Shareholder journal
7. Face-to-face interview
8. Trip to meet domestic and international investors
9. Meeting with stock analysts

5. Responsibilities of the Board of Directors

The company's board of directors is composed of well-versed, experienced directors who settle policies, vision, strategy, goal, mission, business plan, and the firm's budget. They also govern the management to operate the works effectively and efficiently as per the determined policy, within the boundary of law, the company's provisions, and the resolution of shareholders' meeting, with honesty, responsibility, and prudence; for the utmost economic value of the enterprise and supreme security of the shareholders. Besides, the company is highly attentive to an internal control system, internal auditing, appropriate method of risk management, including a checking system in order to enable the operation to be in compliance with the law, to make the utmost effectiveness and efficiency out of the internal control system. Moreover, the board of directors has considered about the settlement and separation of duty and responsibility between the board of directors, the audit committee, the executive board, and the managing director.

Conflict of interests

In the past years, the company's directors and management have been considering about the eradication of the interests' conflict with prudence, honesty, and independence under the frame of decent morality. This effort is to achieve the overall benefits of the company, transparency, and protection of personal interest through exploitation. The company is in the process of initiating an instruction bill forbidding the directors, management, and operational staffs not to use the firm and its subsidiary's internal data which are significant and confidential for the pursuit of personal benefits. Besides, if there is any interrelated program, the firm will be complied with the criterion and method notified by the Stock Exchange of Thailand.

Business ethics

The company has stood firmly on doing correct deeds in its business path. The directors, management, and all the staffs of the company have their own parts in doing the duty with honesty, under the law's boundary and their own responsibilities. They shall also exercise the prudent consideration in trading and treatment to others; abstaining from any conduct which will riskily lead to the company's infamy or damage, though that action seems to be beneficial to the company's business. However, the company is preparing the Bills of Staff Conduct and Business Conduct for all the personnel to be complied with.

The board of director's check and balance

The company's board of directors consists of 10 persons, who are:

- Directors who are the executives – 4 persons.
- Directors who are not the executives – 2 persons.
- Directors who are independent – 3 persons or 30 % of the whole board.

Unification or separation of rank

The chairman of the board of directors will not be the same person with the firm's managing director, in order to give check and balance in administration. More than half of the company's board of directors is consisted of a coalition of non-executive directors and the independent directors.

Remuneration for directors and management

The firm has clearly settled the policy on the directors and management's remuneration. However, the consideration of the directors' remuneration is under the approval of the shareholder's meeting, whereas the management's remuneration is under the approval of the board of directors. This consideration will be as high as that of the industry to maintain the highly-qualified directors and management with the firm.

The board of director's meeting

The company has a policy to send the inviting letters for a meeting with accompanying documents to the directors' consideration at least 7 days earlier, in order to reach the minimum period determined by the law. In 2009, the board of directors had 6 meetings with the written record, and the approved meeting report was kept for the checking by directors and related persons.

Name-Surname	The 2009 meeting record (Times)	The 2010 meeting record (Times)
1. Mr.Viravat Cholvanich	6/6	8/8
2. Mr.Suwinai Suwanhirunkul	6/6	8/8
3. Mr.Satja Janetumnugul	6/6	7/8
4. Mr.Sumit Chanmatee	5/6	7/8
5. Mr.Supapong Krishnakan	6/6	8/8
6. Mr.Suthud Khancharoensuk	6/6	7/8
7. Mr.Tawat Ungsuprasert	5/6	8/8
8. Dr.Vichit Yamboonruang	4/6	8/8
9. Mr.Arnooparp Charmikorn	6/6	8/8
10. Mr.Bibit Bijaisoradat	6/6	8/8

The subcommittee

The board of directors has appointed the subcommittee board to support on corporate governance, as follows:

- The Audit committee with a 3-year term in office. The committee's body consists of 3 persons, all are the independent directors.
- The Nominating and Remuneration Committee with a 3-year term in office. The committee's body consists of 4 persons, all are not the Executive Board and the committee's chairman must be the independent director.

Internal control and audit system

The firm has clearly settled mission, duty, and operational authority of the operational staffs and executives in a form of writing, along with the use of the company's property for beneficial purposes and the job segmentation of operational staffs, control staffs, and assessment staffs; in order to create check and balance.

The company has an internal audit office that will do the checking to assure the efficiency and compliance of the firm's main operation and major financial activities with the law and provisions related to the company. The internal audit office is independent, so it can do fully the check and balance. The internal audit office can directly report the audit result to the audit committee.

Control of the Use of Internal Information

The Company has informed all executives and management of each division about their duties to report the number of shares or securities of the Company that are held by them, their spouse and minor children as well as every change of securities holding occurring as a result of any purchase, sale, transfer or acknowledgement of transfer of securities to the Securities and Exchange Commission according to Clause 59 and Clause 275 of the Securities and the Stock Exchange Act B.E. 2535.

If any directors, executives or employees violates the Company's policy on the sale and purchase of securities by using internal information, those persons shall be punished or disciplined according to the Company's rules and regulations which include warning letter, pay cut, temporary forced leave without pay or employment termination. The level of disciplinary action shall depend on the degree of the violation.

Human Resources

1. Human Resources

As of 31 December 2010, the Company and its subsidiaries had 1,027 employees, which can be broken down by function as follows:

Organization Structure As of 31 December 2009		Organization Structure As of 31 December 2009	
Function	Quantities	Function	Quantities
Administration & Finance	47	Business & Finance	62
Supply & Logistics	57	Manufacturing	74
Manufacturing	64	Others	18
Others	25		
Subsidiaries		Subsidiaries	
PTEC	618	PTEC	667
JTC	68	JTC	83
PSDC	16	PSDC	27
PBC	46	PBC	54
SAP	18	SAP	19
		SCT	23
Total	959	Total	1,027

Remark - Others are employees who are not under any particular function, such as Internal Audit Office, Managing Director's Office,

2. Remuneration

2.1 Financial Remuneration

Total remuneration to the Company's staff including salaries, overtime, fringe benefits, bonuses and provident fund contribution for the year 2009 and 2010 were Baht 267.36 million and Baht 274.65 million respectively.

3. Human Resource Development Policy

Company Values (Corporate Value) that allows everyone to express their creativity (Initiative), and committed conscious responsibility. (Accountability) in the full mission capability. Tasks in a complete Forces (Synergy) with commitment and strong To aim to develop a successful and sustainable. (Sustainable).

The Company's policy to promote the advancement of employees by setting clear direction for staff development. And ensure that employees at all levels. Was developed in the direction that a systematic and continuous. To work in the current duties more effectively. And are ready for higher responsibilities in the future. With respect to the use of human resources for maximum benefit. Including systems integrity (Merit System) in salary. And promoted Based on skills, knowledge, abilities and potential of each employee's individual compound.

Internal Control System

According to the Board meeting no. 1/2011 held on February 25, 2011, the Audit Committee concluded that the Board of Directors and the Executives have paid a continuous and considerable attention to the internal control system. They have directed their efforts to formulate the internal control system that is sufficient and appropriate with the Company's business operation. In this regard, proper attentiveness is geared toward asset maintenance, error and damage minimization, financial management, risk management, operation inspection, as well as efforts to promote compliance to existing legal requirements, along with rules and regulations. These measures are to achieve maximum job efficiency, and build up confidence in the Company's business capability to achieve its determined goals and heighten up its added values.

In order that the internal control system be efficient, the Board of Directors has focused the Company's internal control system to the following 5 sections:

1. Organization and Environment

The Company has formulated its business goal and objectives on a clear, possible, and measurable basis. In this regard, it has modified the organizational structure to facilitate job efficiency and flexibility, as well as to correspond with incessantly changing business environments. Hence, the Company has set regulations and penalty rules to prevent the management and employees from engaging in a conflict of interest with the Company. In addition, the policy and operational rules regarding financial transactions, selling, purchasing, and managing were also framed on the basis of fairness to all parties concerned.

2. Risk management

The Company's executives have set up a risk policy and an organization to be in charge of risk management. In this aspect, the risk management committee was founded along with a risk coordinator in each work unit. In addition to providing constant training to the employees on knowledge about risk management, the Company also assigns a person in charge of risk in each work unit, sets a plan and a measure for risk management, evaluates potentially threatening risk factors, formulates a measure for risk reduction, and follows up on risk management procedures of every work unit. The risk management committee will subsequently report its performance to the Audit Committee to be continually forwarded to the Company's management team.

3. Controlling of the Management

The Company has distinctly delineated the scope of authority and responsibility of both the management team and the employees of all levels. The approval scope of each management level is clearly and appropriately determined, and the operations of subsidiaries and affiliated companies are continuously and constantly supervised to comply with the existing legal requirements.

4. Information Technology and Communication System

The Company has utilized the ERP information technology system to efficiently manage purchasing, selling, accounting system, inventory, and permanent assets, so that the IT database be made efficient and handy for the executive's decision making. Moreover, additional developments have been brought in to advance the existing IT system, e.g. the systems for gas station management, close-circuit TV, and video conferencing. These developments aim prominently to facilitate work coordination and supervision, to cover extensive IT usage among employees, and to increase efficiency of communication channels between the Company and its subsidiaries and affiliated firms.

5. Monitoring System

The Board of Directors has conducted a thorough consideration and monitoring on the performance of the Management team. If any deviation from the preset goal is detected, the Board of Directors will have the Executives correct it immediately. In this regard, the Internal Control Committee will report directly to the Audit Committee in due time, especially when those deviations are critical. A report on correction process and progression should also be filed.



Company Background and Major Development

Rayong Purifier Plc (RPC) was established in 1995 by a joint venture between Thai businessmen with extensive experiences in the petroleum and the petrochemical businesses and Petro-Instruments Co., Ltd. RPC's main business is to refine Condensate Residual (CR), which is a by product from the production process of Thai Aromatics Public Company Limited (ATC), into high quality petroleum and petrochemical products such as high-speed diesel oil, fuel oil, and petrochemical products for the wholesale and retail businesses. In addition, RPC is granted an fuel-trading license, according to Article 7 of Fuel Trade Act, B.E. 2543 (2000).

Summary of the company history and major developments

- | | |
|------|---|
| 1997 | <ul style="list-style-type: none">• Completed plant construction in September |
| 1998 | <ul style="list-style-type: none">• Rent oil depot at Payuhakhiri district, Nakornsawan province to support the company's expansion |
| 1999 | <ul style="list-style-type: none">• Grand opening the first 'PURE' gas station at the 202nd Km Phaholyothin road, Nakorn-sawan province in February• Introduced the quality management program ISO 9002 to its plant |
| 2000 | <ul style="list-style-type: none">• Production process was awarded ISO 9002 certification by Bureau Veritas Quality Inter-national (BVQI)• Rent Sathupradit oil depot and Thonburi oil depot to reduce the disadvantage of not having its own port for exports. |
| 2001 | <ul style="list-style-type: none">• Export intermediate chemical products to Nanging, China• Open the second "PURE" service station at Maptaput Industrial Estate in Rayong• Operate an oil depot in Pakthongchai district, Nakornrachasima province to support expan-sion and to service clients in the Northeastern region |
| 2002 | <ul style="list-style-type: none">• Received international standard certificates on safety from three organizations, namely OHSAS 18001, BS 8800 and TIS 18001• Increased registered capital by Baht 150 million to a total of Baht 300 million.• Open the third corporate-owned "PURE" service station in Pakthongchai district, Nakornra-chasima province• Increased investment in Yothin Petroleum Company Limited to support the expansion of retail business.• Increased production capacity from 12,600 barrels/day to 17,000 barrels/day |
| 2003 | <ul style="list-style-type: none">• Rent oil depot in Juksamet, Sattahip district, Chonburi province to be used as export base of the company's products while terminating the rental of Thonburi and Sathupadit oil depots.• Awarded ISO 14001• Increased registered capital to Baht 336.40 million, divided into 3.364 million ordinary shares with a par value of Baht 100 per share fully paid up on 24th July 2003 |



- Converted into Public Company on 1st August 2003 and increased registered capital to Baht 415.55 million, divided into 83.11 million shares with a par value of Baht 5 per share, of which Baht 336.40 million, divided into 67.28 million ordinary shares with a par value of Baht 5 per share were fully paid up.
 - Offered 15,830,000 new ordinary shares to the public. Subscription period was on 12nd-14th November 2003.
- 2004
- Registered the Baht 79.150 million capital increase from Baht 336.40 million to Baht 415.55 million, divided into 83.11 million ordinary shares with a par value of Baht 5 per share with Department of Business Development, Ministry of Commerce on 18th November 2003.
 - RPC's shares started trading on the Stock Exchange of Thailand on 24th November 2003.
 - Upgraded ISO 9002 international quality system from Version 1994 to ISO 9001 Version 2000
 - Registering the value change of ordinary share on November 26th, 2004 from 5 Baht per share to 1.00 Baht per share with the registered capital of Baht 415.55 million , all are ordinary shares which amount to 415,550,000 shares.
 - The company's Ordinary shares have been traded in the Stock Exchange of Thailand for the price of 1.00 Baht per share on December 1st, 2004.
 - Founded RPC Asia Co., Ltd. on July 27th, 2004
 - Increased shareholding portion in VTN-P from 20% to 60% on April 15th, 2004.
- 2005
- Increased shareholding portion in SCT Petroleum Co., Ltd. from 30% to 99.99%
 - Registered the 8.49 million capital increase from Baht 415.55 million to Baht 424.04 million, divided into 8.49 million ordinary shares reserved to exercise warrant with a par value of Baht 1 per share with Department of Business Development, Ministry of Commerce on 18th April 2005.
 - Increase paid up capital from Baht 415.55 million to Baht 418,372,686 according with exercise ESOP-01, No.1/3 on December 8th, 2005.
- 2006
- Yothin Petroleum Co., Ltd changed its name to Pure Thai Energy Co., Ltd on March 31st, 2006
 - Increase paid-up capitals from Baht 424.04 million to Baht 530.04 million by offering 106,008,171 new ordinary shares with a par value of Baht 1 per share reserved to stock dividends and ESOP No.2/3 with Department of Business Development, Ministry of Commerce on April 7th, 2006.
 - Paid-up capital increased to Baht 526.26 million on November 2006 by exercised ESOP No. 2/3 of 3,294,677 shares with a par value of Baht 1 per share, registered with Department of Business Development, Ministry of Commerce on December 4th, 2006
 - Completed Test-run of VTN-P, a refinery in Vietnam during February 13th – February 28th, 2006
 - Increased number of gas stations from 32 to 56



- 2007
- Start operating Pure Sammakorn Development Co.,Ltd. on June 8th, 2007
 - Changed the name of RPC Asia Co.,Ltd., in which the Company holds 99.99% of shares, to Pure Bio-Diesel Co.,Ltd. (PBC), in which the registered capital increased to Baht 200 million
 - PBC received investment promotion certificate from BOI. Its income from net profit will be exempted for 8 years.
 - RPC and PBC received the loan of Baht 400 million from Kasikorn Thai Bank to invest in and construct of the Bio-Diesel project, with the production capacity of 100,000 tons per year.
 - Paid-up capital increased to Baht 529.87 million on November, 2006 by exercised ESOP of 3.6 million shares, with par value of 1 Baht per share, totaling to Baht 3.6 million, registered with the Ministry of Commerce on December 4th, 2007
 - Increased number of gas stations from 56 to 72
- 2008
- Pure Thai Energy Co., Ltd. (PTEC) acquired 15,300 ordinary shares of SCT Petroleum Co., Ltd. (SAP) at 100 baht per share; representing 51 per cents of total shares in January 2008.
 - SCT Sahaphan Co., Ltd. (SAP) increased shares by 20,000 shares at Baht 100 per share and has registered the capital increase with the Ministry of Commerce on February 12th, 2008.
 - RPC paid stock dividends for the 6 months operation period at 0.17 Baht per share on 4th September 2008.
 - Pure Biodiesel Company Limited (PBC) received license from the Department of Energy Business in December 2008.
 - VTN-P made a 2.9 million U.S. dollars long-term loan payment to Exim Bank.
- 2009
- VTNP registered its liquidation in February 2009.
 - Pure Sammakorn Development Co.,Ltd. increased its registered capital to 225 million Baht and registered the capital increase with the Ministry of Commerce in February 2009.
 - Pure Biodiesel Company Limited (PBC) has increased its registered capital to 280 million Baht and registered the capital increase with the Ministry of Commerce in September 2009
 - Pure Thai Energy Co., Ltd. (PTEC) increased its registered capital to 140 million Baht and registered the capital increase with the Ministry of Commerce in January 2010.
- 2010
- On 5 March 2010, the Extraordinary General Meeting of Shareholders no. 1/2553 passed the resolution that the capital of the Company be increased from 529.87 million Baht to 802.87 million Baht by issuing new ordinary shares of 273 million shares at 1 Baht per share, that such newly issued shares be allotted in the offering of Taiwan Depository Receipts ("TDR") in the Republic of China (Taiwan), that the repurchased shares be completely disposed of and that the offer price of the newly issued shares be set at not less than 90% of the average market price for the past 15 days before the Board of Directors passes the resolution to specify the details in relation to the allotment. The objectives of the increase of capital are to expand the Company's business and to be used as a working capital. The Company registered the increase of capital with the Ministry of Commerce on 19 March 2010.



- On 10 August 2010, the Board of Directors passed the resolution that the repurchased shares of 46,706,900 shares be disposed of by way of public offering at 2.55 Baht per share. And in September 2010 the Company completely disposed of the repurchased shares, the total value of which was 119 million Baht.

Overview of the Business Operation of RPC and Subsidiaries

Rayong Purifier Public Company Limited (RPC)

RPC engages in the distillation of condensate residue (CR), a by-product from the production process of PTT Aromatics and Refining Public Company Limited (PTTAR), to produce high quality petroleum and petrochemical products, e.g. high-speed diesel B5, fuel oil and other petrochemical products. RPC's refinery has a maximum capacity of 17,000 barrels per day or 80 million liters per month. Moreover, RPC also procures unleaded gasoline 91 & 95, gasohol 95 and high-speed diesel from other refineries to satisfy consumers' increasing demand. Besides, RPC also operates four oil depots in Rayong, Nakornsawan, Korat and Juksamet, to expedite the purchasing and delivery process. RPC's business operations through its subsidiaries are as follows:

RPC's subsidiaries

1) Pure Thai Energy Company Limited (PTEC)

RPC holds 99.99% of shares in PTEC. The registered capital of PTEC is 50 million Baht, divided into 500,000 ordinary shares at par value of 100 Baht per share. All shares are fully paid-up. PTEC engages in retail business of distributing high-speed diesel B5 ("Pure B5"), Benzene 91 and Gasohol 95 through "PURE" service stations. As of 31 December 2009, PTEC operated 78 PURE gas stations nationwide, categorized into 2 types of operation: 1) Company operated stations, 2) Franchised stations and 3) Dealer

2) Pure Biodiesel Limited (PBC)

RPC holds 99.99% of shares in PBC. The registered capital of PBC is 280 million Baht, divided into 2,800,000 ordinary shares at par value of 100 Baht per share. All shares are fully paid-up. The objective of PBC is to produce bio-diesel (B100) from domestic palm oil. Its production capacity is 300,000 liters per day or 100,000 tons per year. Its product will be mixed with diesel to be Diesel B3 and Diesel B5 which are renewable energy according to the government's policy. In addition, it also produces glycerin of 10,000 tons per year, which can be used as a raw material in cosmetics and medical supplies. PBC obtains a BOI Promotion Certificate by which it receives an 8-year corporate income tax exemption.

The construction of the production plant was completed in 2008 and the certificate for distribution and stocking of fatty acid methyl ester bio-diesel was granted by the Department of Energy on 30 December 2008. PBC began its production and distribution in January 2009.



3) SCT Petroleum Co.,Ltd. (SCT)

RPC holds 99.99% of shares in SCT. The registered capital of SCT is 10 million Baht, divided into 2,000,000 ordinary shares at par value of 5 Baht per share, and all shares are fully paid up. SCT operates as an oil wholesale trader or jobber and trades all kinds of petrol products with major and minor dealers nationwide. The products traded are, for example, high-speed diesel, Diesel B5, Benzene 91, Gasohol 95, and fuel oil. The subsidiaries of SCT are as follows:

Names	Business Type	Shareholding Ratio by SCT (Percentage)
1. Jaturatis Transport Co.,Ltd.	Oil Transportation	99.98
2. Mitsamphan Petroleum Co.,Ltd.	Oil Wholesale	99.86
3. Metro Petroleum Co.,Ltd.	Oil Wholesale	99.86
4. I-sanrungruang Petroleum Co.,Ltd.	Oil Wholesale	99.86
5. Buraparungrot Petroleum Co.,Ltd.	Oil Wholesale	99.86
6. Benja Petroleum Co.,Ltd.	Oil Wholesale	99.86
7. Jatuchak Oil Co.,Ltd.	Oil Wholesale	99.86

4) VTN-P Petrochemical Joint Venture Co.,Ltd. (VTN-P)

RPC held 60% of shares in VTN-P. The registered capital of VTN-P is 3.5 million USD. All shares are fully paid-up. VTN-P operates a small-scale petroleum and petrochemical factory with the production capacity of 2,500 barrels per day. The plant is located on the Mekong River bank in Can Tho city, south of Vietnam. This project has an aim to expand RPC's business opportunity to the overseas market. The project also obtained an investment license from Can Tho city of Vietnam for tax and business privileges. Approximately 294 million Baht invested was poured into the project. The plant construction and plant commissioning was completed.

In 2007, VTN-P sold all of its fixed assets and the right to use land for 8.35 million USD or approximately 285 million Baht. Currently, VTN-P is in the process of liquidation which is expected to be completed within February 2009.



5) Pure Sammakorn Development Co.,Ltd. (PSDC)

PSDC was founded on 25 May 2006. RPC holds 51% of the total shares of PSDC while Sammakorn Public Company Limited ("SAMCO") holds 49%. The registered capital of PSDC is 50 million Baht, divided into 500,000 ordinary shares at par value of 100 Baht per share, and all shares are fully paid up. On 24 February 2009, PSDC increased its registered capital to 225 million Baht with 225 million Baht paid-up. PSDC engages in the business of land development for rent, for example, department stores, building office, apartment or hotel etc. PSDC completed in its first project on Rungsit-Klong 2 Road, called "Pure Place". Pure Place is a community shopping center that also accommodates "PURE" gas station. Pure Place was opened for operation on 8 June 2007. PSDC expanded its project to Ramkhamhaeng 110 (Sukhapiban 3), which involves the construction of a modern shopping malls under the concept of "Modern life near your home". The name of the mall is "Pure Place Lifestyle Mall". The project involves approximately 350 million Baht investment. At present, the project is opened for operation on 10 October 2010. PSDC is studying the possibility of the new projects, for example, the project on Ratchaphruek etc.

6) SCT Sahaphan Co., Ltd. (SAP)

RPC holds 51% of the total shares in SAP, being 1.53 million Baht. There was an increase of the registered capital from 3 million Baht to 5 million Baht by issuing new ordinary shares of 20,000 shares at par value of 100 Baht. Such new ordinary shares were subscribed by existing shareholders in proportion to their shareholding at 125 Baht per share. SAP conducts the business of sale of gas station equipment and repairing service. In March 2010, RPC purchased 25,500 shares of SAP from Pure Thai Energy Co., Ltd. at the price of 2.81 million Baht. Thus, RPC holds 51% of the total shares in SAP. There was an increase of the registered capital from 5 million Baht to 20 million Baht by issuing new ordinary shares of 150,000 shares at par value of 100 Baht per share. RPC bought the newly issued shares from the minority shareholders who waived their rights in subscribing for those newly issued shares. Thus, RPC holds 78% of the total shares in SAP. The increase of the registered capital was registered at the Ministry of Commerce on 12 April 2010.

7) Thai Good Petroleum Co., Ltd.

This is a joint venture company incorporated on 20 October 2009 with the registered capital of 300,000 USD. RPC holds 31.67 of the total shares, which have been fully paid-up. Such joint venture company conducts the business of selling engine lubricant product in China, Hong Kong and Macau.

8) RPC Energy Co., Ltd.

On 11 August 2010 the Board of Directors passed the resolution to establish RPC Energy Co., Ltd. This company is a joint venture company between RPC and Renewable Energy Co., Ltd., which is an expert in construction of power plant. The joint venture company will start with the registered capital of 125 million Baht, divided into 1.25 million ordinary shares at par value of 100 Baht per share. RPC will hold 70% of the registered capital. Such joint venture company will conduct the renewable energy business. As of 31 August 2010, the joint venture company is in the process of incorporation.



Revenue Structure

The revenues of PRC and its subsidiary firms as of 31st December, 2010 are as follows:

Sales values of PRC and its subsidiary firms

Products	2008		2009		2010	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Domestic						
High-Speed Diesel	12,906.54	57.34	10,479.62	68.24	12,089.24	61.85
Fuel Oil	90.94	0.40	-	-	0.97	-
Biodesel	-	-	595.36	3.88	578.41	2.96
Chemicals	336.04	1.49	299.96	1.95	466.94	2.39
Benzene 91	1,846.34	8.20	1,639.62	10.68	2,299.32	11.76
Benzene 95	4.56	0.02	-	-	16.37	0.08
Gasohol	611.69	2.72	780.58	5.08	928.99	4.75
Other Petroleum Products	-	-	10.30	0.07	40.58	0.21
Total Domestic Sale Values	15,796.11	70.18	13,805.43	89.90	16,420.82	84.20
Exports						
High-Speed Diesel	3,931.15	17.47	941.04	6.13	2,024.77	10.36
Chemicals	2,773.68	12.32	590.75	3.85	1,074.91	5.5
Others	3.47	0.02	17.39	0.11	20.97	0.11
Total International Sale Values	6,708.30	29.81	1,549.18	10.09	3,120.65	15.97
Income of Transportation and other products	73.76	0.01	109.35	0.01	169.57	0.02
Grand Total	22,578.17	100.00	15,3463.95	100.00	19,711.04	100.00

Sales volumes of RPC and its subsidiary firms

Products	2008		2009		2010	
	Million liter	Percent	Million liter	Percent	Million liter	Percent
Domestic						
High-Speed Diesel	482.68	56.78	507.47	67.63	483.23	59.75
Fuel Oil	5.76	0.68	-	-	-	-
Biodesel	-	-	22.80	3.04	18.95	2.34
Chemicals	13.30	1.57	18.83	2.51	24.33	3.01
Benzene 91	60.74	7.15	57.46	7.66	69.99	8.65
Benzene 95	0.15	0.02	-	-	-	-
Gasohol	24.16	2.84	31.37	4.17	31.03	3.84
Other Petroleum Products	-	-	0.89	0.12	2.04	0.25
Total Domestic Sale Values	586.80	69.03	638.82	85.13	629.57	77.84
Exports						
High-Speed Diesel	148.72	17.50	65.37	8.71	115.23	14.25
Chemicals	114.53	13.47	43.69	5.82	61.53	7.61
Others	-	-	2.52	0.34	2.48	0.30
Total International Sale Values	263.25	30.97	111.58	14.87	179.24	22.16
Grand Total	850.06	100.00	750.64	100.00	808.81	100.00



Risk Factors

While operating in business, the Company has to encounter with numerous kinds of risks. Hence, it needs to initiate a concrete plan to deal with those risks as following:

Risk associated with refinery process:

This type of risk concerns the mechanical break-down that may disrupt the production process. To restart the machine inevitably incurs energy costs, as well as opportunity costs.

To handle this risk factor, the Company has conducted the following procedures:

- Put more raw materials on reserve. In this regard, the Company's maximum production capacity that is still higher than actual production, along with oil reserves in 4 depots, renders the Company the capability to have products readily available for sales for more than 10 days.
- Capable of increasing production capacity to its full extent in order to make up for the opportunity loss due to disrupted production that might happen because of the mechanical breakdown. In addition, reserves in oil depots are readily available for being used in the production process.
- The distillation process is being monitored 24 hours a day by skilled and experienced engineering teams utilizing the Distribution Control System. This system is capable of monitoring the distillation process accurately and efficiently.
- The computerized Process Simulation program is being used to ensure efficiency and energy saving, as well as to generate the required quantity and quality of products.
- Products are being controlled with the 'Material Balance' program, so that any changes regarding the volumes of raw material and products are made available.
- The 'Cedar' program is used to keep records of regular checking and maintenance, in accordance with the policy of continuous and proactive machine maintenance.

Outcomes

- Throughout 2005, only 4 hours of unplanned shut down took place while none occurred in 2007 and 2008.
- The Company was awarded with ISO 9002 quality standard in 2000.
- The Company was assured of quality production process by Bureau Veritas Quality International (BVQI), the worldwide renowned assurance institute.
- The Company was awarded with ISO 9001 Version 2000 quality standard in 2005 and ISO 9001 Version 2004 in 2006—the most updated quality management assurance of the worldwide renowned SGS.



Risk associated with main raw material procurement:

The Company purchases its main raw material, Condensate Residue (CR), from Thai Aromatics Public Company Limited (ATC) via PTT Public Company Limited. The CR is transferred to the Company through the 3.0 km long pipeline. Hence, any disruption to ATC's production process due to the maintenance process or other problems, or any damage to the CR pipeline, will halt the transfer of CR to the Company, and hence directly affect its production process.

To handle this risk factor, the Company has conducted the following procedures:

- Cooperate with ATC on the regular basis, so that the Company, once being notified six months in advance about ATC's maintenance plan, can formulate its plan for oil reserve and for the annual maintenance accordingly. In this regard, ATC has already set up CR reserves before maintenance shutdown to provide adequate quantity of CR to the Company.
- In case that ATC is incapable of providing CR to the Company for a long period of time, the Company may purchase finished products from other refineries or oil traders, for selling to the customers. The Company will nevertheless receive lower profit margin than usual.
- Conducting regular check-ups and maintenance of CR pipeline.
- A system of CR management being formulated, with the capacity of reserving raw materials sufficient for 10 days non-stop production.
- Attempting to reduce dependency on one main raw material, and currently being in the negotiation process to procure crude oil from other domestic and international sources
- Negotiating to get compensation when the Company receives CR of lower quality standard and specifications. This incident took place during the third quarter of 2006, incurring higher costs of product quality readjustment and other kinds of losses. The Company later cooperated with ATC to help prevent the occurrence of the similar incident in the future. As a result, throughout 2007, the Company received CR with the quality and specification as declared in the contract.

Risk associated with the agreement for purchase & sale of Condensate Residue:

This type of risk occurs when the demand in the Company's products is lower than the amount of purchased CR specified in the contract. This will subsequently result in excess CR or excess finished products, and later increasing the Company's storage cost for these excesses.

On 8th August, 1995, the Company signed the 15-year Agreement for Purchase & Sales of Condensate Residue with PTT starting from the commercial operation date on 1st February, 1997. This agreement binds the Company to purchase all of the CR produced by ATC in the amount of not exceeding 585,000 tons per year (approximately 12,600 barrels per day). On the contrary, the Company has no long-term selling contracts with any specific distributors even though the demand of the Company's products has so far been satisfactorily abundant with no excess left each year.



To handle this risk factor, the Company has conducted the following procedures:

- The Company is still capable of expanding its market shares if adequate quantities of products are made available. At present, the Company has only 3% of diesel market share, and the demand of high-speed diesel which is the Company's primary product, is still in the continuous growth.
- The Company is planning on enlarging its customer base through the available wholesale, retail, and industrial distribution channels.

Risk from having a sole provider of raw material:

This type of risk originates from the possibility that PTT may terminate the contract after the due date in 2012. The Company signed the 15-year Agreement for Purchase & Sales of CR with PTT solely, and after the duration of 15 year, the contract shall continue thereafter on an evergreen basis with one-year time written notice of termination by either party.

However, the Company believes that the long-term contract will be renewed due to their mutual positive relationship. During 2006-2007, the Company signed a contract to periodically purchase CR in order to augment its overall production capacity.

To handle this risk factor, the Company has conducted the following procedures:

- Attempting to secure raw materials from other sources, so as to reduce its sole dependency on PTT
- Attempting to find alternative raw materials to substitute CR. In 2003 and 2005, the Company tried using crude oil from domestic resources in the distillation process, to find out that the existing refining facility could accommodate this raw material with some minor adjustments.

Risk associated with price fluctuation of raw material

The Company has rather low risk concerning fluctuated price of raw materials. This is due to the fact that CR price is based on the refined oil price in Singapore market or Mean of Platt's Singapore (MOPS) of 4 products: Naphtha, Kerosene, Gas Oil and Fuel Oil. The Company's raw material cost structure is then different from other refineries, of which raw material costs are based on the world's crude oil price.

However, the Company's sale revenues depend on ex-refinery price in local market, which is also based on the refined oil price of Singapore market. With the same structure of sale revenues and raw material costs, its gross refinery margin is quite stable and has low fluctuation. This is another point that makes the Company differ from other refineries, of which gross refinery margins are in high fluctuation according to price uncertainty of the world's crude and refined oil prompted by uncontrollable external factors.



Risk associated with price fluctuation of refined oil

Even though the Company's sale revenues and raw material cost structure are based on the refined oil prices in Singapore's spot market, the Companies still carries risk concerning the fluctuation of refined oil prices in Singapore and world markets, caused primarily by uncontrollable external factors as following:

- Changes of the world's economic and political situations, as well as those in the regions where national gas and crude oil are produced, particularly in the Middle-East
- Determining and maintaining quota in natural gas and crude oil production by the Organization of Petroleum Exporting Countries (OPEC) and other petroleum producing countries
- Demand and supply of natural gas, crude oil and finished petroleum products both globally and regionally
- Government's related rules and regulations in the domestic and international levels
- Weather conditions
- Global economic circumstances

The important risk occurring from the fluctuation of oil prices is depreciation of gross margin. Raw material price moves according to the monthly average price of MOPS (Mean of Platt's Singapore) of 4 products comprising Naphtha, Kerosene, Gas Oil and Fuel Oil, and varies proportionately at the delivery date in Singapore's spot market. The Company's selling prices, however, are based on those listed in the domestic market, which is determined by the average price at MOPS at the date of products sold. The average price of MOPS may change during the lapse time of the date of raw material delivered and date of products sold. This eventually results in the fluctuation in gross margin.

To reduce the risk of price movements on revenue and cost, the Company has been monitoring and managing the production time so that the interval period between the raw material delivery and product sales is minimized. At present, the lapse time is less than 3 days or equivalent to the amount of not more than 5 million litres of refined oil.

Risk associated with Government's intervention on price

This risk basically stems from the possibility that the government may have to intervene to determine the finished oil price within the country, especially during the skyrocketing price of crude and finished oils in the world market. This is an effort to control inflation rate for the nations' benefit as a whole. However, this intervention may negatively affect the Company's business operation and financial status.

However, the Company does not perceive high impact from the government's intervention. This is due to the fact that the intervention measure is usually conducted on the short-term basis so as to alleviate hardship during the period of skyrocketing global oil price. Moreover, while setting the low price for consumers, the government actually reimburses the refinery business for any lost revenues resulting from the intervention. Therefore, the Company's gross refinery margin was not affected. Moreover, the Company has put an incessant endeavor to manage its inventory so as to reduce the said impact on the Company as much as possible.



Risk associated with safety concern and dangers arising from potential accidents or unprecedented events

This risk concerns potential mistakes or accidents that may take place in, and cause tremendous loss to, the oil refinery plant and/or oil depots. In this instance, the surrounding communities will be inevitably and badly affected

To handle this risk factor, the Company has conducted the following procedures:

- Implementing a modernized safety management system so as to reduce possibly incurred losses from accidental disasters
- Assessing potential risks in every spot that may cause damage to the Company's properties, as well as injury to the employees
- Installing fire prevention and extinguishing equipments with the standard approved by NFPA (National Fire Protection Association), U.S.A.
- Providing regular practical trainings on fire control and fire drills, as the preparation measure for dealing with emergency. Firefighters, equipments, and tools are made readily available for prompt usage. In this regard, the outcome of each fire drill is reported to the relevant provincial government agency.
- Closely cooperating with related outside organizations such as the Industrial Estate so as to build up confidence in the Company's effective and efficient fire-fighting facilities
- Operating Bio-aid and safety system

Outcome

- The Company received three certificates for safety system assurance—OHSAS18001, BS 8800 and TIS 18001 from SGS Company Limited.
- The Company was awarded with ISO 14001 for environment management system.
- The Company was awarded with ISO 9000 Version 2000 to replace ISO 9002 Version 199 which expired on 8th January, 2004, and further upgraded to ISO 9000 Version 2004 in 2006. Now The company received certificate ISO 9001:2008.

Risk associated with fluctuation of Baht Currency Denomination

This type of risk may occur due to the direct and indirect impacts of Baht currency fluctuation on the Company. This is due to the fact that, although the Company's main revenue and cost of raw material is in Baht currency, the refined oil price and the cost of CR are fluctuating with the global market prices. Additionally, the Company has also earned foreign currency from its exports.

To handle this risk, the Company puts efforts in the following procedures:

- The effect from the fluctuation of the exchange rate on revenue will partly be offset with the cost of CR, which is also subject to exchange rate fluctuation (natural hedging).
- To prevent risk from the fluctuation in exchange rate, the Company has a policy to enter into a forward contract for the net balance between account receivable and account payable that are in foreign currency. On 31st December, 2009.



Related Transaction

Related transactions of the Rayong Purifier Public Company Limited (the “Company”) and its Subsidiaries with the connected persons in 2009 and 2010 are as follows:

Related transactions between the Company and Jazzy Creation Co., Ltd. (“Jazzy”)

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2009	2010
The Company paid for printing and advertising.	Mr. Supapong Krishnakan, Chairman of the Executive Board and Director, and Mrs. Siraporn Krishnakan, Assistance Managing Director, are directors of Jazzy.	0.23	0.09

Related transactions of the Rayong Purifier Public Company Limited and its Subsidiaries with Petro-Instruments Co., Ltd. (“PICO”)

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2009	2010
The Company purchase equipments and consumable from PICO.	Mr. Satja Janetumnugul, Director, and Mr. Suthud Khancharoensuk, Director, are directors of PICO.	0.21	0.08
SCT Sahapan Co., Ltd. ; a subsidiary; receive payment from the construction of building extension and improvement, and radiation shielding projects.		-	15.04

Related transactions of the Rayong Purifier Public Company Limited and its Subsidiaries with Blue Planet Travel Agency Co., Ltd.

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2009	2010
The Company paid for business air-traveling expenses.	Mr. Bibit Bijaisoradat, Independent Director, is a Director of Blue Planet Travel Agency Co., Ltd..	0.65	0.63

Related transactions of the Company and its subsidiaries with Village Farm & Friend Co., Ltd. and Village Farm Marketing Co., Ltd.

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2009	2010
The Company paid entertainment fees to Village Farm Marketing Co., Ltd.	Mr. Viravat Cholvanich; Chairman of the Board of Directors; is a director of Village Farm & Friend Co., Ltd. and Village Farm Marketing Co., Ltd.	0.66	0.20
Pure Sammakorn Development Co., Ltd.; a subsidiary; received rental and service fee from Village Farm & Friend Co., Ltd.		-	0.06
Pure Sammakorn Development Co., Ltd. paid entertainment fees and decoration items to Village Farm Marketing Co., Ltd.		-	0.01

Related transactions of the Company's subsidiaries with Pure Sammakorn Public Company Limited.

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2009	2010
Pure Sammakorn Development Co., Ltd.; a subsidiary; paid land rental fee and electricity to Pure Sammakorn PCL.	Mr. Bibit Bijaisoradat, Independent Director, is a director of Pure Sammakorn PCL.	2.21	2.20
Pure Thai Energy Co., Ltd. ("PTEC"); a subsidiary; paid return of joint venture to Pure Sammakorn PCL.		0.51	0.53
SCT Sahapan Co., Ltd., a subsidiary, paid office rental fee to Sammakorn PCL.		0.06	0.03
SCT Sahapan Co., Ltd.; a subsidiary of PTEC; received payment for tank and piping works from Sammakorn PCL.			1.77

Related transactions of the Company's subsidiaries, directors, and connected persons.

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2009	2010
Pure Biodiesel Co., Ltd.; a subsidiary; paid interest from received financial assistance in the form of promissory notes (P/N) to directors, managements, and connected persons as follows.			
P/N with interest rate of 5.0%	Sister of Mr. Suwinai Suwanhirunkul, Director and Managing Director	0.10	0.09
P/N with interest rate of 5.0%	Family of Mr. Satja Janetumnugul, Director	0.82	0.41
P/N with interest rate of 5.0%	Wife of Mr. Arnooparp Charmikorn, Independent Director	0.47	0.21

Related transactions of the Company's subsidiaries, directors, managements, and connected persons.

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2009	2010
SCT Sahapan Co., Ltd.; a subsidiary; paid interest from received financial assistance in the form of promissory notes (P/N) to directors; managements; and connected persons as follows.		2552	
P/N with interest rate of 4.50%	Mrs. Siraporn Krishnakan, Assistance Managing Director	0.04	0.01

Related transactions of the Company, its directors, and connected persons.

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2009	2010
The Company paid interest from received financial assistance in the form of promissory notes (P/N) and loan agreements from directors, managements, and connected persons as follows.			
P/N and loan agreements with interest rate of 5.75%	Family of Mr. Suwinai Suwanhirunkul, Director and Managing Director	-	0.88
P/N and loan agreements with interest rate of 5.25% and 5.75%	Family of related companies and Mr. Satja Janetumnugul, Director	-	4.00
P/N and loan agreements with interest rate of 5.25% and 5.75%	Mr. Sumit Chanmatee, Director, and children	-	1.78
loan agreements with interest rate of 5.75%	Mr. Tawat Ungsuprasert, Director	-	0.004
loan agreements with interest rate of 5.75%	Wife of Mr. Suthud Khancharoensuk, Director	-	0.001
loan agreements with interest rate of 5.75%	Family of Mr. Arnooparp Charmikorn, Independent Director	-	0.45
P/N with interest rate of 5.75%	Related companies of Mr. Bibit Bijaisorad, Independent Director	-	0.75

Management's Analytical Report

In 2010, the global economic crisis showed the sign of recovery, resulting in the oil price having a potential to increase and fluctuate.

According to the Operating Results in 2010 Rayong Purifier Public Company Limited (the "Company") and its subsidiaries have the Net Profit of 333 million Baht. Earning per Share is 0.69 Baht per share. The operating results increase to 837 million Baht or 166% , comparing to the Net Loss in the previous year of 504 million Baht or 1.01 Baht per share.

This year the Company and its subsidiaries have the Total Income of 15,461 million Baht, decreasing by 7,117 million Baht or 32% , comparing to the Total Income of the previous year of 22,578 million Baht. This is because the oil price has reduced greatly from the economic crisis, resulting in the average price of gas oil in 2009 being 69.13 USD/BBL, comparing to the average price of gas oil in the previous year of 120.24 USD/BBL. However, the sale volume of this year decreases to 750 million liters from 850 million liters in the previous year.

The Selling and Administration Expenses in 2009 decreases by 71 million Baht or 14% , comparing to the previous year. This is because all staffs have cooperated to reduce expenses and the transportation costs were reduced. The Interest Expense decreases by 8 million Baht or 12%, comparing to the previous year. This is because the utilization of Working Capital was decreased and the Interest Rate for Short-Term Loan was decreased.

According to the financial status of the Company and its subsidiaries as at 31 December 2009, the Company and its subsidiaries have the Total Assets of 3,713 million Baht, the Total Liabilities of 2,573 million Baht and the Total Shareholders' Equity of 1,140 million Baht.





Statement of Board of Directors' Opinion on Financial Statement

The Board of Directors is responsible for the financial statement and information of Rayong Purifier Public Co.,Ltd. and its subsidiaries as appeared in the annual report. The financial statement was prepared according to the generally accepted accounting standards using appropriate accounting policies with consistent practices. The judgment thereof was exercised cautiously with the best applicable estimates and adequate disclosure of important information in the financial remarks.

The Board of Directors has provided and maintained the efficient internal control system, to assure that the accounting records be thorough, accurate, and adequate to keep all assets, and to be notified of possible weaknesses to assure that the financial statements are free of material misstatements.

In this aspect, the Board of Directors has authorized the Audit Committee comprising non-executive committees to supervise the quality of financial statement, and the internal control system. Their opinion thereof appears in the report of Audit Committee.

The Board of Directors perceived that the Company's overall internal control system is in the acceptable and reliable level as appearing in the financial statement of the Company and its subsidiaries as of 31st December, 2010.

A handwritten signature in blue ink, consisting of stylized letters, is positioned above the printed name.

Mr. Satja Janetumnugul

Chairman of the Board of Directors



Audit Committee Report



To the shareholders of Rayong Purifier Plc

The Audit Committee (the “Committee”) performed its duties in accordance with the scope of duties and responsibilities set forth in the Audit Committee Charter, which complies with the regulations of The Stock Exchange of Thailand and authorized by the Board of Directors (the “Board”).

For the accounting period of 2010, the Committee has performed its duties independently. The Committee met five times during the year with the management, external auditor, and internal auditor as appropriate to discuss the following issues:

1. Financial Statement and accounting practice according to the International Accounting Standards: The Committee reviewed Rayong Purifier Public Company Limited’s (the “Company”) quarterly and yearly financial statements for the accounting period of 2010 with management and external auditor. The Committee reviewed the opinion of the external auditor on the Company’s financial statements and the disclosure of essential information and concurred that the financial statements were prepared according to the generally accepted accounting principles, accurate, complete, and reliable and that the disclosure of essential information was adequate.

The Committee also met with the external auditors without the presense of the Company’s management to consider the system of internal controls and the 2011 external audit plan of the Company and its subsidiaries.

Furthermore, the Committee reviewed the progress of the compliance with the International Financial Reporting Standards (IFRS)—mandatory in 2011—of the Company and its subsidiaries; was satisfied with the progress and concluded that the Company and its subsidiaries were ready to use the IFRS.

2. Related Transactions: The Committee considered the disclosure of Related Transactions and other transactions that may cause a conflict of interest, which the external auditor had expressed an opinion that the Company’s transactions with related companies are disclosed in the Financial Statements and recorded in the notes to the Financial Statements. The Committee agreed with the opinion of the external auditor. Furthermore, the Committee expressed that the transactions were of sound business practices and for the best interest of the Company; and the disclosures were accurate, adequate, and in compliance with related laws and the regulations of the Stock Exchange of Thailand.



3. System of internal controls and independence of the internal audit function: The Committee reviewed the internal audit reports and the progress of the implementation of the approved Annual Audit Plan quarterly. Furthermore, the Committee advised the internal audit function to continue to perform effectively and efficiently, and diligently conducts follow-up reviews to ensure that material issues were corrected and the system of internal controls is adequate and effective. The Committee also reviewed the risk management policies and the progress of the management of risks and agreed that the risk management process was appropriate and effective, and that the internal audit function was adequately independent.

Furthermore, the Company put into effect the regulation on the Company's Information Security to increase the effectiveness of its information technology operations. The regulation complied with ISO/IEC 27002:2005 standards.

4. Compliance with applicable laws and regulations: The Committee reviewed the compliance with the Securities and Exchange Acts, the regulations of the Stock Exchange of Thailand (SET), and other laws relevant to the business practices of the Company. The Committee concluded that the Company's operation complied with all applicable laws and regulations and no issue existed.

5. Appointment of the external auditors and their remuneration: The Committee considered that the performance, the reputation, the scope of work, and the independency of the external auditors of the previous year to be appropriate. For the year 2011, the Committee recommended that the Board propose to the Shareholders, the appointment of the auditors from ERNST & YOUNG to serve as the Company's external auditor for the year 2011 with the same compensation.

6. Good Corporate Governance: The Company recognized the importance of and continued to operate within the Good Corporate Governance principles. The Committee ensured that the Company accurately and adequately disclosed relevant information and promoted good corporate governance, transparency, and ethics; thus creating confidence among of shareholders, investors, employees and other parties. The Committee also reviewed the method of reporting the interest of the Company's directors and management in accordance with the Securities and Exchange Act.

In summary, the Committee has performed duties as described in the Audit Committee Charter which was approved by the Board. Furthermore, the Committee considered that the Company recognized the importance of good corporate governance which resulted in adequate and effective system of internal controls without any defects; appropriate and effective risk management process; and the Company's Financial Statement and information disclosure were accurate, completed, and in accordance with generally accepted accounting principles. The Company accurately and completely disclosed information concerning related transactions that might lead to conflict of interest; and adhered to related laws, rules, regulations, and other related requirements.

On behalf of the Audit Committee


(Dr. Vichit Yamboonruang)

Chairman of the Audit

Committee Rayong Purifier Public Company Limited



Report of Independent Auditor

To the Shareholders of Rayong Purifier Public Company Limited

I have audited the accompanying consolidated balance sheets of Rayong Purifier Public Company Limited and its subsidiaries as at 31 December 2010 and 2009, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Rayong Purifier Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rayong Purifier Public Company Limited and its subsidiaries and of Rayong Purifier Public Company Limited as at 31 December 2010 and 2009, the results of their operations, and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the above financial statements, I draw attention to the matter as discussed in Note 39.4 a) to the financial statements. The Company is involved in a significant commercial dispute and outstanding litigation with a company and the related disputes are currently under legal and formal arbitration proceedings. Their outcomes cannot be determined and depend on the future judicial process.

Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited

Bangkok: 25 February 2011



Balance sheets

Rayong Purifier Public Company Limited and its subsidiaries Balance sheets

As at 31 December 2010 and 2009

(Unit: Baht)

		Consolidated financial statement		Separate financial statements	
	Note	2010	2009	2010	2009
Assets					
Current assets					
Cash and cash equivalents	6	203,383,398	474,573,333	64,568,882	323,335,873
Current investments - net	7	43,999,815	76,000,000	10,999,815	-
Trade accounts receivable - unrelated parties, net	8	613,640,904	140,337,465	415,370,095	16,616,761
Trade accounts receivable - related parties	8, 10	1,015,068	841,007	329,702,365	440,153,728
Amounts due from related parties	10	2,679,260	2,037,327	8,335,286	25,801,488
Inventories - net	11	1,381,469,327	1,045,622,714	1,186,720,351	891,035,485
Short-term loans to and interest receivable from unrelated party - net	12	-	-	-	-
Short-term loans to related parties	10	1,498,520	-	4,498,520	-
Current portion of long-term loan to unrelated party	13	433,147	500,000	-	-
Current portion of long-term loan to related party	10	408,815	-	408,815	-
Other current assets - net	14	199,906,619	231,944,842	104,952,167	160,947,407
Total current assets		2,448,434,873	1,971,856,688	2,125,556,296	1,857,890,742
Non-current assets					
Pledged deposits at banks	9	90,000,000	90,000,000	90,000,000	90,000,000
Advance to related party	10	-	30,000,000	-	30,000,000
Long-term loan to unrelated party	13	2,592,691	2,900,000	-	-
Long-term loan to related party	10	1,358,944	-	1,358,944	-
Investments in subsidiaries	15	-	-	520,598,064	391,380,564
Investments in an associate	16	2,569,030	2,488,476	3,174,900	3,174,900
Property, plant and equipment - net	17	1,755,664,765	1,553,277,757	661,429,045	710,756,130
Intangible assets - net	18	15,984,528	17,342,093	11,523,501	13,656,506
Other non-current assets - net	19	47,202,976	45,262,032	33,038,560	32,529,996
Total non-current assets		1,915,372,934	1,741,270,358	1,321,123,014	1,271,498,096
Total assets		4,363,807,807	3,713,127,046	3,446,679,310	3,129,388,838

The accompanying notes are an integral part of the financial statements.

Balance sheets (continued)

Rayong Purifier Public Company Limited and its subsidiaries Balance sheets (Continued)

As at 31 December 2010 and 2009

(Unit:Baht)

		Consolidated financial statement		Separate financial statements	
	Note	2010	2009	2010	2009
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	20	475,625,312	911,994,215	213,625,312	850,104,215
Trade accounts payable - unrelated parties		1,407,201,813	970,651,887	1,320,797,701	926,135,169
Trade accounts payable - related parties	10	544,464	10,274	46,475,734	53,396,959
Accounts payable - unrelated parties		48,959,600	51,675,943	13,895,075	18,067,503
Amounts due to related parties	10	831,786	50,277	10,256,362	13,712,440
Short-term loans from unrelated parties	21	2,590,000	82,515,000	1,000,000	1,000,000
Short-term loans from related parties	10	-	31,300,000	-	-
Current portion of long-term loans from banks	22	79,055,014	54,504,000	-	
Current portion of liabilities under finance leases	17, 23	25,581,099	12,412,533	2,118,114	1,525,707
Other current liabilities	24	168,805,036	169,964,297	109,332,413	136,837,924
Total current liabilities		2,209,194,124	2,285,078,426	1,717,500,711	2,000,779,917
Non-current liabilities					
Long-term loans from banks	22	278,578,900	228,803,978	-	-
Long-term loans from unrelated parties	25	24,000,000	-	24,000,000	-
Long-term loans from related parties	10	292,000,000	-	292,000,000	-
Liabilities under finance leases	17, 23	51,348,667	39,081,517	5,714,859	4,511,483
Cash placed against guarantee - related party	10	-	-	6,240,000	-
Rental deposits		37,933,560	20,469,894	-	-
Total non-current liabilities		683,861,127	288,355,389	327,954,859	4,511,483
Total liabilities		2,893,055,251	2,573,433,815	2,045,455,570	2,005,291,400

The accompanying notes are an integral part of the financial statements.





Balance sheets

Rayong Purifier Public Company Limited and its subsidiaries Balance sheets (Continued)

As at 31 December 2010 and 2009

(Unit: Baht)

		Consolidated financial statement		Separate financial statements	
	Note	2010	2009	2010	2009
Shareholders' equity					
Share capital	26				
Registered					
802,870,229 ordinary shares of Baht 1 each					
(2009 : 529,870,229 ordinary shares of Baht 1 each)		802,870,229	529,870,229	802,870,229	529,870,229
Issued and paid-up					
529,870,229 ordinary shares of Baht 1 each		529,870,229	529,870,229	529,870,229	529,870,229
Premium on ordinary shares		335,065,699	335,065,699	335,065,699	335,065,699
Unrealised gain					
Revaluation surplus on assets	27	216,412,541	237,734,952	216,412,541	237,734,952
Translation adjustment		1,477,378	-	-	-
Retained earnings					
Appropriated					
Statutory reserve - the Company	28	53,004,817	53,004,817	53,004,817	53,004,817
- the subsidiary	28	50,000	-	-	-
Treasury stock reserve	29	-	220,549,808	-	220,549,808
Retained earnings (deficit)		242,459,698	(49,565,860)	266,870,454	(31,578,259)
Equity attributable to the Company's shareholders		1,378,340,362	1,326,659,645	1,401,223,740	1,344,647,246
Less : Treasury stock	30	-	(220,549,808)	-	(220,549,808)
Equity attributable to the Company's shareholders - net		1,378,340,362	1,106,109,837	1,401,223,740	1,124,097,438
Minority interest - equity attributable to minority shareholders of subsidiaries		92,412,194	33,583,394	-	-
Total shareholder's equity		1,470,752,556	1,139,693,231	1,401,223,740	1,124,097,438
Total liabilities and shareholder's equity		4,363,807,807	3,713,127,046	3,446,679,310	3,129,388,838

The accompanying notes are an integral part of the financial statements.



Income statements

Rayong Purifier Public Company Limited and its subsidiaries Income statements

As at 31 December 2010 and 2009

(Unit: Baht)

		Consolidated financial statement		Separate financial statements	
	Note	2010	2009	2010	2009
Revenues					
Sales - net	31	19,544,492,930	15,356,838,565	15,787,560,694	12,818,686,147
Service income		166,551,011	107,112,014	-	-
Other income	32	32,889,866	20,134,391	116,435,387	154,962,989
Total revenues		19,743,933,807	15,484,084,970	15,903,996,081	12,973,649,136
Expenses					
Cost of sales		18,893,634,041	15,429,980,271	15,330,018,289	12,129,673,200
Cost of services		142,010,435	94,358,730	-	-
Selling expenses		103,008,633	110,548,624	150,450,677	201,379,009
Administrative expenses		287,542,771	306,172,810	145,688,044	189,641,453
Management benefit expenses		56,973,644	34,267,008	40,213,997	34,267,008
Total expenses		19,483,169,524	15,966,345,424	15,521,007,010	12,554,960,670
Income before share of loss from investment in an associate, finance cost and corporate income tax		260,764,283	395,739,771	237,625,074	418,688,466
Share of loss from investment in an associate	16	(1,396,824)	(686,424)	-	-
Income before finance cost and corporate income tax		259,367,459	395,053,347	237,625,074	418,688,466
Finance cost		(54,127,292)	(60,252,984)	(31,708,869)	(41,912,104)
Income before corporate income tax		205,240,167	334,800,363	205,916,205	376,776,362
Corporate income tax	34	(9,188,533)	(5,666,549)	-	-
Net income for the year		196,051,634	329,133,814	205,916,205	376,776,362
Net income (loss) attributable to :					
Equity holders of the parent		199,543,050	333,195,279	205,916,205	376,776,362
Minority interests of the subsidiaries		(3,491,416)	(4,061,465)		
		196,051,634	329,133,814		
Basic earnings per share	35				
Net income attributable to equity holders of the parent		0.40	0.69	0.42	0.78
Weighted average number of ordinary shares (shares)		495,191,955	483,163,329	495,191,955	483,163,329

The accompanying notes are an integral part of the financial statements.



(Unit : Baht)

accompanying notes are an integral part of the financial statements.



Rayong Purifier Public Company Limited and its subsidiaries Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2010 and 2009

(Unit : Baht)

	note	Separate financial statements							
		Issued and paid-up share capital	Premium on ordinary shares	Revaluation surplus on assets	Retained earnings		Treasury stock	Total	
					Appropriated	Unappropriated (deficit)			
					Statutory reserve	Treasury stock reserve			
Balance as at 31 December 2008		529,870,229	335,065,699	259,057,363	53,004,817	220,549,808	(429,677,032)	(220,549,808)	747,321,076
Income and expenses recognised directly in equity :									
Amortisation of revaluation surplus on assets	27	-	-	(21,322,411)	-	-	21,322,411	-	-
Net income and expenses recognised directly in equity		-	-	(21,322,411)	-	-	21,322,411	-	-
Net income for the year		-	-	-	-	-	376,776,362	-	376,776,362
Total income and expenses for the year		-	-	(21,322,411)	-	-	398,098,773	-	376,776,362
Balance as at 31 December 2009		529,870,229	335,065,699	237,734,952	53,004,817	220,549,808	(31,576,259)	(220,549,808)	1,124,097,438
Balance as at 31 December 2009		529,870,229	335,065,699	237,734,952	53,004,817	220,549,808	(31,578,259)	(220,549,808)	1,124,097,438
Income and expenses recognised directly in equity :									
Amortisation of revaluation surplus on assets	27	-	-	(21,322,411)	-	-	21,322,411	-	-
Net income and expenses recognised directly in equity		-	-	(21,322,411)	-	-	21,322,411	-	-
Net income for the year		-	-	-	-	-	205,916,205	-	205,916,205
Total income and expenses for the year		-	-	(21,322,411)	-	-	227,238,616	-	205,916,205
Dividend paid	38	-	-	-	-	-	(42,378,138)	-	(42,378,138)
Adjustment of treasury stock reserve	30	-	-	-	-	(220,549,808)	220,549,808	-	-
Disposals of treasury stock	30	-	-	-	-	-	(106,961,573)	220,549,808	113,588,235
Balance as at 31 December 2010		529,870,229	335,065,699	216,412,541	53,004,817	-	266,870,454	-	1,401,223,740

The accompanying notes are an integral part of the financial statements.



Statements of cash flows

Rayong Purifier Public Company Limited and its subsidiaries Statements of cash flows
For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statement		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Net income before tax	205,240,167	334,800,363	205,916,205	376,776,362
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities :				
Depreciation and amortisation	166,841,080	145,065,951	64,123,382	59,947,495
Bad debts and allowance for doubtful accounts	91,473	1,541,253	206,799	2,633,075
Allowance for diminution in value of inventories (reversal)	279,591	(15,645,158)	-	(15,226,833)
Gains on sales of current investments	(262,445)	(123,662)	(88,238)	-
Loss on the change in value of current investments	185	-	185	-
Reversal of impairment of investment in subsidiary	-	-	-	(40,484,114)
Gains on sales of equipment and intangible asset	(905,977)	(3,220,407)	(852,542)	(1,155,560)
Unrealised exchange gain	(1,409,838)	-	(1,409,838)	-
Interest income	(1,862,541)	(2,408,536)	(3,532,984)	(6,390,608)
Interest expense	50,717,850	53,941,104	29,009,256	36,788,248
Share of loss from investment in an associate	1,396,824	686,424	-	-
Dividend income from subsidiary	-	-	(46,499,907)	-
Income from operating activities before changes in operating assets and liabilities	420,126,369	514,637,332	246,872,318	412,888,065
Operating assets (increase) decrease				
Trade accounts receivable - unrelated parties	(472,854,266)	(15,224,115)	(398,419,487)	33,124,826
Trade accounts receivable - related parties	(174,061)	(387,421)	110,451,363	(130,534,304)
Amounts due from related parties	(641,933)	(4,117,952)	17,466,202	(11,362,538)
Inventories	(336,126,204)	(245,856,982)	(295,684,866)	(173,309,727)
Other current assets	36,159,462	75,583,894	59,900,001	68,411,610
Other non-current assets	(1,940,944)	(5,040,192)	(508,564)	505,355

The accompanying notes are an integral part of the financial statement

Statements of cash flows (continued)

Rayong Purifier Public Company Limited and its subsidiaries Statements of cash flows

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statement		Separate financial statements	
	2010	2009	2010	2009
Operating liabilities increase (decrease)				
Trade accounts payable - unrelated parties	436,549,926	403,926,441	394,662,532	382,865,954
Trade accounts payable - related parties	534,190	(631,451)	(6,921,225)	41,773,255
Accounts payable - unrelated parties	5,077,948	960,508	(4,172,428)	(2,360,849)
Amounts due to related parties	781,509	(10,216,766)	(3,456,078)	(12,036,198)
Other current liabilities	286,420	74,885,957	(24,687,805)	69,829,402
Other non-current liabilities	17,463,666	6,735,153	-	-
Cash from operating activities	105,242,082	795,254,406	95,501,963	679,794,851
Cash paid for interest expenses	(32,345,950)	(43,488,478)	(31,826,962)	(35,369,068)
Cash received from corporate income tax refunded	-	94,693,302	-	94,693,302
Cash paid for corporate income tax	(10,976,136)	(12,867,056)	(3,150,675)	(5,025,963)
Net cash from operating activities	61,919,996	833,592,174	60,524,326	734,093,122
Cash flows from investing activities				
Decrease in pledged deposits at banks	-	30,000,000	-	30,000,000
Interest income	1,977,647	4,504,161	3,648,090	9,279,987
Dividend received from a subsidiary	-	-	46,499,907	-
Cash paid for purchases of current investments	(1,551,100,000)	(644,000,000)	(549,000,000)	-
Proceeds from sales of current investments	1,583,362,445	568,123,662	538,088,238	-
Net cash paid for acquisitions of investments in subsidiaries (Note 15)	-	-	(129,217,500)	(105,882,499)
Cash paid for acquisition of investment in an associate	-	(3,174,900)	-	(3,174,900)
Increase in short-term loans to unrelated party	-	(2,633,075)	-	(2,633,075)
Decrease (increase) in short-term loans to related parties	(1,498,520)	-	(4,498,520)	85,981,500
Cash received from advance to related party	30,000,000	-	30,000,000	-
Decrease (increase) in long-term loan to unrelated party	374,162	(3,400,000)	-	-
Increase in long-term loan to related party	(1,767,759)	-	(1,767,759)	-
Proceeds from sales of equipment	1,590,958	6,027,158	1,315,040	2,634,582
Acquisitions of property, plant and equipment	(330,281,866)	(174,278,184)	(8,781,890)	(31,499,218)
Proceeds from sales of intangible assets	-	-	-	788,550
Acquisitions of intangible assets	(1,391,492)	(4,161,636)	(121,589)	(1,113,144)
Net cash used in investing activities	(268,734,425)	(222,992,814)	(73,835,983)	(15,618,217)

The accompanying notes are an integral part of the financial statement



Statements of cash flows (continued)

Rayong Purifier Public Company Limited and its subsidiaries Statements of cash flows
For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statement		Separate financial statements	
	2010	2009	2010	2009
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from banks	(436,368,903)	(219,913,312)	(636,478,903)	(273,584,173)
Increase (decrease) in short-term loans from unrelated parties	(79,925,000)	12,281,500	-	-
Increase (decrease) in short-term loans from related parties	(31,300,000)	31,300,000	-	-
Cash receipt from long-term loans from banks	128,829,936	118,903,309	-	-
Repayment of long-term loans from banks	(54,504,000)	(163,504,000)	-	(120,000,000)
Increase in long-term loans from unrelated parties	24,000,000	-	24,000,000	-
Increase (decrease) in long-term loans from related parties	292,000,000	(9,000,000)	292,000,000	-
Repayment of liabilities under finance leases	(19,240,721)	(9,326,589)	(2,426,528)	(1,239,058)
Increase in cash placed against guarantee-related party	-	-	6,240,000	-
Net cash receipt from disposals of treasury stock	113,588,235	-	113,588,235	-
Capital increase of minority shareholders of subsidiaries	62,832,501	24,874,781	-	-
Dividend paid to shareholders by the Company	(42,378,138)	-	(42,378,138)	-
Dividend paid to minority interest by subsidiaries	(512,285)	-	-	-
Cash paid for interest expense	(21,397,131)	(13,311,189)	-	(2,808,822)
Net cash used in financing activities	(64,375,506)	(227,695,500)	(245,455,334)	(397,632,053)
Net increase (decrease) in cash and cash equivalents	(271,189,935)	382,903,860	(258,766,991)	320,842,852
Cash and cash equivalents at beginning of year	474,573,333	91,669,473	323,335,873	2,493,021
Cash and cash equivalents at end of year	203,383,398	474,573,333	64,568,882	323,335,873
Supplemental cash flows information :				
Non-cash transactions				
Decrease in accounts payable-unrelated parties				
from purchases of plant and equipment	(7,794,291)	(26,195,729)	-	-
Acquisitions of vehicles by finance leases	44,676,437	55,830,238	4,222,311	3,690,713
Amortisation of revaluation surplus on assets	21,322,411	21,322,411	21,322,411	21,322,411

The accompanying notes are an integral part of the financial statement



Notes to consolidated financial statements

Rayong Purifier Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the years ended 31 December 2010 and 2009

1. General information

Rayong Purifier Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and trading of fuel oil and petrochemical products. The registered office, which is the head office, is located at 14th Floor, Shinawatra Tower 3, 1010 Vipavadi Rangsit Road, Khwang Chatuchak, Khet Chatuchak, Bangkok. The Company’s branch, which is the plant, is located at 7/3 Pakorn Songkrohrad Road, Map-ta-phut, Muang Rayong, Rayong. In addition, the Company has 4 branches, which are oil depots, in Nakhonsawan, Nakhonratchasima, Chonburi and Rayong province.

The Company’s major shareholder is Petro-Instrument Company Limited, a limited company under Thai laws, which as at 31 December 2010 held 29.87% of the issued and paid-up capital of the Company (2009: holding calculated before deducting treasury stock was 29.87%)

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543. The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements. The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Rayong Purifier Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”).

Company’s name	Nature of business	Place of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			2010	2009	2010	2009	2010	2009
Pure Biodiesel Co., Ltd.	Manufacture and distribution of biodiesel (B100) and crude glycerin	Thailand	100	100	16.8	16.8	3.3	4.1
Pure Sammakorn Development Co., Ltd.	Real estate rental and service	Thailand	51	51	9.7	3.9	0.2	0.1
Pure Thai Energy Co., Ltd.	Trading of fuel oil	Thailand	100	100	7.4	11.7	20.2	22.5
SCT Petroleum Co., Ltd. and its subsidiaries	Trading of fuel oil	Thailand	100	100	6.4	6.8	40.1	38.9
SCT Sahaphan Co. Ltd.	Distribution and maintenance of gas station equipment	Thailand	78	-	1.0	-	0.4	-

- b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- e) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.
- f) On 1 March 2010, the Company purchased 25,500 shares (par value of Baht 100 per share) of SCT Sahaphan Co., Ltd. (SAP), equivalent to a 51% of total shares, from Pure Thai Energy Co., Ltd., a 100% held subsidiary of the Company, at a price of Baht 110 per share, or for a total of Baht 2.81 million. The purchase of the Company's investment was approved by the meeting of the Company's Board of Directors held on 18 February 2010. In April 2010, the Company purchased 130,500 additional issued shares of SAP at a price of Baht 100 per share, or for a total of Baht 13.05 million. As a result the Company's holding in that subsidiary increased to 78%.

2.3 The separate financial statements, which present investments in subsidiaries and an associate presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

- a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies

TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

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

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted. At present, the management is evaluating the impact on the financial statements in the year when these standards are adopted.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.

TAS 40 (revised 2009) Investment Property

This accounting standard requires property held to earn rental or for capital appreciation to be classified as investment property and allows it to be presented using either a cost model (fair value is to be disclosed in the notes to financial statements) or a fair value model (changes in value are recognised in profit or loss).

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines.



TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance

This accounting standard requires an entity to recognise government grants, whether grants related to income or grants related to assets. It includes guidelines on presentation and disclosure.

4. Significant accounting policies

Revenue recognition

Sales of goods

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

Revenue from transportation service

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

Revenues from construction services

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

Revenues from rental and service

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

Management fee income

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

Interest income

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

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

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the income statement.
- b) Investments in associates are accounted for in the consolidated financial statements using the equity method.

- c) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

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

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

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

4.6 Property, plant and equipment and depreciation

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

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

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

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to equity under the heading of "Revaluation surplus on assets". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised as an expense in the income statement. However, a revaluation decrease is to be charged directly against the related "Revaluation surplus on assets" to the extent that the decrease does not exceed the amount held in the "Revaluation surplus on assets" in respect of those same assets. Any excess amount is to be recognised as an expense in the income statement.

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

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

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.7 Borrowing costs

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

4.8 Intangible assets and amortisation

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

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

The useful life of software is 5 and 10 years.

No amortisation is provided on software under installation.

4.9 Related party transactions

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

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

4.10 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

4.11 Treasury stock

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

4.12 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At each reporting date, the Company performs impairment reviews in respect of the property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

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

4.14 Employee benefits

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

4.15 Provisions

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

4.16 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

4.17 Derivatives

Forward exchange contracts

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

Forward contracts to purchase and sell crude oil and oil products

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

5. Significant accounting judgments and estimates

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

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

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

Fair value of financial instruments

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

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company and the subsidiaries' plant and equipment and to review estimate useful lives and salvage values when there are any changes.

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

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

Intangible assets

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

6. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash	22,759,845	21,485,813	314,476	558,923
Bank deposits	160,622,019	453,087,520	44,252,872	322,776,950
Bills of exchange	20,001,534	-	20,001,534	-
Total	203,383,398	474,573,333	64,568,882	323,335,873

As at 31 December 2010, bank deposits in savings accounts and bills of exchange carried interests between 0.10% and 1.90% per annum (2009: between 0.10% and 0.85% per annum).

7. Current investments

(Unit: Baht)

	Consolidated financial statements			
	2010		2009	
	Cost	Fair value	Cost	Fair value
Investment units in mutual funds	44,000,000	43,999,815	76,000,000	76,000,000
Less: Unrealised loss	(185)	-	-	-
Current investments - net	43,999,815	43,999,815	76,000,000	76,000,000

(Unit: Baht)

	Separate financial statements			
	2010		2009	
	Cost	Fair value	Cost	Fair value
Investment units in mutual funds	11,000,000	10,999,815	-	-
Less: Unrealised loss	(185)	-	-	-
Current investments - net	10,999,815	10,999,815	-	-

8. Trade accounts receivable

The balances of trade accounts receivable as at 31 December 2010 and 2009, aged on the basis of due dates, are summarised below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Trade accounts receivable - unrelated parties				
Not over 3 months	609,997,377	135,532,868	415,370,095	15,884,710
3 - 6 months	433,999	374,564	-	-
6 - 12 months	615,871	201,108	-	-
Over 12 months	13,811,289	15,561,883	617,250	1,349,301
Total	624,858,536	151,670,423	415,987,345	17,234,011
Less: Allowance for doubtful accounts	(11,217,632)	(11,332,958)	(617,250)	(617,250)
Trade accounts receivable - unrelated parties, net	613,640,904	140,337,465	415,370,095	16,616,761
Trade accounts receivable - related parties				
Not over 3 months	1,015,068	510,399	329,702,365	440,153,728
3 - 6 months	-	330,608	-	-
Total trade accounts receivable - related parties	1,015,068	841,007	329,702,365	440,153,728

The balances of trade accounts receivable of the Company as at 31 December 2010 included factoring accounts receivable at a commercial bank of Baht 63.01 million. The bank has a right of recourse to the Company.

9. Pledged deposits at banks

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

10. Related party transactions

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

Name	Relationship
Pure Thai Energy Co., Ltd.	Subsidiary
SCT Sahaphan Co., Ltd.	Subsidiary
Pure Biodiesel Co., Ltd.	Subsidiary
SCT Petroleum Co., Ltd. (SCT)	Subsidiary
Pure Intertrade Co., Ltd. (formerly known as "Isan Rungreang Petroleum Co., Ltd.")	Subsidiary of SCT
Mitsumphan Petroleum Co., Ltd.	Subsidiary of SCT
Metro Petroleum Co., Ltd.	Subsidiary of SCT
Jatuchak Oil Co., Ltd.	Subsidiary of SCT
Benja Petroleum Co., Ltd.	Subsidiary of SCT
Burapha Rungroch Petroleum Co., Ltd.	Subsidiary of SCT
Jaturatis Transport Co., Ltd.	Subsidiary of SCT
Pure Sammakorn Development Co., Ltd. (PSDC)	Subsidiary
Thai Good Petroleum Co., Ltd.	Associate
Petro-Instruments Co., Ltd.	29.87% of shares held in the Company
Sammakorn Plc.	49% of shares held in PSDC and common directors
Jazzy Creation Co., Ltd.	Common directors

Name	Relationship
Blue Planet Travel Co., Ltd.	Common directors
Globalization Economic and Promotion Network Co., Ltd.	Common directors
Alt Energy Co., Ltd.	Common directors
Village Farm Marketing Co., Ltd.	Common directors
Village Farm & Friend Co., Ltd.	Common directors
Humankind Co., Ltd.	Common directors
Sriphath Co., Ltd.	Common directors
Mongkhonchai Pattana Co., Ltd.	Common directors
World Entertainment Television Co., Ltd.	Common directors

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Transactions with subsidiaries				
(Eliminated from the consolidated financial statements)				
Sales	-	-	8,699,278,854	7,498,545,546
Management fee income	-	-	14,340,494	71,470,723
Dividend income	-	-	46,499,907	-
Interest income	-	-	2,459,733	4,576,426
Other income - other services	-	-	30,604,074	21,228,710
Sales of equipment	-	-	195,816	1,109,919
Purchases of goods	-	-	646,108,590	865,326,378
Service fee expense	-	-	14,416,645	-
Transportation expense	-	-	124,628,954	162,896,379
Other expenses	-	-	2,078,303	6,167,985
Purchases of equipment	-	-	-	1,591,410
Transactions with related parties				
Rental and service income	200,182	659,944	-	-
Service income	16,808,400	-	-	-
Interest income	30,070	-	30,070	-
Purchases of equipment	-	2,500,000	-	500,000
Other expenses	1,299,733	1,434,759	709,801	828,500
Land rental expense	2,221,030	2,230,500	-	-
Advertising and promotion expenses	91,000	228,800	91,000	228,800
Interest expense	8,561,938	1,962,242	7,846,065	-

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

Transactions	Transfer pricing policy
Sales	<p>The selling price is set out based on the market price with discount for oil wholesale business, provided according to the volumes of order.</p> <p>The selling price is set out based on the market price with the fixed rate marketing margin discount for oil retail business.</p> <p>The selling price is set out based on the market price for oil transportation business.</p> <p>The selling price is set out based on the market price with discount for manufacture and distribution of biodiesel business, provided according to the contract.</p>
Management fee income	<p>Transfer pricing policy</p> <p>Calculation based on quantities of products sold for oil wholesale business.</p> <p>Contract price and at actual costs for oil retail business, oil transportation business, manufacture and distribution of biodiesel business, property rental and service business and distribution and maintenance of gas station equipment business.</p>
Dividend income	As declared
Interest income	3.25% - 6.25% per annum (2009: 3.50% - 5.60% per annum)
Other income	<p>Contract price</p> <p>Guarantee fee at a rate of 1% per annum</p>
Sales and purchases of equipment	Closed to actual cost
Purchases of goods	<p>The purchase price is set out based on the market price with discount for oil wholesale business, providing according to the volumes of order.</p> <p>The purchase price is set out based on the market price for manufacture and distribution of biodiesel business and maintenance of gas station equipment business.</p>
Service fee expense	Contract price
Transportation expense	Contract price
Other expenses	Contract price
Interest expense	4.50% - 5.75% per annum (2009: 4.50% - 9.00% per annum)

Significant agreements with related parties

Purchases and sales of petroleum products agreements

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

Management and administration agreements

In January 2010, the Company entered into management and administration agreements with various subsidiaries to provide consultation relating to human resources, administration, information technology, law and coordination with the government. The service fees are stipulated in the agreements, which are for a period of 1 year, ended December 2010.

Guarantee agreements

- a) The Company entered into the agreements with various subsidiaries to guarantee bank credit facilities of subsidiaries amounting to Baht 82 million. The guarantees are effective for as long as the underlying obligations have not been discharged by the subsidiaries. The Company charges a guarantee fee at a rate of 1% per annum.

- b) The Company entered into an agreement with a subsidiary to secure payments due to a creditor amounting to Baht 30 million. The Company has deducted amounts from payments that the subsidiary is entitled to receive from the Company for sales of its products and services, as collateral for the guarantee, and as at 31 December 2010, total deductions amounted to Baht 6.24 million.

Rental of oil depots agreement

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

Purchases and sales of biodiesel agreement

In January 2010, the Company entered into a purchases and sales of biodiesel agreement with a subsidiary for trading of biodiesel. The purchase price is set out based on the market price with a discount in accordance with the agreements, which is for a period of 1 year, ended December 2010.

Transportation service agreement

In June 2005, the Company entered into an agreement with a subsidiary whereby the subsidiary is to provide oil transportation services. Oil transportation service fees are charged in accordance with the rate stipulated in the agreement, which is for a period of 3 years (from 1 June 2005 to 31 May 2008) and will continue in force until terminated by either party with written notice of its intention to terminate of not less than 60 days. In May 2008, the Company renewed an agreement for another 3 years (from 1 June 2008 to 30 May 2011).

Sales management agreement

In April 2010, the Company entered into an agreement with a subsidiary whereby the subsidiary is to provide sales management services and source customers. A service fee is charged in accordance with the rate stipulated in the agreement, which will continue in force until terminated by either party with written notice of its intention to terminate of not less than 1 month.

Land providing agreement

In December 2006, the Company entered into an agreement with Globalization Economic and Promotion Network Co., Ltd. (GEPN), requesting a subsidiary of GEPN to procure land in China for construction of petroleum warehouse. The price was agreed at cost based on contractual basis. This connected transaction was approved by the meeting of the Board of Directors No. 1/2007 held on 22 February 2007. Under the agreement, the Company paid a total of Baht 30 million in advance to GEPN. In 2010, the Company cancelled the agreement and received the refund of the advance from GEPN.

The balances of the accounts as at 31 December 2010 and 2009 between the Company and those related companies are as follows:



(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Trade accounts receivable - related parties				
Subsidiaries				
Pure Thai Energy Co., Ltd.	-	-	186,242,118	336,641,308
Pure Biodiesel Co., Ltd.	-	-	-	3,708,000
SCT Petroleum Co., Ltd.	-	-	19,299,320	5,157,710
Pure Intertrade Co., Ltd.	-	-	229,395	23,687,410
Mitsumphan Petroleum Co., Ltd.	-	-	3,027,462	11,896,070
Metro Petroleum Co., Ltd.	-	-	69,361,950	1,726,200
Jatuchak Oil Co., Ltd.	-	-	24,143,020	40,374,930
Benja Petroleum Co., Ltd.	-	-	-	12,899,870
Burapha Rungroch Petroleum Co., Ltd.	-	-	27,399,100	1,757,000
Jaturatis Transport Co., Ltd.	-	-	-	2,305,230
Total trade accounts receivable - subsidiaries	-	-	329,702,365	440,153,728
Related companies				
Sammakorn Plc.	1,015,068	61,543	-	-
Petro-Instruments Co., Ltd.	-	232,458	-	-
Village Farm & Friend Co., Ltd.	-	498,041	-	-
Total trade account receivable - related companies	1,015,068	792,042	-	-
Related person				
The Company's director	-	48,965	-	-
Total trade accounts receivable - related person	-	48,965	-	-
Total trade accounts receivable - related parties	1,015,068	841,007	329,702,365	440,153,728
Amounts due from related parties				
Subsidiaries				
Pure Thai Energy Co., Ltd.	-	-	753,919	4,160,924
Pure Biodiesel Co., Ltd.	-	-	5,693,646	4,288,149
SCT Petroleum Co., Ltd.	-	-	150,885	6,365,536
Pure Intertrade Co., Ltd.	-	-	9,404	1,882,614
Mitsumphan Petroleum Co., Ltd.	-	-	7,003	2,137,362
Jaturatis Transport Co., Ltd.	-	-	50,201	1,850,646
Metro Petroleum Co., Ltd.	-	-	-	624,185
Burapha Rungroch Petroleum Co., Ltd.	-	-	-	535,802
Benja Petroleum Co., Ltd.	-	-	-	237,754
Jutuchak Oil Co., Ltd.	-	-	-	817,480
Pure Sammakorn Development Co., Ltd.	-	-	495,246	441,944
SCT Sahaphan Co., Ltd.	-	-	172,670	1,064,723
Total amounts due from subsidiaries	-	-	7,332,974	24,407,119
Associate				
Thai Good Petroleum Co., Ltd.	2,312	394,369	2,312	394,369
Total amounts due from associate	2,312	394,369	2,312	394,369

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Related companies				
Petro-Instruments Co., Ltd.	1,616,117	642,958	-	-
Sammakorn Plc.	60,831	-	-	-
Total amounts due from related companies	1,676,948	642,958	-	-
Related person				
The Company's director	1,000,000	1,000,000	1,000,000	1,000,000
Total amounts due from related person	1,000,000	1,000,000	1,000,000	1,000,000
Total amounts due from related parties	2,679,260	2,037,327	8,335,286	25,801,488
Short-term loans to related parties				
Subsidiary				
SCT Sahaphan Co., Ltd.	-	-	3,000,000	-
Total short-term loan to subsidiary	-	-	3,000,000	-
Associate				
Thai Good Petroleum Co., Ltd.	1,498,520	-	1,498,520	-
Total short-term loan to associate	1,498,520	-	1,498,520	-
Total short-term loans to related parties	1,498,520	-	4,498,520	-
Long-term loan to related party				
Subsidiary's director				
Long-term loan to the subsidiary's director	1,767,759	-	1,767,759	-
Less: Current portion	(408,815)	-	(408,815)	-
Non-current portion	1,358,944	-	1,358,944	-
Advance to related party				
Related company				
Globalization Economic and Promotion Network Co., Ltd.	-	30,000,000	-	30,000,000
Total advance to related party	-	30,000,000	-	30,000,000
Trade accounts payable - related parties				
Subsidiaries				
Pure Biodiesel Co., Ltd.	-	-	46,475,734	44,572,399
SCT Petroleum Co., Ltd.	-	-	-	8,012,300
Mitsumphan Petroleum Co., Ltd.	-	-	-	812,260
Total trade accounts payable - subsidiaries	-	-	46,475,734	53,396,959
Related company				
Sammakorn Plc.	544,464	10,274	-	-
Total trade accounts payable - related company	544,464	10,274	-	-
Total trade accounts payable - related parties	544,464	10,274	46,475,734	53,396,959
Amounts due to related parties				
Subsidiaries				
Pure Thai Energy Co., Ltd.	-	-	31,570	944,795
Pure Biodiesel Co., Ltd.	-	-	148,256	-
Pure Intertrade Co., Ltd.	-	-	1,159,591	-
Jaturatis Transport Co., Ltd.	-	-	7,989,950	12,691,098
SCT Sahaphan Co., Ltd.	-	-	149,800	76,547
Total amounts due to subsidiaries	-	-	9,479,167	13,712,440

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Related companies				
Sammakorn Plc.	42,626	45,277	-	-
Village Farm & Friend Co., Ltd.	-	5,000	-	-
Petro-Instrument Co., Ltd.	194,161	-	194,161	-
	61,596	-	61,596	-
Mongkhonchai Pattana Co., Ltd.	16,068	-	16,068	-
World Entertainment Television Co., Ltd.	314,451	-	271,825	-
Total amounts due to related companies				
Related persons				
The Company's directors	517,335	-	505,370	-
Total amounts due to related persons	517,335	-	505,370	-
Total amounts due to related parties	831,786	50,277	10,256,362	13,712,440
Short-term loans from related parties				
Related persons				
The Company's management	-	300,000	-	-
Related persons of the Company's directors	-	31,000,000	-	-
Total short-term loans from related parties	-	31,300,000	-	-
Long-term loans from related parties				
Related companies				
Petro-Instruments Co., Ltd.	72,500,000	-	72,500,000	-
Mongkhonchai Pattana Co., Ltd.	23,000,000	-	23,000,000	-
World Entertainment Television Co., Ltd.	6,000,000	-	6,000,000	-
Total long-term loans from related companies	101,500,000	-	101,500,000	-
Related persons				
Related persons of the Company's directors	190,500,000	-	190,500,000	-
Total long-term loans from related persons	190,500,000	-	190,500,000	-
Total long-term loans from related parties	292,000,000	-	292,000,000	-
Cash placed against guarantee - related party				
Subsidiary				
Pure Biodiesel Co., Ltd.	-	-	6,240,000	-
Total cash placed against guarantee - related party	-	-	6,240,000	-

During the year 2010, movements of loans to / loans from related parties were as follows:

(Unit: Baht)

Consolidated financial statements				
	Balance as at	During the year		Balance as at
	1 January 2010	Increase	Decrease	31 December 2010
Short-term loan to related party				
Associate				
Thai Good Petroleum Co.,Ltd.	-	1,498,520	-	1,498,520
Total	-	1,498,520	-	1,498,520
Long-term loan to related party				
The subsidiary's director	-	1,900,000	(132,241)	1,767,759
Total	-	1,900,000	(132,241)	1,767,759

(Unit: Baht)

Separate financial statements				
	Balance as at	During the year		Balance as at
	1 January 2010	Increase	Decrease	31 December 2010
Short-term loans to related parties				
Subsidiaries				
Pure Biodiesel Co., Ltd.		338,000,000	(338,000,000)	-
Pure Thai Energy Co., Ltd.	-	862,000,000	(862,000,000)	-
SCT Sahaphan Co., Ltd.	-	18,000,000	(15,000,000)	3,000,000
SCT Petroleum Co., Ltd.	-	185,000,000	(185,000,000)	-
Total short-term loans to subsidiaries	-	1,403,000,000	(1,400,000,000)	3,000,000
Associate	-			
Thai Good Petroleum Co., Ltd.		1,498,520	-	1,498,520
Total short-term loan to associate	-	1,498,520	-	1,498,520
Total	-	1,404,498,520	(1,400,000,000)	4,498,520
Long-term loan to related party	-			
The subsidiary's director		1,900,000	(132,241)	1,767,759
Total	-	1,900,000	(132,241)	1,767,759

(Unit: Baht)

Consolidated financial statements				
	Balance as at	During the year		Balance as at
	1 January 2010	Increase	Decrease	31 December 2010
Short-term loans from related parties				
Related companies				
Petro-Instruments Co., Ltd.	-	20,000,000	(20,000,000)	-
Mongkhonchai Pattana Co., Ltd.	-	10,000,000	(10,000,000)	-
Total short-term loans from related companies	-	30,000,000	(30,000,000)	-
Related persons				
The Company's directors	-	40,000,000	(40,000,000)	-
The Company's management				
Related persons of the Company's directors	300,000	-	(300,000)	-
	31,000,000	136,000,000	(167,000,000)	-
Total short-term loans from related persons	31,300,000	176,000,000	(207,300,000)	-
Total	31,300,000	206,000,000	(237,300,000)	-

(Unit: Baht)

Separate financial statements				
	Balance as at	During the year		Balance as at
	1 January 2010	Increase	Decrease	31 December 2010
Short-term loans from related parties				
Related companies				
Petro-Instruments Co., Ltd.	-	20,000,000	(20,000,000)	-
Mongkhonchai Pattana Co., Ltd.	-	10,000,000	(10,000,000)	-
Total short-term loans from related companies	-	30,000,000	(30,000,000)	-
Related persons				
The Company's directors	-	40,000,000	(40,000,000)	-
Related persons of the Company's directors	-	136,000,000	(136,000,000)	-
Total short-term loans from related persons	-	176,000,000	(176,000,000)	-
Total	-	206,000,000	(206,000,000)	-

(Unit: Baht)

Consolidated financial statements / Separate financial statements				
	Balance as at	During the year		Balance as at
	1 January 2010	Increase	Decrease	31 December 2010
Long-term loans from related parties				
Related companies				
Petro-Instruments Co., Ltd.	-	72,500,000	-	72,500,000
Mongkhonchai Pattana Co., Ltd.	-	23,000,000	-	23,000,000
World Entertainment Television Co., Ltd.	-	6,000,000	-	6,000,000
Total long-term loans from related companies	-	101,500,000	-	101,500,000
Related persons	-			
Related persons of the Company's directors	-	190,500,000	-	190,500,000
Total long-term loans from related persons	-	190,500,000	-	190,500,000
Total	-	292,000,000	-	292,000,000

As at 31 December 2010, short-term loan to a subsidiary amounting to Baht 3.00 million is in the form of an unsecured promissory note with a maturity of 1 month, carrying interest at a rate of 4.43% per annum (2009: nil).

As at 31 December 2010, short-term loan to an associate amounting to Baht 1.50 million, or USD 0.05 million (2009: nil) is in the form of an unsecured loan with a maturity of 1 year and carries interest at the prime rate plus 3% per annum. The principal and its interest are to be repaid in full within November 2011.

As at 31 December 2010, long-term loan to related party amounting to Baht 1.77 million (2009: nil) is in the form of an unsecured loan and carries interest at a rate of 4.50% per annum. The principal and its interest are scheduled to be repaid in 52 monthly installments of Baht 40,000 each, ending in December 2014.

As at 31 December 2009, short-term loans from related parties totaling Baht 31.30 million were in the form of unsecured promissory notes with a maturity of 12 months, carrying interest at rates of 4.50% - 5.00% per annum (2010: nil).

As at 31 December 2010, long-term loans from related parties totaling Baht 292 million (2009: nil) are in the form of unsecured loans with maturities of 2 years, carrying interest at rate of 5.75% per annum and payable quarterly. The principal is to be repaid in full within September 2012.

Management benefit expenses

In 2010, the Company and its subsidiaries restructured their management incurring expenses in the form of salaries, bonuses, meeting allowances of their directors and management recognised as expenses totaling Baht 56.97 million (Separate financial statements: Baht 40.21 million) (2009: Consolidated financial statements and separate financial statements of Baht 34.27 million).

Guarantee obligations with related parties

The Company had outstanding guarantees with its related parties as described in Note 39.6 to the financial statements.

11. Inventories

(Unit: Baht)

	Consolidated financial statements					
	Cost		Allowance for diminution in value of inventories		Inventories - net	
	2010	2009	2010	2009	2010	2009
Finished goods	932,236,392	697,357,366	(787,583)	(507,992)	931,448,809	696,849,374
Raw materials	445,858,222	344,396,851	-	-	445,858,222	344,396,851
Supplies	4,162,296	4,376,489	-	-	4,162,296	4,376,489
Total	1,382,256,910	1,046,130,706	(787,583)	(507,992)	1,381,469,327	1,045,622,714

(Unit: Baht)

	Separate financial statements	
	2010	2009
Finished goods	770,642,454	549,873,557
Raw materials	411,915,601	336,806,139
Supplies	4,162,296	4,355,789
Total	1,186,720,351	891,035,485

Inventories as at 31 December 2010 included oil of Baht 725.59 million (2009: Baht 662.84 million) reserved in accordance with the Ministry of Commerce regulations. Baht 117.85 million (2009: Baht 102.99 million) of this amount represents inventories covered by agreements for the sale and purchase of oil to maintain stipulated legal reserves, which the Company is committed to sell back to the sellers upon the expiry of the agreements.

12. Short-term loans to and interest receivable from unrelated party

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Short-term loans to and interest receivable from unrelated party	21,317,007	21,317,007	21,317,007	21,317,007
Less: Allowance for doubtful accounts	(21,317,007)	(21,317,007)	(21,317,007)	(21,317,007)
Short-term loans to and interest receivable from unrelated party - net	-	-	-	-

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

As at 31 December 2010 and 2009, loan to TCS were long-outstanding more than one year, and the Company therefore ceased accrual of interest income and set aside allowance for doubtful accounts for the full amount of the short-term loans and interest receivable.

13. Long-term loan to unrelated party

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

14. Other current assets

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Prepaid excise tax	50,859,335	46,233,543	50,859,335	46,233,543
Excise tax refundable	-	2,973,461	-	2,973,461
Refund receivable from the Oil Stabilization Fund	14,074,307	85,239,888	14,074,307	85,239,888
Value added tax refundable	20,816,336	3,152,404	16,744,765	-
Prepaid corporate income tax	12,990,331	9,623,178	8,176,638	5,025,963
Advances for purchases of inventories	49,196,512	52,011,307	-	10,000,000

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Prepaid expenses	21,904,973	14,961,436	10,108,564	8,434,853
Others	33,477,643	20,955,644	8,401,376	6,245,718
Total other current assets	203,319,437	235,150,861	108,364,985	164,153,426
Less: Allowance for doubtful accounts	(3,412,818)	(3,206,019)	(3,412,818)	(3,206,019)
Other current assets - net	199,906,619	231,944,842	104,952,167	160,947,407

Refund receivable from the Oil Stabilization Fund, amounting to Baht 14.07 million as at 31 December 2010 is compensation receivable from the Customs Department for diesel fuel B5 (2009: Baht 85.24 million).

15. Investments in subsidiaries

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

(Unit: Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2010	2009	2010 %	2009 %	2010	2009	2010	2009
Pure Biodiesel Co., Ltd.	Baht 280 million	Baht 200 million	100	100	279,999,200	279,999,200	-	-
Pure Sammakorn Development Co., Ltd.	Baht 225 million	Baht 101 million	51	51	114,749,599	51,382,099	-	-
Pure Thai Energy Co., Ltd.	Baht 100 million	Baht 50 million	100	100	99,994,300	49,999,300	-	-
SCT Petroleum Co., Ltd. and its subsidiaries	Baht 10 million	Baht 10 million	100	100	9,999,965	9,999,965	46,499,907	-
SCT Sahaphan Co., Ltd.	Baht 20 million	-	78	-	15,855,000	-	-	-
Total investments in subsidiaries					520,598,064	391,380,564	46,499,907	-

Pure Biodiesel Co., Ltd.

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

The PBC's operating revenues for the years 2010 and 2009 are below shown divided according to promoted and non-promoted operations.

(Unit: Baht)

	Promoted operations		Non-promoted operations		Total	
	2010	2009	2010	2009	2010	2009
Sales and services						
Domestic sales and services	962,320,483	954,817,770	49,338,831	16,226,695	1,011,659,314	971,044,465
Export sales	19,598,242	17,387,125	1,372,031	-	20,970,273	17,387,125
Total	981,918,725	972,204,895	50,710,862	16,226,695	1,032,629,587	988,431,590

Pure Sammakorn Development Co., Ltd.

The Company's Board of Directors meeting, held on 24 February 2009, approved an increase in the Company's investment in Pure Sammakorn Development Co., Ltd. ("PSDC") (a subsidiary in which the Company has an equity interest of 51%), whereby that company's registered capital will increase from Baht 50 million to Baht 225 million through the issue of 1.75 million additional ordinary shares (par value of Baht 100 each) for offer in the same proportion to existing shareholders at Baht 100 per share, a total of Baht 175 million. The purpose of the increase in share capital is to provide funds for investment in new projects of the subsidiary. PSDC registered the increase of its capital with the Ministry of Commerce on 26 March 2009.

During 2009 and 2010, PSDC called up Baht 25.88 million and Baht 63.37 million, respectively, of the additional capital and the Company paid in this amount.

Pure Thai Energy Co., Ltd.

The Company's Board of Directors meeting, held on 22 December 2009, approved an increase in the Company's investment in Pure Thai Energy Co., Ltd. ("PTEC") (a subsidiary in which the Company has an equity interest of 100%), whereby that company's registered capital will increase from Baht 50 million to Baht 140 million through the issue of 0.9 million additional ordinary shares (par value of Baht 100 each) for offer at Baht 100 per share, a total of Baht 90 million. The purpose of the increase in share capital is to provide funds for use as working capital and to expand the subsidiary's gas station business.

PTEC called up the additional capital of Baht 49.99 million and the Company paid in this amount in January 2010. PTEC registered the increase of its capital with the Ministry of Commerce on 14 January 2010. As at 31 December 2010, the Company has commitments of Baht 40 million in respect of the uncalled portion of the investment.

SCT Sahaphan Co., Ltd.

On 1 March 2010, the Company purchased 25,500 shares (par value of Baht 100 per share) of SCT Sahaphan Co., Ltd. ("SAP"), equivalent to a 51% of total shares, from Pure Thai Energy Co., Ltd., a 100% held subsidiary of the Company, at a price of Baht 110 per share, or for a total of Baht 2.81 million. The purchase of the Company's investment was approved by the meeting of the Company's Board of Directors held on 18 February 2010.

The meeting of the Company's Board of Directors held on 18 February 2010 approved an increase in the Company's investment in SAP, whereby that company's registered capital will increase from Baht 5 million (50,000 ordinary shares of Baht 100 each) to Baht 20 million (200,000 ordinary shares of Baht 100 each) through the issue of 150,000 additional ordinary shares (par value of Baht 100 each) for offer to existing shareholders in proportion to their current holdings, at a price of Baht 100 per share. SAP registered the increase of its capital with the Ministry of Commerce on 12 April 2010.

In April 2010, SAP called up additional capital. The Company paid in share capital of Baht 7.65 million and purchased additional shares that the minority interest did not exercise rights to purchase, totaling Baht 5.40 million. As a result the Company's holding amounts to 78% of registered and paid-up share capital.

RPC Energy Co., Ltd.

The Company's Board of Directors meeting, held on 10 August 2010, approved a resolution to establish RPC Energy Co., Ltd., a joint investment between the Company and Renewable Energy Co., Ltd, principally engaged in alternative energy production. The joint investment company is to have a registered capital of Baht 125 million (1.25 million ordinary shares with par value of Baht 100 each), with the Company holding 70%. As at 31 December 2010, such company is in the process of being established.



16. Investment in an associate

16.1 Details of an associate:

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		Carrying amounts based on cost method	
							Consolidated financial statements		Separate financial statements	
			2010 (%)	2009 (%)	2010	2009	2010	2009	2010	2009
Thai Good Petroleum Co., Ltd.	Distribution of lubricant oil	Hong Kong	31.67	31.67	3,174,900	3174900	2,569,030	2,488,476	3,174,900	3,174,900

16.2 Share of loss and dividend received

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

(Unit: Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of loss from investment in an associate during the year		Dividend received during the year	
	2553	2552	2553	2552
Thai Good Petroleum Co., Ltd.	(1,396,824)	(686,424)		

16.3 Summarised financial information of associate

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

(Unit: Thousand Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Net loss for the years ended 31 December	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Thai Good Petroleum Co., Ltd.	10,026	10,026	8,609	8,103	544	260	2,818	104	(4,411)	(2,167)



17. Property, plant and equipment

Unit: Baht)

	Consolidated financial statements									
	Revaluation basis			Cost basis						
	Land	Factory buildings and factory building improvements	Machinery and factory equipment	Office buildings and office building improvements	Buildings for rent and improvements	Gas station equipment	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Cost/revalued amount										
31 December 2009	173,457,199	176,185,095	1,933,829,768	156,200,790	79,958,206	58,757,492	83,676,584	197,848,306	66,778,880	2,926,692,320
Additions	-	-	291,718	-	12,215	4,829,623	3,551,124	7,720,192	350,759,140	367,164,012
Disposals	-	-	(74,460)	(26,476)	-	(67,369)	(3,884,254)	(1,760,225)	-	(5,812,784)
Transfers	-	462,000	66,271,267	6,165,362	275,763,214	7,739,979	12,840,083	37,123,104	(406,365,009)	-
31 December 2010	173,457,199	176,647,095	2,000,318,293	162,339,676	355,733,635	71,259,725	96,183,537	240,931,377	11,173,011	3,288,043,548
Accumulated depreciation										
31 December 2009	-	70,343,293	1,029,708,454	70,541,855	8,549,439	37,315,239	56,072,828	100,883,455	-	1,373,414,563
Depreciation for the year	-	7,117,470	82,682,125	16,628,187	5,955,273	10,685,023	12,856,450	28,167,495	-	164,092,023
Depreciation on disposals	-	-	(74,456)	(243)	-	(64,234)	(3,589,638)	(1,399,232)	-	(5,127,803)
31 December 2010	-	77,460,763	1,112,316,123	87,169,799	14,504,712	47,936,028	65,339,640	127,651,718	-	1,532,378,783
Net book value										
31 December 2009	173,457,199	105,841,802	904,121,314	85,658,935	71,408,767	21,442,253	27,603,756	96,964,851	66,778,880	1,553,277,757
31 December 2010	173,457,199	99,186,332	888,002,170	75,169,877	341,228,923	23,323,697	30,843,897	113,279,659	11,173,011	1,755,664,765

Depreciation for the years

2009 (Baht 107.62 million included in manufacturing cost and cost of services, and the balance in administrative expenses)

2010 (Baht 123.41 million included in manufacturing cost and cost of services, and the balance in administrative expenses)

143,614,525

164,092,023

(Unit: Baht)

	Separate financial statements						
	Revaluation basis		Cost basis				
	Land	Factory buildings and factory building improvements	Machinery and factory equipment	Office buildings and office building improvements	Office furniture, fixture and equipment	Motor vehicle	Construction in progress
Cost/revalued amount							Total
31 December 2009	138,659,850	108,593,587	1,473,975,432	57,458,482	39,190,525	11,072,394	13,779,048
Additions	-	-	14,000	-	122,857	4,370,811	8,496,533
Disposals	-	-	(74,460)	-	(3,566,122)	(421,000)	-
Transfers	-	-	14,526,666	230,000	1,348,330	-	(16,104,996)
31 December 2010	138,659,850	108,593,587	1,488,441,638	57,688,482	37,095,590	15,022,205	6,170,585
Accumulated depreciation							
31 December 2009	-	66,650,573	999,962,060	30,969,449	31,872,850	2,518,256	-
Depreciation for the year	-	2,966,940	48,409,466	5,004,910	2,945,380	2,542,092	-
Depreciation on disposals	-	-	(74,456)	-	(3,393,024)	(131,604)	-
31 December 2010	-	69,617,513	1,048,297,070	35,974,359	31,425,206	4,928,744	-
Net book value							
31 December 2009	138,659,850	41,943,014	474,013,372	26,489,033	7,317,675	8,554,138	13,779,048
31 December 2010	138,659,850	38,976,074	440,144,568	21,714,123	5,670,384	10,093,461	6,170,585
Depreciation for the years							
2009 (Baht 48.3 million included in manufacturing cost, and the balance in administrative expenses)							58,866,064
2010 (Baht 52.0 million included in manufacturing cost, and the balance in administrative expenses)							61,868,788

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

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

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

Had the land, factory buildings, machinery and factory equipment been carried in the financial statements based on historical cost, their net book values as of 31 December 2010 and 2009 would have been as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Land	137,705,875	137,705,875	102,908,526	102,908,526
Factory buildings and improvements	94,555,690	100,617,378	34,345,432	36,718,590
Machinery and factory equipment	711,971,595	707,362,110	264,113,992	277,254,168

As at 31 December 2010, the Company and its subsidiaries had vehicles under finance lease agreements with net book values amounting to Baht 80.64 million (2009: Baht 52.66 million), and in the separate financial statements of Baht 8.35 million (2009: Baht 6.02 million).

As at 31 December 2010, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 195.53 million (2009: Baht 179.00 million) in the consolidated financial statements and Baht 91.35 million (2009: Baht 81.25 million) in the separate financial statements.

Pure Biodiesel Co., Ltd. has mortgaged its land with structures thereon and pledged machinery, with a total net book value as at 31 December 2010 of Baht 420.25 million (2009: Baht 449.72 million), as collateral to secure a bank credit facility.

Pure Sammakorn Development Co., Ltd. has mortgaged its land lease rights and construction with a net book value as at 31 December 2010 of Baht 341.23 million (2009: Baht 71.41 million), as collateral to secure a bank credit facility. Under the rental agreement, the subsidiary is committed to transfer the construction to the lessor upon the expiration of the agreement.

18. Intangible assets

(Unit: Baht)

Cost

1 January 2009
Additions
Transfers
31 December 2009

Consolidated financial statements		
Software	Software under installation	Total
11,385,889	10,153,550	21,539,439
3,048,492	1,113,144	4,161,636
9,519,891	(9,519,891)	-
23,954,272	1,746,803	25,701,075

(Unit: Baht)

Additions
Transfers
31 December 2010

Amortisation

1 January 2009
Amortisation
31 December 2009
Amortisation
31 December 2010

Net book value

31 December 2009
31 December 2010

Consolidated financial statements		
Software	Software under installation	Total
1,269,903	121,589	1,391,492
1,868,392	(1,868,392)	-
27,092,567	-	27,092,567
6,914,957	-	6,914,957
1,444,025	-	1,444,025
8,358,982	-	8,358,982
2,749,057	-	2,749,057
11,108,039	-	11,108,039
15,595,290	1,746,803	17,342,093
15,984,528	-	15,984,528

(Unit: Baht)

Cost

1 January 2009
Additions
Disposals
Transfers
31 December 2009
Additions
Transfers
31 December 2010

Amortisation

1 January 2009
Amortisation
31 December 2009
Amortisation
31 December 2010

Net book value

31 December 2009
31 December 2010

Separate financial statements		
Software	Software under installation	Total
11,167,349	10,153,550	21,320,899
-	1,113,144	1,113,144
(788,550)	-	(788,550)
9,519,891	(9,519,891)	-
19,898,690	1,746,803	21,645,493
-	121,589	121,589
1,868,392	(1,868,392)	-
21,767,082	-	21,767,082
6,907,556	-	6,907,556
1,081,431	-	1,081,431
7,988,987	-	7,988,987
2,254,594	-	2,254,594
10,243,581	-	10,243,581
11,909,703	1,746,803	13,656,506
11,523,501	-	11,523,501

19. Other non-current assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
The compensation for loss	26,711,581	26,711,581	26,711,581	26,711,581
Land and gas station leasehold rights	7,377,891	5,698,343	1,109,646	1,339,641
Prepaid expenses	5,562,857	4,309,283	-	-
Deposits	4,436,893	3,560,627	2,155,682	2,155,682
Long-term loan and interest receivable	1,352,588	1,352,588	1,352,588	1,352,588
Others	3,113,754	4,982,198	3,061,651	2,323,092
Total other non-current assets	48,555,564	46,614,620	34,391,148	33,882,584
Less: Allowance for doubtful accounts	(1,352,588)	(1,352,588)	(1,352,588)	(1,352,588)
Other non-current assets - net	47,202,976	45,262,032	33,038,560	32,529,996

The compensation for loss is the compensation receivable because, in the third quarter of 2006, a raw material supplier delivered raw materials of a quality different to that specified in the relevant purchase agreement, with characteristics that differed from those of deliveries made to the Company under the agreement in the past. Therefore, the Company had additional cost for product improvement and compensation amounting to Baht 136.45 million. Based on the negotiation with the supplier, the Company will receive compensation of Baht 52.7 million. The difference represents inventory loss as a result of continuous and substantial falls in the prices of inventories and raw materials (inventory loss). Since this loss was a result of global market conditions with neither the Company nor the supplier could avoid, the supplier requested that each part bear responsibility for its own share of the inventory loss. The Company therefore recorded the compensation for loss in full as a deduction against cost of sales in 2006. The partial balance of Baht 26 million was paid by a credit note in November 2006 and the supplier will inform the Company of the method in payment for the remaining Baht 26.71 million later.

20. Bank overdrafts and short-term loans from banks

(Unit: Baht)

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Bank overdrafts	1.75	-	104,215	-	104,215
Short-term loans from banks	1.75 - 5.12	475,625,312	911,890,000	213,625,312	850,000,000
Total		475,625,312	911,994,215	213,625,312	850,104,215

The Company and its subsidiaries have overdraft and short-term loan facilities from various banks. Details of the facilities are as follows. (Unit: Million Baht)

	Secured by	Credit facilities which are not drawn down	
		2010	2009
The Company	Pledge of fixed deposits and factoring trade accounts receivable of the Company	2,130	1,568
Pure Biodiesel Co. Ltd. ("PBC")	Mortgage of PBC's land with existing and future structures thereon, pledge of the PBC's machinery and guaranteed by the Company	147	348
Pure Sammakorn Development Co., Ltd. ("PSDC")	Pledge of PSDC's land leasehold rights and the mortgage of the structures under PSDC's projects	31	31
SCT Petroleum Co., Ltd.	Guaranteed by the Company	10	-

21. Short-term loans from unrelated parties

These represent promissory notes which the Company and subsidiaries issued to another individual. The loans carry interest at the rates of 2.75% - 3.00% per annum (2009: 3.00% - 5.00% per annum) and are repayable within one year.

22. Long-term loans from banks

(Unit: Baht)

	Consolidated financial statements	
	2553	2552
Long-term loans from banks	357,633,914	283,307,978
Less: Current portion	(79,055,014)	(54,504,000)
Non-current portion	278,578,900	228,803,978

Movements in the long-term loans account during the year ended 31 December 2010 are summarised below.

(Unit: Baht)

	Consolidated financial statements	
	2553	2552
Balance as at 1 January 2010	283,307,978	
Add: Received	128,829,936	
Less: Repayment	(54,504,000)	
Balance as at 31 December 2010	357,633,914	

Pure Sammakorn Development Co., Ltd.

a) On 22 January 2007, Pure Sammakorn Development Co., Ltd. ("PSDC") entered into a credit facility agreement with a bank totaling Baht 55 million. The credit facilities consist of long-term loan amounted to Baht 45 million and a credit facility for overdraft and letter of guarantee amounted to Baht 10 million. This long-term loan carries interest at a rate no higher than Minimum Loan Rate (MLR) and repayable monthly. The principal is repayable in monthly installments of Baht 542,000, starting in February 2008 within 8 years (including grace period for principal repayment of 1 year).

b) On 23 September 2009, PSDC entered into a Baht 255 million credit facility agreement with another bank. The credit facilities consist of a long-term loan amounting to Baht 250 million and an overdraft of Baht 5 million. The long-term loan carries interest at a rate no higher than MLR. Interest is to be paid monthly for the 18 months after the first drawn down (grace period for principal repayment), with principal and interest to be paid in monthly installments of not less than Baht 2.7 million for the first three years after the grace period, and not less than Baht 2.85 million in the fourth to the tenth years after the grace period. The loan and all interest are to be fully repaid within 11 years and 6 months after the first drawn down. PSDC made its first drawn down on the loan in December 2009.

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

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

As at 31 December 2010, the outstanding balance of the loans amounted to Baht 169.63 million (2009: Baht 47.31 million).

As at 31 December 2010, the outstanding balance of credit facilities which are not drawn down is Baht 105.27 million (2009: Baht 234.10 million).

Pure Biodiesel Co., Ltd.

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

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

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

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

As at 31 December 2010, the outstanding balance of the loans amounted to Baht 188.00 million (2009: Baht 236.00 million).

As at 31 December 2010 and 2009, PBC has no long-term credit facilities that it has yet to draw down.

23. Liabilities under finance leases

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Liabilities under finance leases	81,669,983	55,787,535	8,815,829	6,909,966
Less: Deferred interest expenses	(4,740,217)	(4,293,485)	(982,856)	(872,776)
Total	76,929,766	51,494,050	7,832,973	6,037,190
Less: Portion due within one year	(25,581,099)	(12,412,533)	(2,118,114)	(1,525,707)
Non-current portion	51,348,667	39,081,517	5,714,859	4,511,483

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

As at 31 December 2010, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Baht)

	Consolidated financial statements		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	28,019,255	53,650,728	81,669,983
Deferred interest expenses	(2,438,156)	(2,302,061)	(4,740,217)
Present value of future minimum lease payments	25,581,099	51,348,667	76,929,766

(Unit: Baht)

	Separate financial statements		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	2,561,982	6,253,847	8,815,829
Deferred interest expenses	(443,868)	(538,988)	(982,856)
Present value of future minimum lease payments	2,118,114	5,714,859	7,832,973

24. Other current liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Advances received from customers	19,411,881	7,021,183	4,605,048	1,018,421
Accrued excise tax	793,171	102,267,280	79,317,119	102,267,280
Value added tax payable	7,365,213	16,191,254	-	16,191,254
Corporate income tax payable	3,543,839	1,964,289	-	-

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Accrued expenses	14,595,899	24,798,610	2,716,025	14,476,903
Retention payable	18,197,462	5,765,055	-	-
Guarantee on goods purchases	16,866,172	-	16,866,172	-
Others	9,507,451	11,956,626	5,828,049	2,884,066
Total	168,805,036	169,964,297	109,332,413	136,837,924

25. Long-term loans from unrelated parties

This represents promissory notes which the Company issued to unrelated parties. The loans carry interest at a rate of 5.75% per annum and payable quarterly. The principals are to be repaid in full within September 2012.

26. Share capital

The Extraordinary General Meeting of the Company's shareholders No. 1/2010, held on 5 March 2010, approved the following resolutions.

- 1) Resell 46,706,900 of the Company's treasury shares, with the Board of Directors authorised to consider and specify the details of such sale, in compliance with the regulations of the Office of the Securities and Exchange Commission and related ministerial regulations. The offer price is to be not lower than 90% of the average market price of the 15 days prior to the date the Board of Directors pass a resolution approving the offer.
- 2) Increase the Company's registered capital from Baht 529.87 million (529.87 million ordinary shares of Baht 1 each) to Baht 802.87 million (802.87 million ordinary shares of Baht 1 each), through the issue of 273 million additional ordinary shares, with a par value of Baht 1 each. The offering will be through the issue of Taiwan Depositary Receipts (TDR) in Taiwan. This capital increase will commence after the completion of the resale of treasury shares and the offer price is to be not lower than 90% of the average market price of the 15 days prior to the date the Board of Directors pass a resolution specifying the details of this share allotment. The purpose of the increase in share capital is to provide funds to expand the Company's business and for use as working capital. The Company registered the increase of its capital with the Ministry of Commerce on 19 March 2010.

Reconciliation of number of ordinary shares

(Unit: Baht)

	2010	2009
<u>Registered share capital</u>		
Number of ordinary shares at the beginning of year	529,870,229	529,870,229
Registered capital increase	273,000,000	-
Number of ordinary shares at the end of year	802,870,229	529,870,229
<u>Issued and paid-up share capital</u>		
Number of ordinary shares at the beginning of year	529,870,229	529,870,229
Number of ordinary shares at the end of year	529,870,229	529,870,229

27. Revaluation surplus

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

(Unit: Baht)

	Consolidated financial statements / Separate financial statements	
	2010	2009
Balance - beginning of year	237,734,952	259,057,363
Less: Amortised during the year	(21,322,411)	(21,322,411)
Balance - end of year	216,412,541	237,734,952

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

28. Statutory reserve

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

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

29. Treasury stock reserve

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

30. Treasury stock

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

- The maximum budget for the share repurchase plan was Baht 220 million.
- The number of shares to be repurchased was not to exceed 52,987,022 shares at par value of Baht 1 per share, equal to 10% of the total issued shares.

- c) The period for the share repurchase was 1 February 2008 to 31 July 2008.
- d) The procedure and period for the resale of the shares would be determined by the Company's Board of Directors at least 6 months but not more than 3 years after the date of completion of the share repurchase (from 21 December 2008 to 21 June 2011). In the event, the Company did not or was unable to dispose of the repurchased shares within such period, the Company would reduce its capital by cancelling the remaining unsold shares.

The Company's Board of Directors meeting, held on 10 August 2010, approved a resolution to resell 46,706,900 treasury shares through a public offering at a resale price of Baht 2.55 per share. The price was in accordance with the basis to be used to determine the resale price approved by the Extraordinary General Meeting of the Company's shareholders No. 1/2010, held on 5 March 2010, as described in Note 26 to the financial statements.

In September 2010, the Company disposed all of 46.71 million treasury shares, with a cost of Baht 220.55 million, at a resale price of Baht 2.55 per share, or a total price of Baht 119.10 million. The Company realised a Baht 101.45 million loss on the sale of the shares and related selling expenses of Baht 5.51 million as a deduction against unappropriated retained earnings, and reversed treasury stock reserve to unappropriated retained earnings. The resale of the treasury shares was made through the Stock Exchange of Thailand.

Details of treasury stock were as follows:

(Unit: Baht)

	Consolidated financial statements / Separate financial statements	
	2010	2009
Value of treasury stock (Baht)	-	220,549,808
Number of treasury shares (Shares)	-	46,706,900
Average cost per share (Baht)	-	4.72
The percentage of number of treasury shares to the share capital issued by the Company	-	8.81

31. Sales

Sales for the years ended 31 December 2010 and 2009 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Sales	20,043,072,120	15,558,102,365	16,286,139,884	13,019,949,947
Less: Oil sales back transactions	(498,579,190)	(201,263,800)	(498,579,190)	(201,263,800)
Sales - net	19,544,492,930	15,356,838,565	15,787,560,694	12,818,686,147

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

32. Other income

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Management fee income	-	-	14,340,494	71,470,723
Dividend income	-	-	46,499,907	-
Gain on reversal of impairment on investment in subsidiary	-	-	-	40,484,114
Gain on forward contracts to purchase and sell crude oil and oil products	-	5,734,106	-	5,734,106
Gain on exchange rate	11,861,451	1,099,255	11,513,622	1,099,255
Interest income	1,862,541	2,408,536	3,532,984	6,390,608
Other income	19,165,874	10,892,49	40,548,380	29,784,183
Total	32,889,866	20,134,391	116,435,387	154,962,989

33. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Salary, wages and other employee benefits	275,199,781	257,257,560	110,046,779	169,885,014
Depreciation	164,092,023	143,614,525	61,868,788	58,866,064
Raw materials and consumables used	11,827,940,730	9,436,051,551	10,963,887,646	8,483,194,429
Changes in finished goods	(248,066,716)	(196,594,576)	(233,956,588)	(115,009,875)
Cost of merchandise inventories	7,011,169,195	4,983,678,053	4,528,450,276	3,629,533,360

34. Corporate income tax

No corporate income tax was payable for the years 2010 and 2009 since the Company had tax loss brought forward from previous years over its net income for the years.

35. Basic earnings per share

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

36. Segment information

The Company and its subsidiaries' business operations involve two principal segments: (1) manufacturing and trading of fuel oil and petrochemical products and (2) manufacturing and trading of biodiesel products. These operations are mainly carried on in Thailand. Below is the consolidated financial information of the Company and its subsidiaries for the years ended 31 December 2010 and 2009 by segment.

(Unit: Million Baht)

	products trading of fuel oil and		Manufacture and trading of biodiesel products		Other segments		Elimination of inter- segment revenues		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Sales and services from external customers										
Domestic	15,805	13,202	635	615	140	94	-	-	16,580	13,911
Overseas	3,100	1,532	21	17	-	-	-	-	3,121	1,549
Total sales and services from external customers	18,905	14,734	656	632	140	94	-	-	19,701	15,460
Inter-segment sales and services	9,019	8,010	377	356	223	204	(9,619)	(8,570)	-	-
Total sales and services	27,924	22,744	1,033	988	363	298	(9,619)	(8,570)	19,701	15,460
Segment income (loss)	121	302	40	(10)	4	1	55	90	220	383
Unallocated income and expenses:										
Interest income										
Other income									2	2
Share of loss from investment in an associate									39	10
Finance cost									(1)	(1)
Corporate income tax									(54)	(60)
Minority interest									(9)	(5)
Net income									3	4
Inventories	1,258	975	128	71	1	1	(6)	(1)	200	333
Property, plant and equipment	766	811	513	523	494	233	(17)	(14)	1,381	1,046
Other assets									1,756	1,553
Total assets									1,227	1,114
									4,364	3,713

Transfer prices between business segments are as set out in Note 10 to the financial statements.



37. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company or its subsidiaries and employees contributed to the fund monthly at the rates of 5% - 10% of basic salary. The fund, which is managed by BBL Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2010, the Company and its subsidiaries contributed Baht 10.72 million (2009: Baht 10.15 million) to the fund.

38. Dividend paid

Dividend of the Company which was declared in 2010 consist of the following.

Unit: Baht)

Dividend	Approved by	Total dividends	Dividend per share
Interim dividend in respect of the income for the period as from 1 January 2010 to 30 September 2010	Board of Directors' meeting on 11 November 2010	42,378,138	0.08
Total dividend for 2010		42,378,138	0.08

39. Commitments and contingent liabilities

39.1 Capital commitments

As at 31 December 2010, capital commitments of the Company and its subsidiaries totaling Baht 5.55 million (2009: Baht 4.74 million) were in respect of construction of community mall and the purchases of machinery and equipment.

39.2 Operating lease and service agreement commitments

The Company and its subsidiaries entered into several operating lease and service agreements in respect of the leases of land, building, oil depots, gas stations, vehicles and equipment. The terms of the agreements are generally between 1 and 30 years.

As at 31 December 2010, future minimum payments required under these agreements were as follows.

(Unit: Million Baht)

Payable within	Consolidated financial statements	Separate financial statements
Less than 1 year	45.47	16.20
2 to 5 years	85.76	8.18
More than 5 years	186.73	9.12

39.3 Subcontracted work commitments

As at 31 December 2010, a subsidiary has outstanding commitments of Baht 0.36 million in respect of subcontracted work (2009: Baht 13.39 million).

39.4 Long-term purchase and sale commitments / Commercial dispute

a) On 8 August 1995, the Company entered into a purchase agreement with PTT Public Company Limited (“PTT”) to purchase condensate residue raw materials that are produced by PTT Aromatics and Refining Public Company Limited in a quantity and at a price stipulated in the agreement. The agreement has a primary period of 15 years ending 2012 and may be extended. The agreement stipulated that the Company had to provide a bank guarantee of a certain amount as security against payment for goods purchased. The security will be returned to the Company upon expiry of the agreement.

On 30 September 2009, PTT sent a letter informing the Company of the cancellation of the condensate residue raw materials purchase agreement, and requesting termination of the agreement upon completion of the 15-year term (Primary period) in 2012. The Company has held discussions with PTT in order to seek a resolution that would be fair to both parties, but no resolution could be found because the parties interpret the agreement differently. The Company and the Company’s legal advisor are of the opinion that the agreement cannot be terminated since it is a long-term reciprocal agreement, and it stipulates the requirement that the Company to construct a plant to refine condensate residue of a specification that would be sourced only from PTT, and not to resell the raw materials in the same condition they are received from PTT. The agreement therefore includes a stipulation that the agreement is made on an evergreen basis, meaning that there is no specified termination date and the agreement will renew automatically at the completion of the first 15-year term (Primary period). In addition, the agreement can only be terminated with the consent of both counterparties or in the event that either party breaches the agreement. The Company has not breached any condition of the agreement. On this basis, the Company is confident that the agreement cannot be terminated, while PTT has a different opinion. Consequently, to maintain the rights of the shareholders guaranteed and protected by law, the Company used the judicial process to make a final determination on the matter, and submitted a petition to the Arbitration Office on 3 December 2009. On 27 August 2010, the Company lodged a lawsuit against PTT with the Civil Court, demanding PTT comply with the agreement with no specified termination date.

At present, the commercial dispute and outstanding litigation are under formal arbitration proceedings and litigation. Their outcomes cannot be determined and depend on the future judicial process. Since PTT is the Company’s major supplier, the outcomes may affect cost structure in the future. However, during the course of the arbitration proceedings and litigation, the Company and its subsidiaries continue their business as usual, with there being no impact on their operations.

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

As at 31 December 2010, PTTUT had yet to install the equipment and pipeline to supply steam to the subsidiary.



39.5 Financial advisory agreements commitment

During 2010, the Company entered into financial advisory agreements to appoint two unrelated companies as its financial advisors for the purpose of allocating additional shares through an offering of Taiwan Depository Receipts (TDR) in Taiwan. As at 31 December 2010, the Company had payment commitments under the service agreements of TWD 15 million, Baht 3 million and 2% of the value of the shares allocated.

39.6 Guarantees

a) As at 31 December 2010, there were outstanding bank guarantees of Baht 260.98 million (2009: Baht 274.82 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of their business. These included letters of guarantee amounting to Baht 255.00 million to guarantee payments due to creditors and Baht 5.98 million to guarantee electricity use, among others.

b) The Company has guaranteed bank credit facilities of subsidiaries amounting to Baht 82 million (2009: Baht 60 million).

c) The Company has issued a Baht 30 million (2009: nil) guarantee letter on behalf of Pure Biodiesel Co., Ltd. (the subsidiary) to secure payments due to a creditor of the subsidiary.

39.7 Litigation

As at 31 December 2010, a subsidiary was defendant in a Baht 300,000 civil lawsuit involving breach of an oil purchase and sale contract. The court is still considering the case. The subsidiary's management believes that the subsidiary will not suffer losses as a result of this lawsuit, and accordingly no loss has been recorded in the financial statements.

40. Financial instruments

40.1 Financial risk management

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

Credit risk

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

Interest rate risk

The Company's and subsidiaries' exposures to interest rate risk relate primarily to their deposits at banks, loans receivable, bank overdrafts, and loans payable with interest. However, since most of the Company and subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2010 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Average interest rate
	Within 1 year	1-5 years	Over 5 years				
	(Million Baht)						
Financial assets							
Cash and cash equivalents	20.00	-	-	114.89	68.49	203.38	0.10 - 1.90
Current investments	-	-	-	-	44.00	44.00	-
Trade accounts receivable	-	-	-	-	614.66	614.66	-
Amounts due from related parties	-	-	-	-	2.68	2.68	-
Short-term loans to related parties	-	-	-	1.50	-	1.50	6.25
Pledged deposits at banks	90.00	-	-	-	-	90.00	1.00 - 1.50
Long-term loan to unrelated party	0.43	2.59	-	-	-	3.02	5.89
Long-term loan to related party	0.41	1.36	-	-	-	1.77	4.50
	110.84	3.95	-	116.39	729.83	961.01	
Financial liabilities							
Bank overdrafts and short-term loans from banks	475.63	-	-	-	-	475.63	1.75 - 5.12
Trade accounts payable	-	-	-	-	1,407.75	1,407.75	-
Accounts payable - unrelated parties	-	-	-	-	48.96	48.96	-
Amounts due to related parties	-	-	-	-	0.83	0.83	-
Short-term loans from unrelated parties	2.59	-	-	-	-	2.59	2.75 - 3.00
Long-term loans from banks	-	-	-	357.63	-	357.63	ไม่เกิน MLR
Liabilities under finance leases	25.58	51.35	-	-	-	76.93	2.88 - 7.60
Long-term loans from unrelated parties	-	24.00	-	-	-	24.00	5.75
Long-term loans from related parties	-	292.00	-	-	-	292.00	5.75
	503.80	367.35	-	357.63	1,457.54	2,686.32	

Foreign currency risk

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

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2010 are summarised below.

Foreign currency	Financial assets (Thousand)	Financial liabilities (Thousand)	Average exchange rate as at 31 December 2010 (Baht per 1 foreign currency unit)
US dollar	13,353	2,100	30.01 - 30.30

As at 31 December 2010, the Company had outstanding forward foreign currency contracts, maturing within three-month, to sell totaling USD 11.12 million (2009: nil). Applicable forward rates are Baht 30.00 - 30.19 per USD 1.

Market risk

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

As at 31 December 2010, the Company does not have outstanding forward contracts to purchase and sell crude oil and oil products.

40.2 Fair values of financial instruments

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

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.



41. Capital management

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

The Company manages its capital position with reference to its debt-to-equity ratio. According to the balance sheet as at 31 December 2010, the Group's debt-to-equity ratio was 1.97:1 (2009: 2.26:1) and the Company's was 1.46:1 (2009: 1.78:1).

No changes were made in the objectives, policies or processes during the years end 31 December 2010 and 2009.

42. Subsequent events

On 25 February 2011, a meeting of the Company's Board of Directors passed a resolution to propose the payment of dividends from the 2010 results of its operations for approval by the 2011 Annual General Meeting of the shareholders. The proposed dividend was Baht 0.12 per share. Interim dividend of Baht 0.08 per share, or a total of Baht 42.38 million, was paid during 2010. The remaining dividend was Baht 0.04 per share, or a total of Baht 21.19 million

43. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2009 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Current portion of long-term loan to unrelated party	500,000	-	-	-
Long-term loan to unrelated party	2,900,000	-	-	-
Property, plant and equipment	1,553,277,757	1,556,988,896	-	-
Intangible assets	17,342,093	17,130,954	-	-
Other current liabilities	169,964,297	170,064,297	-	-
Service income	107,112,014	104,032,522	-	-
Other income	20,134,391	23,213,883	-	-

44. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2011.

Management and Connected Person Description

Management and Connected Person Description

As of JANUARY 20th , 2011

Name-Surname	Mr.Satja Janetumnugul
Position ⁽¹⁾	Director/ Executive Director
Age (Year)	56 years
Education	B.Engineering, King Mongkut's University of Technology Thonburi - DAP : Directors Accreditation Program: Thai Institute of Directors Association

Shareholding Portion ⁽²⁾ & ⁽³⁾ 9,312,375 Shares / 1.76%

As of January 20th , 2010 (Share/%)

Work experience for the past 5 years	2003 - Present	Director	Benja Petroleum Co., Ltd.
	2006 - Present	Director	Pure Sammakorn Development Co.,Ltd.
	2003 - Present	Director	Jatuchak Oil Co., Ltd.
	2003 - Present	Director	Burapha Rungroch Petroleum Co., Ltd.
	2002 - Present	Director	I-sanrungruang Petroleum Co., Ltd.
	2002 - Present	Director	Metro Petroleum Co., Ltd.
	2001 - Present	Director	Pure Thai Energy Co., Ltd.
	2001 - Present	Director	Mitsamphan Petroleum Co., Ltd.
	1998 - Present	Chairman of the Executive Board	Petro-Instruments Corp. Ltd.
	1995 - Present	Director	SCT Petroleum Co., Ltd.
	1995 - Present	Executive Director	Rayong Purifier PLC.
	2000 - 2003	Managing Director	Rayong Purifier PLC.
	2002 - 2008	Director	VTN-P Petrochemical Joint Venture Co., Ltd.
	2000 - 2004	Director	Siam Gulf Petrochemical Co., Ltd.

Name-Surname	Mr.Viravat Cholvanich
Position ⁽¹⁾	Independence Director / Chairman of the Board of Directors
Age (Year)	66 years
Education	- Senior Executive Program Massachusetts Institute of Technology (MIT) - MBA, Oregon State University, USA - Associate Diplomas, Industrial Management, Goteborg University, Sweden - B.A. (Business Administration), Chulalongkorn University - DAP : Directors Accreditation Program : Thai Institute of Directors Association

Shareholding Portion ⁽²⁾ & ⁽³⁾ 6,125 Shares / 0.0012%

As of January 20th , 2010 (Share/%)

Work experience for the past 5 years	2009 - Present	Board Chairman	Biomass Power Co., Ltd.
	2010 - Present	Director	Pure Sammakorn Development Co.,Ltd.
	2000 - Present	Board Chairman	Wang Nam Khew Winery Co.,Ltd.
	1998 - Feb 2011	Board Chairman	Rayong Purifier PLC.
	1997 - Present	Board Chairman	S T F E Co.,Ltd.
	1996 - Present	Director	Siam Steel Tower Co.,Ltd.
	1994 - Present	Board Chairman	Sri U-Thong Co.,Ltd.
	1992 - Present	Board Chairman	Zigma Concrete and Construction Co.,Ltd.



Name-Surname	Mr.Suwainai Suwanhirunkul		
Position ⁽¹⁾	Director/ Executive Board/ Managing Director		
Age (Year)	54 years		
Education	<ul style="list-style-type: none"> - MBA, Burapha University - B.Sc. (Chemical Engineering), Chulalongkorn University - DPC : Directors Certification Program: Thai Institute of Directors Association - Finance for Non-Finance Directors 		
Shareholding Portion ⁽²⁾ & ⁽³⁾ As of January 20th , 2010 (Share/%)	- Shares / - %		
Work experience for the past 5 years	2003 - Present	Managing Director	Rayong Purifier PLC.
	2006 - Present	Director	Pure Sammakorn Development Co.,Ltd.
	2004 - Present	Director	Pure Bio-Diesel Co.,Ltd.
	2003 - Present	Director	Pure Thai Energy Co., Ltd.
	2002 - 2008	Director	VTN-P Petrochemical Joint Venture Co.,Ltd.

Name-Surname	Mr.Sumit Chanmatee		
Position ⁽¹⁾	Director/ Executive Board		
Age (Year)	55 years		
Education	B.Sc. (Chemical Engineering), Chulalongkorn University <ul style="list-style-type: none"> - DAP : Directors Accreditation Program: Thai Institute of Directors Association 		
Shareholding Portion ⁽²⁾ & ⁽³⁾ As of January 20th , 2010 (Share/%)	0.000 Shares / 0.000%		
Work experience for the past 5 years	1995 - Present	Executive Board	Rayong Purifier PLC.
	2007 - Present	Director	Pure Bio-Diesel Co.,Ltd.
	2006 - Present	Director	Pure Sammakorn Development Co.,Ltd.
	2004 - 2007	Director	RPC Asia Co.,Ltd.
	2003 - Present	Director	Jatuchak Oil Co., Ltd.
	2003 - Present	Director	Burapha Rungroch Petroleum Co., Ltd.
	2003 - Present	Director	Benja Petroleum Co., Ltd.
	2002 - Present	Director	I-sanrungruang Petroleum Co., Ltd.
	2002 - Present	Director	Metro Petroleum Co., Ltd.
	2001 - Present	Director	Pure Thai Energy Co., Ltd.
	2001 - Present	Director	Mitsamphan Petroleum Co., Ltd.
	1999 - Present	Director	SCT Petroleum Co., Ltd.
	1997 - Present	Director	Logic Consultant Co., Ltd.
	2001 - Present	Director	Jaturatis Transport Co., Ltd.
	2002 - 2008	Director	VTN-P Petrochemical Joint Venture Co., Ltd.
	2000 - 2004	Director	Siam Gulf Petrochemical Co., Ltd.
	1998 - 1999	Director & General Manager	Bangkok Can Manufacturing Co., Ltd.
	1997 - 1998	Management Advisor	The Siam Paraffine Co., Ltd.
	1995 - 1997	Managing Director	The Petro Chain (Thailand) Co., Ltd.
	1994 - 1995	Managing Director	General Environmental Conservation Co., Ltd.(GENCO)
	1993 - 1999	General Director	The Bangkok Industrial Gas Co., Ltd.
	1991 - 1993	Senior Executive Vice President	The Bangchak Petroleum PLC.

Name-Surname	Mr.Supapong Krishnakan
Position ⁽¹⁾	Director/ Chairman of the Executive Board
Age (Year)	54 years
Education	<ul style="list-style-type: none"> - M.S. in Chemical Engineering & Process Control Computer, University of California, Davis, California, USA - M.S.c. Economics / Advance Engineering & Economics, California State Polytechnic University, Pomona, California, USA - B.S. in Chemical Engineering, Chulalongkorn University, Bangkok, Thailand - DAP : Directors Accreditation Program: Thai Institute of Directors Association
Shareholding Portion ⁽²⁾ & ⁽³⁾ As of January 20th , 2010 (Share/%)	8,309,075 Shares / 1.57%

Work experience for the past 5 years	2000 - Present	Director/ Chairman of the Executive Board	Rayong Purifier PLC.
	2007 - 2010	Director	Pure Bio-Diesel Co.,Ltd.
	2006 - Present	Director	Pure Sammakorn Development Co.,Ltd.
	1998 - Present	Director	Honest and Efficient Co., Ltd.
	2000 - 2004	Managing Director	Siam Gulf Petrochemical Co., Ltd.
	2004 - 2007	Director	RPC Asia Co.,Ltd.
	2002 - 2005	Director	Pure Thai Energy Co., Ltd.
	1996 - 2000	Managing Director	Rayong Purifier Co., Ltd.
	1994 - 1995	Chairman	Honest and Efficient Co., Ltd.
	1992 - 1993	Project Manager	Si Chang Siam Solvent Co., Ltd. And Si Chang Thong Terminal Co., Ltd.
	1987 - 1991	Project Engineer	Bangchak Petroleum Co., Ltd.
	1981 - 1986	Process and Control Engineer	Esso (Thailand) Co., Ltd.
	1979 - 1980	Engineer	Industrial Enterprises Co., Ltd.

Name-Surname	Mr.Suthud Khancharoensuk
Position ⁽¹⁾	Director
Age (Year)	53 years
Education	<ul style="list-style-type: none"> - MBA, Thammasat University - B.Sc., Chulalongkorn University - DAP : Directors Accreditation Program: Thai Institute of Directors Association - Board Performance Evaluation: Thai Institute of Directors Association
Shareholding Portion ⁽²⁾ & ⁽³⁾ As of January 20th , 2010 (Share/%)	425 Shares / 0.00008%

Work experience for the past 5 years	1996 - Present	Director	Rayong Purifier PLC.
	2007 - Present	Director	Pure Thai Energy Co., Ltd.
	2001 - 2004	President	Petro-Instruments Corp. Ltd.
	1991 - Present	Director	Petro-Instruments Corp. Ltd.

Name-Surname	Mr.Tawat Ungsuprasert		
Position ⁽¹⁾	Director		
Age (Year)	64 years		
Education	<ul style="list-style-type: none"> - B.Sc. (Chemistry), Chulalongkorn University - DAP : Directors Accreditation Program: Thai Institute of Directors Association 		
Shareholding Portion ⁽²⁾ & ⁽³⁾ As of January 20th , 2010 (Share/%)	34,035,250 Shares / 6.423%		
Work experience for the past 5 years	2005 - Present	Director	Jaturatis Transport Co., Ltd.
	1999 - Present	Director	Rayong Purifier PLC.
	2003 - 2004	Chairman / Director	SCT Petroleum Co., Ltd.
	1999 - Present	Director	Sherwood Chemical PLC.
	1993 - 1998	Industrial Market Manager	The Shell Company in Thailand Limited

Name-Surname	Dr.Vichit Yamboonruang		
Position ⁽¹⁾	Independence Director/ Chairman of The Audit Committee		
Age (Year)	69 years		
Education	<ul style="list-style-type: none"> - Ph.D.School of Public and International Affairs, University of Pittsburgh, USA - MA. (Economics), Columbia University, USA - BA. (Economics), Chulalongkorn University - DAP : Directors Accreditation Program : Thai Institute of Directors Association - DCP : Directors Certification Program : Thai Institute of Directors Association - Audit Committee Program : Thai Institute of Directors Association - The Role of Chairman : Thai Institute of Directors Association 		
Shareholding Portion ⁽²⁾ & ⁽³⁾ As of January 20th , 2010 (Share/%)	0.000 Shares / 0.000%		
Work experience for the past 5 years	2003 - Present	Chairman of The Audit Committee	Rayong Purifier PLC.
	2010 - Present	Director	Pure Sammakorn Development Co.,Ltd.
	2000 - Present	Chairman of The Audit Committee	Jasmin International PLC.
	1999 - Present	President	Global Bond Industrial Co., Ltd.
	1979 - 2000	Senior Vice-President Refining Sector & Acting Senior Vice-President Natural Gas Sector	Petroleum Authority of Thailand

Name-Surname	Mr.Arnooparp Charmikorn		
Position ⁽¹⁾	Independence Director/ Audit Committee		
Age (Year)	56 years		
Education	<ul style="list-style-type: none"> - M.S. (Chemical Engineering) University of Tennessee (Knoxville), USA - B.Sc. (Chemical Engineering), Chulalongkorn University - DAP : Directors Accreditation Program : Thai Institute of Directors Association - Audit Committee Program : Thai Institute of Directors Association 		
Shareholding Portion ⁽²⁾ & ⁽³⁾	0.000 Shares / 0.000%		
As of January 20th , 2010 (Share/%)			
Work experience for the past 5 years	2003 - Present	Audit Committee	Rayong Purifier PLC.
	1992 - 2001	Executive Director	Kuwate Petroleum (Thailand) Co., Ltd.
	1979 - 1992	Department Manager	Esso Standard Thailand PLC.

Name-Surname	Mr.Bibit Bijaisoradat		
Position ⁽¹⁾	Independence Director/ Audit Committee		
Age (Year)	49 years		
Education	<ul style="list-style-type: none"> - MBA National Institute of Development Administration - BA International Relations, Chulalongkorn University - DCP : Directors Certification Program : Thai Institute of Directors Association - Audit Committee Program : Thai Institute of Directors Association - CEO Succession & Effective Leadership Development : Thai Institute of Directors Association 		
Shareholding Portion ⁽²⁾ & ⁽³⁾	106,125 Shares / 0.020%		
As of January 20th , 2010 (Share/%)			
Work experience for the past 5 years	2003 - Present	Audit Committee	Rayong Purifier PLC.
	2002 - Present	Director	Sammakorn PLC.
	2006 - Present	Director	Pure Sammakorn Development Co.,Ltd.
	2010 - Present	Director	Pure Thai Energy Co., Ltd.
	2002 - Present	Director	Thai Insurance PLC.
	2001 - Present	Director	Suvanachad Co., Ltd.
			Under His Majesty The King's Royal Patronage
	2000 - Present	Managing Director	Mongkolchaipattana Co., Ltd.
	2000 - Present	Assistant Manager	H.M. Private Property Office
	2000 - Present	Deputy Director	H.M. Private Development Projects

Name-Surname	Ms. Siraporn Krishnakan		
Position ⁽¹⁾	Assistant to Managing Director		
Age (Year)	55 years		
Education	<ul style="list-style-type: none"> - MBA, California State Polytechnic University, Pomona, USA - B. of Accountancy, Chulalongkorn University 		
Shareholding Portion ⁽²⁾ & ⁽³⁾ As of January 20th , 2010 (Share/%)	517,900 Shares / 0.097%		
Work experience for the past 5 years	2004 - Present	Assistant Managing Director	Rayong Purifier PLC.
	2003 - 2003	GM-Management & Financial Function	Rayong Purifier PLC.
	2003 - 2008	Internal Audit Office Manager (Action)	Rayong Purifier PLC.
	2006 - Present	Director	Pure Sammakorn Development Co.,Ltd.
	2004 - Present	Director	Pure Thai Energy Co., Ltd.
	2004 - 2007	Director	RPC Asia Co.,Ltd.
	2002 - 2008	Director	VTN-P Petrochemical Joint Venture Co., Ltd.
	2003 - Present	Director	Jatuchak Oil Co., Ltd.
	2003 - Present	Director	Burapha Rungroch Petroleum Co., Ltd.
	2003 - Present	Director	Benja Petroleum Co., Ltd.
	2002 - Present	Director	I-sanrungruang Petroleum Co., Ltd.
	2002 - Present	Director	Metro Petroleum Co., Ltd.
	2001 - Present	Director	Mitsamphan Petroleum Co., Ltd.
	2001 - 2007	Director	Jaturatis Transport Co.,Ltd.
	1999 - Present	Director	SCT Petroleum Co.,Ltd.
	1998 - 2003	Director	Yothin Petroleum Co., Ltd.
	1988 - Present	Director	Honest and Efficient Co., Ltd.
	1996 - 1998	Senior Vice President Budgeting / Accounting / Finance Department	Bangkok Terminal Co., Ltd.

Name-Surname	Mr.Somboon Sirichainarumitr		
Position ⁽¹⁾	General Manager-Finance & Administration Function		
Age (Year)	46 years		
Education	<ul style="list-style-type: none"> - Master Degree in Economics, NIDA - B.B.A (Accounting), Thammasat University 		
Shareholding Portion ⁽²⁾ & ⁽³⁾ As of January 20th , 2010 (Share/%)	50,085 Shares / 0.095%		
Work experience for the past 5 years	2007 - Present	GM-Finance & Administration Function	Rayong Purifier PLC.
	2005 - 2006	GM-Finance & Accounting Function	Rayong Purifier PLC.
	2003 - 2004	Finance & Administration Director	Asian Marine Services PLC.
	1997 - 2002	Accounting Department Manager	Asian Marine Services PLC.

Name-Surname	Mr.Wasun Sutrong		
Position ⁽¹⁾	General Manager-Manufacturing Function		
Age (Year)	41 years		
Education	Bachelor's of Industrial of Technology in Material Handling Technology, King Mongkut's Industrial of Technology, North Bangkok.		
Shareholding Portion ⁽²⁾ & ⁽³⁾ As of January 20th , 2010 (Share/%)	170,718 Shares / 0.032%		
Work experience for the past 5 years	2007 - Present	GM- Manufacturing Function	Rayong Purifier PLC.
	2004 - 2006	Project Director VTN-P	VTN-P Petrochemical Joint Venture Co.,Ltd.
	2003 - 2004	Special Project Director	VTN-P Petrochemical Joint Venture Co.,Ltd.
	2003 - 2003	General Manager (Acting)	Rayong Purifier PLC.
	1996 - 2003	Operation Department Manager	Rayong Purifier PLC.

- Remark** (1) The authorized signatory comprises 1.) Mr. Supapong Krishnakan, Mr. Satja Janetumnugul, Mr. Sumit Chanmatee, Mr. Suwinai Suwanhirunkul, two out of these four directors jointly sign with the Company's seal or 2.) Mr. Supapong Krishnakan or Mr. Satja Janetumnugul or Mr. Sumit Chanmatee or Mr. Suwinai Suwanhirunkul, one of these four directors jointly sign with Mr. Viravat Cholvanch or Mr. Suthud Khancharoensuk or Mr. Tawat Ungsuprasert and stamped with the Company's seal.
- (2) Including share portion of spouse and children who are under 20 years old.
- (3) Share portion as January 20th , 2010 with Par Value 1.00 Baht per Share. The registered and paid up is 529,870,229 Baht as of January 20th , 2010



บริษัท ระยองเพียวริฟายเออร์ จำกัด (มหาชน)
RAYONG PURIFIER PUBLIC COMPANY LIMITED

โรงกลั่นน้ำมันของคนไทย คุณภาพมาตรฐานสากล
Thai Refinery, International Standard

Rayong Purifier

Pure Thai Energy

SCT Group

Pure Intertrade

Jaturatis Transport

SCT Sahapan

Pure Sammakorn Development

Thai Goods Petroleum

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