

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As at December 31, 2008 and 2007

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2008	2007	2008	2007
<u>Assets</u>					
Current assets					
Cash and cash equivalents		77,549,920.28	108,148,560.30	63,989,218.28	72,012,055.63
Short-term investment	6	1,030,818.48	1,007,074.75	-	-
Trade accounts and notes receivable-net	7	506,506,024.36	660,161,997.42	460,065,815.63	608,706,152.87
Trade accounts and notes receivable-subsiidiaries	5.1	-	-	14,872,791.64	35,649,734.86
Inventories-net	8	97,015,655.08	165,878,782.27	69,971,090.04	125,640,819.42
Revenue Department receivable		2,676,993.30	3,842,424.69	-	-
Awaiting compensation from insurance company	9	-	1,200,000.00	-	1,200,000.00
Advance payment		-	1,132,243.00	368,740.00	1,132,243.00
Other current assets		1,768,787.71	2,793,043.61	1,329,974.36	2,417,002.06
Total current assets		686,548,199.21	944,164,126.04	610,597,629.95	846,758,007.84
Non-current assets					
Loans due from employees	10	203,037.00	302,799.00	-	-
Investments in subsidiaries	11	-	-	93,034,500.00	90,242,300.00
Property, plant and equipment-net	12	194,227,823.37	189,899,997.35	96,600,330.20	100,168,477.35
Land awaiting development	13	13,959,000.00	13,959,000.00	13,959,000.00	13,959,000.00
Other non-current assets		1,571,273.68	2,393,794.22	1,200,600.00	1,885,014.00
Total non-current assets		209,961,134.05	206,555,590.57	204,794,430.20	206,254,791.35
Total assets		896,509,333.26	1,150,719,716.61	815,392,060.15	1,053,012,799.19

Notes to financial statements are an integral part of these financial statements.

DRAFT:

These financial statements have been approved by the Company's board of directors on February 25, 2009

.....(Assistant Vice President/Accounting and Finance)

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As at December 31, 2008 and 2007

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2008	2007	2008	2007
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Overdrafts and loans due to financial institutions	14	223,147,819.65	327,472,784.92	188,645,473.67	274,177,373.63
Trade accounts and notes payable		322,766,033.97	490,888,611.55	317,266,747.86	482,065,052.98
Trade accounts and notes payable-subsiidiaries	5.1	-	-	670,950.99	1,131,311.00
Current portion of long-term liabilities	15	5,832,336.59	7,596,721.29	4,774,024.06	6,539,413.56
Other accounts and notes payable		6,483,209.66	11,033,990.95	5,603,756.06	9,355,875.99
Accrued corporate income tax		5,442,683.85	8,647,757.62	4,440,192.59	4,969,018.96
Other current liabilities		7,672,229.59	5,929,779.83	4,348,481.53	3,955,000.48
Total current liabilities		571,344,313.31	851,569,646.16	525,749,626.76	782,193,046.60
Non-current liabilities					
Liabilities under long-term lease contracts-net	15	7,177,395.66	10,353,943.53	6,490,335.18	9,075,394.29
Total non-current liabilities		7,177,395.66	10,353,943.53	6,490,335.18	9,075,394.29
Total liabilities		578,521,708.97	861,923,589.69	532,239,961.94	791,268,440.89

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As at December 31, 2008 and 2007

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2008	2007	2008	2007
Shareholders' equity					
Share capital	16				
Authorized share capital					
165,000,000 ordinary shares @ Baht 1.00 each		-	165,000,000.00	-	165,000,000.00
660,000,000 ordinary shares @ Baht 0.25 each		165,000,000.00	-	165,000,000.00	-
Issued and paid-up share capital					
165,000,000 ordinary shares @ Baht 1.00 each		-	165,000,000.00	-	165,000,000.00
660,000,000 ordinary shares @ Baht 0.25 each		165,000,000.00	-	165,000,000.00	-
Premium on share capital		46,680,000.00	46,680,000.00	46,680,000.00	46,680,000.00
Surplus from internal restructure of entities under common control		3,730,313.34	3,730,313.34	-	-
Surplus from asset revaluation		11,058,112.14	11,058,112.14	11,058,112.14	11,058,112.14
Cumulative effect of foreign currency translation		3,172.68	-	-	-
Retained earnings	17				
Appropriated					
Legal reserve		16,500,000.00	16,500,000.00	16,500,000.00	16,500,000.00
Unappropriated		75,016,026.13	45,827,701.44	43,913,986.07	22,506,246.16
Total shareholders' equity		317,987,624.29	288,796,126.92	283,152,098.21	261,744,358.30
Total liabilities and shareholders' equity		896,509,333.26	1,150,719,716.61	815,392,060.15	1,053,012,799.19

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.....(Assistant Vice President/Accounting and Finance)

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INCOME STATEMENTS

For the years ended December 31, 2008 and 2007

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2008	2007	2008	2007
Sales		2,533,082,662.65	2,135,447,642.85	2,306,709,609.56	1,974,582,749.76
Cost of sales		(2,292,117,119.14)	(1,944,107,757.87)	(2,112,648,825.11)	(1,826,722,913.35)
Gross profit		240,965,543.51	191,339,884.98	194,060,784.45	147,859,836.41
Dividen income from subsidiary		-	-	-	5,046,000.00
Other income		3,839,479.65	4,857,714.27	3,539,773.59	3,745,556.38
Selling and administrative expenses		(159,509,419.44)	(129,912,890.68)	(127,124,005.58)	(104,986,547.87)
Directors' remuneration		(4,350,000.00)	(4,315,000.00)	(4,350,000.00)	(4,315,000.00)
Financial cost-interest expenses		(18,519,408.32)	(12,196,444.85)	(15,329,356.17)	(9,136,717.11)
Net profit before corporate income tax		62,426,195.40	49,773,263.72	50,797,196.29	38,213,127.81
Corporate income tax	18	(15,087,870.71)	(12,633,263.37)	(11,239,456.38)	(7,407,539.59)
Net profit		47,338,324.69	37,140,000.35	39,557,739.91	30,805,588.22
Earnings per share		0.07	0.06	0.06	0.05
Number of ordinary shares (Unit : Share)		660,000,000	660,000,000	660,000,000	660,000,000

Notes to financial statements are an integral part of these financial statements.

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2008 and 2007

Consolidated Financial Statements

(Unit : Baht)

	Notes	Issued and paid-up share capital	Premium on share capital	Surplus from internal restructure of entities under common control	Surplus from asset revaluation	Cumulative effect of foreign currency translation	Retained Earnings		Total
							Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2007		165,000,000.00	46,680,000.00	3,730,313.34	11,058,112.14	-	12,776,000.00	15,711,701.09	#####
Legal reserve		-	-	-	-	-	3,724,000.00	(3,724,000.00)	-
Dividend paid	17	-	-	-	-	-	-	(3,300,000.00)	(3,300,000.00)
Net profit for the year		-	-	-	-	-	-	37,140,000.35	37,140,000.35
Balance as at December 31, 2007		165,000,000.00	46,680,000.00	3,730,313.34	11,058,112.14	-	16,500,000.00	45,827,701.44	#####
Cumulative effect of financial statements translation		-	-	-	-	3,172.68	-	-	3,172.68
Unrecognized in the income statement		165,000,000.00	46,680,000.00	3,730,313.34	11,058,112.14	3,172.68	16,500,000.00	45,827,701.44	#####
Dividend paid	17	-	-	-	-	-	-	(18,150,000.00)	(18,150,000.00)
Net profit for the year		-	-	-	-	-	-	47,338,324.69	47,338,324.69
Balance as at December 31, 2008		165,000,000.00	46,680,000.00	3,730,313.34	11,058,112.14	3,172.68	16,500,000.00	75,016,026.13	#####

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2008 and 2007

Separate Financial Statements

(Unit : Baht)

	Notes	Issued and paid-up share capital	Premium on share capital	Surplus from asset revaluation	Retained earnings		Total
					Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2007		165,000,000.00	46,680,000.00	11,058,112.14	12,776,000.00	(1,275,342.06)	234,238,770.08
Legal reserve		-	-	-	3,724,000.00	(3,724,000.00)	-
Dividend paid	17	-	-	-	-	(3,300,000.00)	(3,300,000.00)
Net profit for the year		-	-	-	-	30,805,588.22	30,805,588.22
Balance as at December 31, 2007		165,000,000.00	46,680,000.00	11,058,112.14	16,500,000.00	22,506,246.16	261,744,358.30
Dividend paid	17	-	-	-	-	(18,150,000.00)	(18,150,000.00)
Net profit for the year		-	-	-	-	39,557,739.91	39,557,739.91
Balance as at December 31, 2008		165,000,000.00	46,680,000.00	11,058,112.14	16,500,000.00	43,913,986.07	283,152,098.21

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS

For the years ended December 31, 2008 and 2007

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Cash flow from operating activities				
Net profit before corporate income tax	62,426,195.40	49,773,263.72	50,797,196.29	38,213,127.81
Reconciliation of net profit with cash receipts (payment) from operation				
Dividend income from subsidiary	-	-	-	(5,046,000.00)
Doubtful debts and bad debt-trade accounts receivable (Reversal)	215,348.20	(189,395.57)	172,630.00	(189,395.57)
Loss from cost of goods exceeding net realisable value and damaged goods	2,884,138.58	22,317.06	2,495,170.85	63,459.85
Depreciation	22,364,126.07	17,136,529.98	16,876,621.90	14,076,253.07
Gain from disposal of assets	(386,890.40)	(99,660.22)	(2,718.86)	(115,969.14)
Unrealized (gain) loss from exchange rate	2,397.11	(1,359,879.85)	(50,670.92)	(1,080,329.07)
Interest expenses	18,519,408.32	12,196,444.85	15,329,356.17	9,136,717.11
Profit from operation before changes in operating assets and liabilities	106,024,723.28	77,479,619.97	85,617,585.43	55,057,864.06
(Increase)decrease in operating assets				
Trade accounts and notes receivable	153,451,013.63	(129,813,962.95)	148,467,707.24	(111,075,791.30)
Trade accounts and notes receivable-subsiaries	-	-	20,776,943.22	(24,725,152.56)
Inventories	65,978,988.61	(51,140,508.81)	53,174,558.53	(37,840,974.12)
Revenue Department receivable	1,165,431.39	(3,773,881.76)	-	68,542.93
Advance payment	1,132,243.00	(1,119,129.50)	763,503.00	(1,132,243.00)
Awaiting compensation from insurance company	1,200,000.00	-	1,200,000.00	-
Other current assets	1,049,139.34	(530,127.46)	1,087,027.70	(1,311,058.30)
Other non-current assets	(577,113.68)	(1,658,374.00)	(357,200.00)	(1,507,614.00)
Increase(decrease) in operating liabilities				
Trade accounts and notes payable	(168,170,959.45)	2,938,188.50	(164,846,686.99)	(4,933,348.55)
Trade accounts and notes payable-subsiaries	-	-	(460,360.01)	621,477.40
Other accounts and notes payable	(4,739,850.29)	3,699,543.00	(3,752,119.93)	3,863,016.74
Other current liabilities	1,843,683.06	(138,806.87)	(88,204.73)	333,033.51
Cash received (used) for operating activities	158,357,298.89	(104,057,439.88)	141,582,753.46	(122,582,247.19)
Cash payment for interest expenses	(18,620,641.62)	(11,246,902.58)	(14,847,670.39)	(8,670,773.96)
Cash payment for corporate income tax	(18,317,827.92)	(10,303,636.28)	(11,768,282.75)	(7,781,981.20)
Net cash received (used) for operating activities	121,418,829.35	(125,607,978.74)	114,966,800.32	(139,035,002.35)

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS

For the years ended December 31, 2008 and 2007

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Cash flow from investing activities				
(Increase) decrease in short-term investment	(23,743.73)	(38,361.06)	-	-
(Increase) decrease in loans due from employees	99,762.00	(161,469.00)	-	-
Additional investments in subsidiaries	-	-	(2,792,200.00)	(20,000,000.00)
Dividends received from subsidiaries	-	-	-	5,046,000.00
Purchase of property, plant and equipment	(22,344,479.17)	(49,612,253.02)	(8,821,466.17)	(13,328,922.57)
Sales of property, plant and equipment	1,529,721.06	562,781.31	2,944.86	149,532.71
Decrease in pledged deposits at banks	358,020.22	9,327,642.91	-	9,339,262.75
Net cash used for investing activities	(20,380,719.62)	(39,921,658.86)	(11,610,721.31)	(18,794,127.11)
Cash flow from financing activities				
Increase(decrease) in overdrafts and loans due to financial institutions	(104,289,369.28)	170,887,879.77	(85,432,847.17)	148,214,189.66
Cash paid for liabilities under long-term lease contracts	(9,200,553.15)	(7,300,397.58)	(7,796,069.19)	(6,088,510.05)
Dividend paid	(18,150,000.00)	(3,300,000.00)	(18,150,000.00)	(3,300,000.00)
Net cash received (used) from financing activities	(131,639,922.43)	160,287,482.19	(111,378,916.36)	138,825,679.61
Increase in currency translation differences	3,172.68	-	-	-
Cash and cash equivalents decrease-net	(30,598,640.02)	(5,242,155.41)	(8,022,837.35)	(19,003,449.85)
Cash and cash equivalents at the beginning of the period	108,148,560.30	113,390,715.71	72,012,055.63	91,015,505.48
Cash and cash equivalents at the end of the period	77,549,920.28	108,148,560.30	63,989,218.28	72,012,055.63
Additional disclosure				
1. Detail in non-monetary transactions as follows:				
- Acquisition of assets by entering into long-term lease contracts	5,301,234.58	10,863,738.32	4,487,234.58	9,303,738.32
- Acquisition of assets which had not yet been paid	189,069.00	732,628.42	-	-
- Purchase of vehicles under long-term lease contracts which transferred from deposit account	1,041,614.00	1,791,775.70	1,041,614.00	1,791,775.70
- Awaiting compensation from insurance company not yet received	-	1,200,000.00	-	1,200,000.00
- Transferred Land Awaiting Development to Property, Plant and Equipment	-	38,220,000.00	-	-
- Reversed Allowance for Doubtful Debt to Trade Accounts Receivable	-	786,619.50	-	726,619.50
- Appropriated for Legal Reserve from Retained Earnings	-	3,724,000.00	-	3,724,000.00
2. Cash and Cash Equivalents consist of: -				
Cash	195,102.73	160,478.50	150,000.00	150,000.00
Current Deposit	376,486.16	414,820.98	264,574.90	276,543.47
Saving Deposit	76,978,331.39	107,573,260.82	63,574,643.38	71,585,512.16
Total	77,549,920.28	108,148,560.30	63,989,218.28	72,012,055.63

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