

Rayong Purifier Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Assets					
Current assets					
Cash and cash equivalents		91,669,473	112,565,812	2,493,021	8,602,162
Current investments - net	7	-	45,570,516	-	-
Trade accounts receivable - unrelated parties, net	8	124,021,528	512,549,005	49,741,587	378,338,322
Trade accounts receivable - related parties	8, 10	453,586	105,913	309,619,424	497,124,198
Amounts due from related parties	10	15,000	2,658,099	17,328,329	8,994,137
Advance to related party	10	30,000,000	30,000,000	30,000,000	30,000,000
Inventories - net	11	784,120,574	1,610,258,346	702,498,925	1,476,011,785
Short-term loans and interest receivable from unrelated party - net	12	-	17,613,949	-	17,613,949
Short-term loans to related parties	10	-	-	85,981,500	-
Other current assets - net	13	394,694,501	334,353,822	319,026,356	269,833,262
Total current assets		1,424,974,662	2,665,675,462	1,516,689,142	2,686,517,815
Non-current assets					
Pledged deposits at financial institutions	9	120,000,000	120,000,000	120,000,000	120,000,000
Investments in subsidiaries - net	14	-	-	245,013,951	200,584,628
Property, plant and equipment - net	15	1,496,004,880	949,974,837	735,911,285	472,134,839
Intangible assets - net	16	14,413,343	11,649,298	14,413,343	11,649,298
Other non-current assets - net	17	40,221,840	107,513,999	33,035,351	34,424,616
Total non-current assets		1,670,640,063	1,189,138,134	1,148,373,930	838,793,381
Total assets		3,095,614,725	3,854,813,596	2,665,063,072	3,525,311,196

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

Rayong Purifier Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2008 and 2007

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		2008	2007	2008	2007
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	18	1,131,907,527	220,233,504	1,123,688,388	220,233,504
Trade accounts payable - unrelated parties		566,725,446	1,597,241,451	543,269,215	1,555,103,347
Trade accounts payable - related parties	10	641,725	-	11,623,704	9,377,800
Accounts payable - unrelated parties		76,911,164	44,752,484	20,428,352	20,866,658
Amounts due to related parties	10	10,267,043	129,899	25,748,638	26,845,059
Short-term loans from unrelated parties	19	70,233,500	52,115,000	1,000,000	51,000,000
Current portion of long-term loans from					
financial institutions	20	119,504,000	73,499,453	80,000,000	-
Current portion of long-term loans from					
related parties	10	9,000,000	-	-	-
Current portion of liabilities under finance leases	15	1,119,888	814,316	795,688	-
Other current liabilities	21	97,609,873	306,160,805	68,398,164	188,337,795
Total current liabilities		2,083,920,166	2,294,946,912	1,874,952,149	2,071,764,163
Non-current liabilities					
Long-term loans from financial institutions	20	208,404,669	56,725,331	40,000,000	-
Liabilities under finance leases	15	3,870,513	-	2,789,847	-
Rental deposits - unrelated parties		13,516,653	5,606,537	-	-
Rental deposits - related party	10	218,088	218,088	-	-
Total non-current liabilities		226,009,923	62,549,956	42,789,847	-
Total liabilities		2,309,930,089	2,357,496,868	1,917,741,996	2,071,764,163

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

Rayong Purifier Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Shareholders' equity					
Share capital	22				
Registered					
529,870,229 ordinary shares of Baht 1 each					
(2007: 530,048,171 ordinary shares of Baht 1 each)		529,870,229	530,048,171	529,870,229	530,048,171
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	24	259,057,363	-	259,057,363	-
Translation adjustment		-	(10,193,145)	-	-
Retained earnings					
Appropriated					
Statutory reserve	25	53,004,817	53,004,817	53,004,817	53,004,817
Treasury stock reserve	26	220,549,808	-	220,549,808	-
Unappropriated (deficit)		(404,083,550)	566,108,500	(429,677,032)	535,606,288
Equity attributable to the Company's shareholders		993,464,366	1,473,856,100	967,870,884	1,453,547,033
Less: Treasury stock	27	(220,549,808)	-	(220,549,808)	-
Equity attributable to the Company's shareholders - net		772,914,558	1,473,856,100	747,321,076	1,453,547,033
Minority interest - equity attributable to minority shareholders of subsidiaries		12,770,078	23,460,628	-	-
Total shareholders' equity		785,684,636	1,497,316,728	747,321,076	1,453,547,033
Total liabilities and shareholders' equity		3,095,614,725	3,854,813,596	2,665,063,072	3,525,311,196
		0	0	0	0

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

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Directors
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Rayong Purifier Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Revenues					
Sales - net	28	22,506,903,260	20,726,065,234	20,026,951,060	18,416,705,352
Revenue from transportation service		28,448,786	32,509,852	-	-
Gain on sales of fixed assets and land use right		77,691,709	1,125,897	651,633	147,130
Gain on forward contracts to purchase and sell crude oil and oil products		15,283,964	-	15,283,964	-
Net gain on return of capital by subsidiary	14	-	-	22,615,566	-
Gain on exchange rate		31,135,060	2,088,866	30,343,858	-
Other income		79,192,813	35,307,541	96,201,095	68,253,631
Total revenues		22,738,655,592	20,797,097,390	20,192,047,176	18,485,106,113
Expenses					
Cost of sales		22,554,411,822	19,701,770,177	20,096,246,021	17,406,253,010
Cost of transportation service		14,937,284	12,033,676	-	-
Selling expenses		112,990,675	96,383,509	250,574,984	217,622,247
Administrative expenses		462,600,856	430,340,249	292,286,107	299,979,132
Total expenses		23,144,940,637	20,240,527,611	20,639,107,112	17,923,854,389
Income (loss) before finance cost and income tax		(406,285,045)	556,569,779	(447,059,936)	561,251,724
Finance cost		(68,365,651)	(30,707,727)	(62,693,257)	(21,486,364)
Income (loss) before income tax		(474,650,696)	525,862,052	(509,753,193)	539,765,360
Corporate income tax	30	(5,970,044)	(143,564,307)	-	(136,812,365)
Net income (loss) for the year		(480,620,740)	382,297,745	(509,753,193)	402,952,995
Net income (loss) attributable to:					
Equity holders of the parent		(504,468,778)	400,694,318	(509,753,193)	402,952,995
Minority interests of the subsidiaries		23,848,038	(18,396,573)		
		(480,620,740)	382,297,745		
		0	0		
Basic earnings per share					
Net income (loss) attributable to equity holders of the parent	31	(1.01)	0.76	(1.02)	0.77
Weighted average number of ordinary shares (shares)		497,590,280	526,611,070	497,590,280	526,611,070

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

Rayong Purifier Public Company Limited and its subsidiaries

Statements of cash flows

For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash flows from operating activities				
Net income (loss) before tax	(474,650,696)	525,862,052	(509,753,193)	539,765,360
Adjustments to reconcile net income (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	122,413,534	126,677,136	71,826,173	74,610,392
Bad debts and allowance for doubtful accounts	21,423,944	3,014,576	18,683,932	4,452,682
Allowance for diminution in value of inventories	16,153,150	-	15,226,833	-
Gain on sales of current investments	(1,354,018)	(974,665)	-	(427,063)
Loss on return of capital by subsidiary	-	-	32,403,087	-
Reversal of allowance for impairment of investment in subsidiary	-	-	(55,018,653)	-
Gain on sales of fixed assets and land use right	(77,691,709)	(1,125,897)	(651,633)	(147,130)
Unrealised exchange loss (gain)	892,035	(583,710)	892,035	(583,710)
Loss (gain) on the change in value of current investments	32,340	(19,742)	-	-
Discounts received on investments	-	(661,186)	-	(524,812)
Interest income	(10,543,899)	(8,529,099)	(6,353,136)	(8,146,339)
Interest expense	64,094,331	30,707,727	57,947,173	21,486,364
Income (loss) from operating activities before changes in operating assets and liabilities	(339,230,988)	674,367,192	(374,797,382)	630,485,744
Operating assets (increase) decrease				
Trade accounts receivable - unrelated parties	389,277,231	(86,013,842)	327,704,700	(36,689,351)
Trade accounts receivable - related parties	(347,673)	8,334	187,504,774	(241,868,402)
Amounts due from related parties	2,643,099	5,689,423	(8,334,192)	57,377,745
Advances for purchase of inventories - related parties	-	-	-	101,872,151
Inventories	813,616,373	(440,290,972)	758,286,027	(374,716,484)
Other current assets	24,241,821	125,482,123	30,428,091	46,060,950
Other non-current assets	45,598,816	(3,620,487)	1,389,265	(2,122,596)
Operating liabilities increase (decrease)				
Trade accounts payable - unrelated parties	(1,033,642,841)	540,657,158	(1,011,834,132)	529,091,311
Trade accounts payable - related parties	641,725	-	2,245,904	(530,850)
Accounts payable - unrelated parties	(7,320,424)	(1,530,448)	(438,306)	1,606,157
Amounts due to related parties	7,507,648	(1,710,172)	(1,096,421)	(10,117,736)
Other current liabilities	(63,912,769)	116,930,299	(54,792,459)	114,114,317
Other non-current liabilities	7,910,116	5,824,625	-	-
Cash flows from (used in) operating activities	(153,017,866)	935,793,233	(143,734,131)	814,562,956
Cash paid for interest expense	(58,632,859)	(46,350,673)	(54,044,641)	(31,789,488)
Cash received from corporate income tax refunded	15,909,834	-	15,909,834	-
Cash paid for corporate income tax	(173,917,850)	(122,049,981)	(163,743,005)	(116,796,226)

Rayong Purifier Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash flows from investing activities				
Decrease in pledged deposits at financial institutions	-	30,000,000	-	30,000,000
Interest income	7,521,179	8,048,513	4,677,362	7,665,753
Cash paid for purchases of current investments	(1,398,000,000)	(1,759,909,426)	-	(1,370,582,193)
Proceeds from sales of current investments	1,444,892,194	1,737,401,375	-	1,371,534,068
Net cash paid for acquisition of investment in a subsidiary (Note 14)	(1,501,264)	-	(76,000,000)	(114,000,000)
Cash receipt from return of capital by subsidiary	-	-	54,186,243	-
Increase in advance to related party	-	(20,000,000)	-	(20,000,000)
Increase in short-term loans to unrelated party	(231,926)	(6,008,939)	(231,926)	(6,008,939)
Decrease (increase) in short-term loans to related parties	-	-	(85,981,500)	28,764,400
Proceeds from sales of fixed assets and land use right	196,106,526	2,731,591	3,673,107	26,003,982
Acquisitions of property, plant and equipment	(525,776,829)	(168,302,815)	(72,692,992)	(21,616,135)
Acquisitions of intangible assets	(3,761,796)	(479,517)	(3,761,796)	-
Advances for purchase of machinery	-	(42,912,848)	-	-
Advance received from sale of assets	-	84,503,929	-	-
Net cash flows used in investing activities	(280,751,916)	(134,928,137)	(176,131,502)	(68,239,064)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	911,674,023	(507,143,819)	903,454,884	(507,143,819)
Increase (decrease) in short-term loans from unrelated parties	17,118,500	100,000	(50,000,000)	-
Decrease in short-term loans from related parties	(2,000,000)	-	-	-
Cash receipt from long-term loans from financial institutions	390,863,006	31,007,663	200,000,000	-
Repayment of long-term loans from financial institutions	(193,179,121)	(14,491,182)	(80,000,000)	-
Cash paid for treasury stock	(220,549,808)	-	(220,549,808)	-
Capital increase of minority shareholders in a subsidiary	1,225,000	-	-	-
Cash paid for return capital of a subsidiary to minority shareholders	(37,336,060)	-	-	-
Repayment of liabilities under finance leases	(1,544,036)	(2,651,696)	(513,586)	(54,500)
Cash receipts from capital increase	-	3,609,796	-	3,609,796
Dividend paid	(236,757,186)	(115,777,295)	(236,757,186)	(115,777,295)
Net cash flows from (used in) financing activities	629,514,318	(605,346,533)	515,634,304	(619,365,818)
Translation adjustment	-	4,255,123	-	-
Net increase (decrease) in cash and cash equivalents	(20,896,339)	31,373,032	(6,109,141)	(21,627,640)
Cash and cash equivalents at beginning of year	112,565,812	81,192,780	8,602,162	30,229,802
Cash and cash equivalents at end of year	91,669,473	112,565,812	2,493,021	8,602,162
	0	0	0	0

Rayong Purifier Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Supplemental cash flows information:				
Non-cash transactions				
Increase in accounts payable - unrelated parties from				
purchases of plant and equipment	38,853,770	10,819,275	-	-
Acquisitions of vehicles by finance leases	5,720,121	-	4,099,121	-
Decrease of advance received from sale of assets	84,503,929	-	-	-
Property, plant and equipment increase from revaluation	260,834,230	-	260,834,230	-
Amortisation of revaluation surplus on assets	1,776,867	-	1,776,867	-

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

Rayong Purifier Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2008 and 2007

(Unit: Baht)

Consolidated financial statements												
Equity attributable to the parent's shareholders												
	Note	Issued and paid-up share capital	Premium on ordinary shares	Revaluation surplus on assets	Translation adjustment	Retained earnings			Total equity attributable to the parent's shareholders	Minority interest - equity attributable to minority shareholders of subsidiaries	Total	
						Statutory reserve	Treasury stock reserve	Unappropriated				
Balance as at 31 December 2006		526,260,433	335,065,699	-	(8,426,001)	53,004,817	-	281,191,477	-	1,187,096,425	43,035,293	1,230,131,718
Income and expenses recognised directly in equity:												
Translation adjustment		-	-	-	(1,767,144)	-	-	-	-	(1,767,144)	(1,178,092)	(2,945,236)
Net income and expenses recognised directly in equity		-	-	-	(1,767,144)	-	-	-	-	(1,767,144)	(1,178,092)	(2,945,236)
Net income (loss) for the year 2007		-	-	-	-	-	-	400,694,318	-	400,694,318	(18,396,573)	382,297,745
Total income and expenses for the year		-	-	-	(1,767,144)	-	-	400,694,318	-	398,927,174	(19,574,665)	379,352,509
Dividend paid	34	-	-	-	-	-	-	(115,777,295)	-	(115,777,295)	-	(115,777,295)
Share capital issued	22	3,609,796	-	-	-	-	-	-	-	3,609,796	-	3,609,796
Balance as at 31 December 2007		<u>529,870,229</u>	<u>335,065,699</u>	<u>-</u>	<u>(10,193,145)</u>	<u>53,004,817</u>	<u>-</u>	<u>566,108,500</u>	<u>-</u>	<u>1,473,856,100</u>	<u>23,460,628</u>	<u>1,497,316,728</u>
Balance as at 31 December 2007		529,870,229	335,065,699	-	(10,193,145)	53,004,817	-	566,108,500	-	1,473,856,100	23,460,628	1,497,316,728
Income and expenses recognised directly in equity:												
Gain from revaluation of assets	15, 24	-	-	260,834,230	-	-	-	-	-	260,834,230	-	260,834,230
Amortisation of revaluation surplus on assets	24	-	-	(1,776,867)	-	-	-	1,776,867	-	-	-	-
Translation adjustment		-	-	-	10,193,145	-	-	(10,193,145)	-	-	-	-
Net income and expenses recognised directly in equity		-	-	259,057,363	10,193,145	-	-	(8,416,278)	-	260,834,230	-	260,834,230
Net income (loss) for the year 2008		-	-	-	-	-	-	(504,468,778)	-	(504,468,778)	23,848,038	(480,620,740)
Total income and expenses for the year		-	-	259,057,363	10,193,145	-	-	(512,885,056)	-	(243,634,548)	23,848,038	(219,786,510)
Acquisition of investment in a subsidiary		-	-	-	-	-	-	-	-	-	1,572,472	1,572,472
Capital increase of minority shareholders in a subsidiary		-	-	-	-	-	-	-	-	-	1,225,000	1,225,000
Return capital of a subsidiary to minority shareholders		-	-	-	-	-	-	-	-	-	(37,336,060)	(37,336,060)
Dividend paid	34	-	-	-	-	-	-	(236,757,186)	-	(236,757,186)	-	(236,757,186)
Unappropriated retained earnings transferred to treasury stock reserve	26	-	-	-	-	-	220,549,808	(220,549,808)	-	-	-	-
Increase in treasury stock during the year	27	-	-	-	-	-	-	-	(220,549,808)	(220,549,808)	-	(220,549,808)
Balance as at 31 December 2008		<u>529,870,229</u>	<u>335,065,699</u>	<u>259,057,363</u>	<u>-</u>	<u>53,004,817</u>	<u>220,549,808</u>	<u>(404,083,550)</u>	<u>(220,549,808)</u>	<u>772,914,558</u>	<u>12,770,078</u>	<u>785,684,636</u>
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-

The 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 2008 and 2007

(Unit: Baht)

		Separate financial statements							
						Retained earnings			
						Appropriated			
						Treasury			
Note	Issued and paid-up share capital	Premium on ordinary shares	Revaluation surplus on assets	Statutory reserve	stock reserve	Unappropriated	Treasury stock	Total	
	Balance as at 31 December 2006	526,260,433	335,065,699	-	53,004,817	-	248,430,588	-	1,162,761,537
	Net income for the year 2007	-	-	-	-	-	402,952,995	-	402,952,995
	Dividend paid	34	-	-	-	-	(115,777,295)	-	(115,777,295)
	Share capital issued	22	3,609,796	-	-	-	-	-	3,609,796
	Balance as at 31 December 2007	<u>529,870,229</u>	<u>335,065,699</u>	<u>-</u>	<u>53,004,817</u>	<u>-</u>	<u>535,606,288</u>	<u>-</u>	<u>1,453,547,033</u>
	Balance as at 31 December 2007	529,870,229	335,065,699	-	53,004,817	-	535,606,288	-	1,453,547,033
	Income and expenses recognised directly in equity:								
	Gain from revaluation of assets	15, 24	-	-	260,834,230	-	-	-	260,834,230
	Amortisation of revaluation surplus on assets	24	-	-	(1,776,867)	-	-	1,776,867	-
	Net income and expenses recognised directly in equity		-	-	259,057,363	-	-	1,776,867	260,834,230
	Net loss for the year 2008		-	-	-	-	-	(509,753,193)	(509,753,193)
	Total income and expenses for the year		-	-	259,057,363	-	-	(507,976,326)	(248,918,963)
	Dividend paid	34	-	-	-	-	-	(236,757,186)	(236,757,186)
	Unappropriated retained earnings transferred to treasury stock reserve	26	-	-	-	-	220,549,808	(220,549,808)	-
	Increase in treasury stock during the year	27	-	-	-	-	-	-	(220,549,808)
	Balance as at 31 December 2008	<u>529,870,229</u>	<u>335,065,699</u>	<u>259,057,363</u>	<u>53,004,817</u>	<u>220,549,808</u>	<u>(429,677,032)</u>	<u>(220,549,808)</u>	<u>747,321,076</u>
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

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