

**Rayong Purifier Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month and six-month periods ended 30 June 2009 and 2008**

**1. General information**

**1.1 Corporate 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 and its registered office, which is the head office, is located at 14th Floor, Shinawatra Tower 3, 1010 Viphavadi 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. In addition, the Company has 4 oil depots dispersed across the various regions of Thailand.

The Company's major shareholder is Petro-Instruments Company Limited, a limited company under Thai laws, which as at 30 June 2009 held 29.87% (calculated before deducting treasury stock) of the issued and paid-up capital of the Company.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2007) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

### 1.3 Basis of consolidation

The consolidated financial statements include the financial statements of Rayong Purifier Public Company Limited and its subsidiaries, and have been prepared on the same basis as applied for the consolidated financial statements for the year ended 31 December 2008. There have been no changes in the composition of the subsidiaries in the current period.

#### 1.4 Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponded to those per this notification.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

a) Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

## Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007)

## Impairment of Assets

TFRS 5 (revised 2007)

## Non-current Assets Held for Sale and Discontinued Operations

## Accounting Treatment Guidance for Leasehold Right

## Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The Company's management has assessed the effect of these standards and believes that TFRS 5 (revised 2007) and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007), TAS 36 (revised 2007) and Accounting Treatment Guidance for Leasehold Right do not have any significant impact on the financial statements for the current period.

(Unaudited but reviewed)

**b) Accounting standards which are not effective for the current year**

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allows early adoption by the entity before the effective date.

The management of the Company is still evaluating the effect of these three accounting standards and has not been able to reach a conclusion as to their effect to the financial statements for the year in which they are initially applied.

**1.5 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2008.

**2. Trade accounts receivable**

The balances of trade accounts receivable as at 30 June 2009 and 31 December 2008, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
<u>Trade accounts receivable - unrelated parties</u>				
Not over 3 months	108,038	116,456	1,139	46,668
3 - 6 months	1,563	855	-	-
6 - 12 months	22	3,727	-	2,342
Over 12 months	16,354	15,409	1,349	1,349
Total	125,977	136,447	2,488	50,359
Less: Allowance for doubtful accounts	(11,764)	(12,425)	(617)	(617)
Trade accounts receivable - unrelated parties, net	<u>114,213</u>	<u>124,022</u>	<u>1,871</u>	<u>49,742</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
<u>Trade accounts receivable - related parties</u>				
Not over 3 months	531	454	282,067	309,619
Total trade accounts receivable - related parties	<u>531</u>	<u>454</u>	<u>282,067</u>	<u>309,619</u>

### 3. Pledged deposits at financial institutions

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

### 4. Related party transactions

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

Name	Relationship
Pure Thai Energy Co., Ltd. (PTEC)	Subsidiary
SCT Sahaphan Co., Ltd.	Subsidiary of PTEC
Pure Biodiesel Co., Ltd.	Subsidiary
SCT Petroleum Co., Ltd. (SCT)	Subsidiary
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
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
Blue Planet Travel Co., Ltd.	Common directors

(Unaudited but reviewed)

Name	Relationship
Bac Brother 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

During the periods, 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: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	For the three-month		For the three-month		
	periods ended		periods ended		Transfer pricing
	30 June		30 June		policy
	2009	2008	2009	2008	
<b><u>Transactions with subsidiaries</u></b>					
(Eliminated from consolidated financial statements)					
Sales	-	-	1,791,627	2,588,389	Note 1
Management fee income	-	-	19,056	17,038	Note 2
Interest income	-	-	1,735	-	3.50% - 5.75% p.a.
Other income - other services	-	-	5,920	1,855	Contract price
Purchases of goods	-	-	234,621	301,959	Note 1
Transportation expense	-	-	45,771	63,074	Contract price
Other expenses	-	-	995	1,666	Note 1
Purchases of equipment	-	-	456	726	Close to cost
<b><u>Transactions with related parties</u></b>					
Rental and service income	243	244	-	-	Contract price
Purchases of equipment	1,000	-	-	-	Contract price
Other expenses	346	1,490	188	1,390	Actual cost
Land rental expense	536	507	-	-	Contract price
Advertising and promotion expenses	-	43	-	43	Contract price
Interest expense	77	209	-	-	7.5% - 9.0% p.a.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	For the six-month		For the six-month		Transfer pricing
	periods ended		periods ended		policy
	30 June		30 June		
	2009	2008	2009	2008	
<b><u>Transactions with subsidiaries</u></b>					
(Eliminated from consolidated financial statements)					
Sales	-	-	3,357,518	4,937,208	Note 1
Management fee income	-	-	34,620	33,926	Note 2
Interest income	-	-	3,061	7	3.50% - 5.75% p.a.
Other income - other services	-	-	10,552	2,829	Contract price
Purchases of goods	-	-	343,057	500,966	Note 1
Transportation expense	-	-	87,198	114,699	Contract price
Other expenses	-	-	2,086	2,800	Note 1
Sales of equipment	-	-	795	1,387	Close to cost
Purchases of equipment	-	-	1,591	726	Close to cost
<b><u>Transactions with related parties</u></b>					
Rental and service income	443	502	-	-	Contract price
Purchases of equipment	1,000	-	-	-	Contract price
Other expenses	687	2,021	400	1,742	Actual cost
Land rental expense	1,073	1,013	-	-	Contract price
Advertising and promotion expenses	229	320	229	320	Contract price
Interest expense	212	459	-	-	7.5% - 9.0% p.a.

Note 1 - The selling price is set out based on the market price with discount for oil wholesale business, provided according to the volumes of order.

- The selling price is set out based on the market price with the fixed rate marketing margin discount for oil retail business.
- The selling price is set out based on the market price for oil transportation business.

(Unaudited but reviewed)

- 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.
- Note 2
- Calculation based on quantities of products sold for oil wholesale business.
  - 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.

The balances of the accounts as at 30 June 2009 and 31 December 2008 between the Company and those related companies are as follows:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
<b><u>Trade accounts receivable - related parties</u></b>				
<b>Subsidiaries</b>				
Pure Thai Energy Co., Ltd.	-	-	220,732	199,432
SCT Petroleum Co., Ltd.	-	-	11,159	3,526
Isan Rungreang Petroleum Co., Ltd.	-	-	3,586	30,367
Mitsumphan Petroleum Co., Ltd.	-	-	16,366	40,335
Metro Petroleum Co., Ltd.	-	-	6,933	22,707
Jatuchak Oil Co., Ltd.	-	-	19,001	7,765
Benja Petroleum Co., Ltd.	-	-	1,882	1,748
Burapha Rungroch Petroleum Co., Ltd.	-	-	354	1,587
Jaturatis Transport Co., Ltd.	-	-	2,054	2,152
Total trade accounts receivable - subsidiaries	-	-	282,067	309,619
<b>Related companies</b>				
Sammakorn Plc.	57	46	-	-
Village Farm & Friend Co., Ltd.	474	408	-	-
Total trade accounts receivable				
- related companies	531	454	-	-
Total trade accounts receivable - related parties	531	454	282,067	309,619

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
<b><u>Amounts due from related parties</u></b>				
<b>Subsidiaries</b>				
Pure Thai Energy Co., Ltd.	-	-	2,700	6,618
Pure Biodiesel Co., Ltd.	-	-	16,654	3,057
SCT Petroleum Co., Ltd.	-	-	2,238	744
Isan Rungreang Petroleum Co., Ltd.	-	-	1,201	511
Mitsumphan Petroleum Co., Ltd.	-	-	2,438	988
Jaturatis Transport Co., Ltd.	-	-	845	2,118
Metro Petroleum Co., Ltd.	-	-	558	352
Burapha Rungroch Petroleum Co., Ltd.	-	-	466	319
Benja Petroleum Co., Ltd.	-	-	353	112
Jatuchak Oil Co., Ltd.	-	-	466	328
Pure Sammakorn Development Co., Ltd.	-	-	305	986
SCT Sahaphan Co., Ltd.	-	-	734	1,195
Total amounts due from subsidiaries	-	-	28,958	17,328
<b>Related companies</b>				
Sammakorn Plc.	-	15	-	-
Petro-Instruments Co., Ltd.	2,000	-	-	-
Total amounts due from related companies	2,000	15	-	-
Total amounts due from related parties	2,000	15	28,958	17,328
<b><u>Advance to related party</u></b>				
<b>Related company</b>				
Globalization Economic and Promotion				
Network Co., Ltd.	30,000	30,000	30,000	30,000
Total advance to related party	30,000	30,000	30,000	30,000
<b><u>Short-term loans to related parties</u></b>				
<b>Subsidiaries</b>				
Pure Biodiesel Co., Ltd.	-	-	132,000	78,000
Pure Sammakorn Development Co., Ltd.	-	-	-	7,982
Total short-term loans to related parties	-	-	132,000	85,982



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
<b><u>Trade accounts payable - related parties</u></b>				
<b>Subsidiaries</b>				
Pure Biodiesel Co., Ltd.	-	-	34,403	-
SCT Petroleum Co., Ltd.	-	-	15,621	854
Mitsumphan Petroleum Co., Ltd.	-	-	316	3,368
Isan Rungreang Petroleum Co., Ltd.	-	-	-	7,402
Total trade accounts payable - subsidiaries	-	-	50,340	11,624
<b>Related company</b>				
Sammakorn Plc.	10	642	-	-
Total trade accounts payable - related company	10	642	-	-
Total trade accounts payable - related parties	10	642	50,340	11,624
<b><u>Amounts due to related parties</u></b>				
<b>Subsidiaries</b>				
Pure Thai Energy Co., Ltd.	-	-	757	1,198
SCT Petroleum Co., Ltd.	-	-	-	4,104
Jaturatis Transport Co., Ltd.	-	-	21,898	9,841
SCT Sahaphan Co., Ltd.	-	-	708	379
Total amounts due to subsidiaries	-	-	23,363	15,522
<b>Related companies</b>				
Blue Planet Travel Co., Ltd.	34	-	34	-
Sammakorn Plc.	69	40	-	-
Jazzy Creation Co., Ltd.	-	19	-	19
Petro-Instruments Co., Ltd.	43	10,208	43	10,208
Total amounts due to related companies	146	10,267	77	10,227
Total amounts due to related parties	146	10,267	23,440	25,749

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
<b><u>Current portion of long-term loans from related parties</u></b>				
The Company's management	500	500	-	-
Subsidiary's shareholder	500	1,000	-	-
Subsidiary's directors	500	1,500	-	-
Related persons of the Company's directors	3,000	6,000	-	-
Total current portion of long-term loans from related parties	4,500	9,000	-	-
<b><u>Rental deposits - related party</u></b>				
<b>Related company</b>				
Village Farm & Friend Co., Ltd.	-	218	-	-
Total rental deposits - related party	-	218	-	-

During the period, movements of loans from / loans to related parties were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Balance as at	During the period	
	1 January		
	2009	Increase	Decrease
<b><u>Current portion of long-term loans from related parties</u></b>			
The Company's management	500	-	-
Subsidiary's shareholder	1,000	-	(500)
Subsidiary's directors	1,500	-	(1,000)
Related persons of the Company's directors	6,000	-	(3,000)
Total	9,000	-	(4,500)



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the period		Balance as at
	1 January			30 June
	2009	Increase	Decrease	2009
<b>Short-term loans to related parties</b>				
Pure Biodiesel Co., Ltd.	78,000	300,000	(246,000)	132,000
Pure Sammakorn				
Development Co., Ltd.	7,982	-	(7,982)	-
Total	85,982	300,000	(253,982)	132,000

Long-term loans from related parties totaling Baht 4.5 million are in the form of unsecured promissory notes with maturities of 24 months, carrying interest at rates of 7.5% per annum.

Short-term loans to Pure Biodiesel Co., Ltd. totaling Baht 132 million are in the form of unsecured promissory notes with a maturity of 2 - 6 months, carrying interest at rates of 3.50% - 5.27% per annum.

#### **Guarantee obligations with related parties**

The Company has outstanding guarantee obligations with its related parties as described in Note 17.4 to the financial statements.

#### **5. Inventories**

Inventories as at 30 June 2009 included oil of Baht 518 million (31 December 2008: Baht 502 million) reserved in accordance with the Ministry of Commerce regulations. Baht 29 million (31 December 2008: Baht 136 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.

(Unaudited but reviewed)

Movements in the allowance for reduction of cost of inventories to net realisable value during the six-month period ended 30 June 2009 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2009	16,153	15,227
Less: Allowance reversed during the period	(15,653)	(15,227)
Balance as at 30 June 2009	500	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Short-term loans to and interest receivable from unrelated party	21,317	18,557	21,317	18,557
Less: Allowance for doubtful accounts	(21,317)	(18,557)	(21,317)	(18,557)
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 30 June 2009, loan to TCS was 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 loan and interest receivable.

(Unaudited but reviewed)

**7. Other current assets**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Prepaid excise tax	71,087	24,348	71,087	24,348
Excise tax refundable	4,550	98,398	4,550	98,398
Refund receivable from Oil Stabilization Fund	127,280	40,233	127,280	40,233
Value added tax refundable	17,355	48,882	-	32,209
Prepaid corporate income tax	99,715	96,789	96,537	94,693
Advances for purchases of inventories	38,987	52,069	-	13,000
Others	35,967	37,181	17,455	19,351
Total other current assets	394,941	397,900	316,909	322,232
Less: Allowance for doubtful accounts	(3,206)	(3,206)	(3,206)	(3,206)
Other current assets - net	391,735	394,694	313,703	319,026

Prepaid corporate income tax of Baht 96.8 million as at 30 June 2009 is the 2008 prepaid corporate income tax of which the Company and its subsidiaries requested a refund in 2009. The net realisable value of this asset is subject to the result of a tax audit by the Revenue officials, but the management believes that the Company will receive the refund of the full amount.

**8. Investments in subsidiaries**

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the six-month periods ended	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	
	2009	2008	2009	2008	2009	2008	2009	2008
			%	%				
Pure Thai Energy Co., Ltd. and its subsidiary	Baht 50 million	Baht 50 million	100	100	49,999	49,999	-	-
Pure Sammakorn Development Co., Ltd.	Baht 94 million	Baht 50 million	51	51	47,812	25,500	-	-
SCT Petroleum Co., Ltd. and its subsidiaries	Baht 10 million	Baht 10 million	100	100	10,000	10,000	-	-
Pure Biodiesel Co., Ltd.	Baht 200 million	Baht 200 million	100	100	199,999	199,999	-	-
Total investments in subsidiaries					307,810	285,498		
Less: Allowance for impairment					(20,484)	(40,484)		
Investments in subsidiaries - net					287,326	245,014		

(Unaudited but reviewed)

Movements in the allowance for impairment of investments in subsidiaries for the six-month period ended 30 June 2009 are summarised below.

(Unit: Thousand Baht)

	Separate financial statements
Balance as at 1 January 2009	40,484
Less: Reversal of impairment during the period	(20,000)
Balance as at 30 June 2009	20,484

**VTN-P Petrochemical Joint Venture Co., Ltd.**

VTN-P Petrochemical Joint Venture Co., Ltd. registered its liquidation in February 2009.

**Pure Biodiesel Co., Ltd.**

Pure Biodiesel Co., Ltd. has already completed plant construction and started selling its products in January 2009.

**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.

During the first quarter of 2009, PSDC called up 25% of the additional capital, or Baht 22.3 million, and the Company paid in this amount. As at 30 June 2009, the Company has commitments of Baht 66.9 million in respect of the uncalled portion of the investment.

(Unaudited but reviewed)

## 9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2009 are summarised as follows.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2009	1,496,005	735,911
Acquisitions during period - at cost	65,431	22,599
Disposals during period - net book value at disposal date	(589)	(8)
Depreciation for period	(69,621)	(29,157)
Net book value as at 30 June 2009	<u>1,491,226</u>	<u>729,345</u>

As at 30 June 2009, the Company and its subsidiaries had motor vehicles under finance lease agreements with net book values amounting to Baht 9.3 million (31 December 2008: Baht 5.0 million), and in the separate financial statements of Baht 6.8 million (31 December 2008: Baht 3.6 million).

Pure Biodiesel Co., Ltd. has mortgaged its land with structures thereon and pledged machinery, with a total net book value as at 30 June 2009 of Baht 464 million (31 December 2008: Baht 65 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 30 June 2009 of Baht 72.9 million (31 December 2008: Baht 74.6 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.



(Unaudited but reviewed)

## 10. Other non-current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
The compensation for loss	26,712	26,712	26,712	26,712
Land and oil station leasehold rights	6,051	6,409	1,456	1,570
Long-term loan and interest receivable	1,365	1,373	1,365	1,373
Others	7,317	7,101	4,314	4,754
Total other non-current assets	41,445	41,595	33,847	34,409
Less: Allowance for doubtful accounts	(1,365)	(1,373)	(1,365)	(1,373)
Other non-current assets - net	40,080	40,222	32,482	33,036

## 11. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2009	2008	2009	2008
Bank overdrafts	2.00 - 6.15	64,891	153,908	62,642	153,688
Short-term loans from financial institutions	2.20 - 5.45	902,000	978,000	860,000	970,000
Total		966,891	1,131,908	922,642	1,123,688

### The Company

The Company has overdraft and revolving loan facilities from various financial institutions. These facilities are secured by the pledge of fixed deposits.

(Unaudited but reviewed)

### Subsidiary

Pure Biodiesel Co., Ltd. has an overdraft facility with a financial institution. This facility is guaranteed by the Company. Short-term loan from financial institution is secured by the mortgage of the subsidiary's land with structures thereon and the pledge of the subsidiary's machinery.

#### 12. Short-term loans from unrelated parties

These represent promissory notes which the Company and subsidiaries issued to other individuals. The loans carry interest at the rates of 3.0% - 5.0% per annum (31 December 2008: 4.0% - 5.5% per annum) and are repayable within one year.

#### 13. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Long-terms loans from financial institutions	188,157	327,909	-	120,000
Less: Current portion	(39,004)	(119,504)	-	(80,000)
Non-current portion	<u>149,153</u>	<u>208,405</u>	<u>-</u>	<u>40,000</u>

Movements in the long-term loans account during the six-month period ended 30 June 2009 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2009	327,909	120,000
Less: Repayment	<u>(139,752)</u>	<u>(120,000)</u>
Balance as at 30 June 2009	<u>188,157</u>	<u>-</u>

## **The Company**

On 22 August 2007, the Company entered into a loan agreement with a local commercial bank, granting a loan facility of Baht 200 million for use in additional investment in Pure Biodiesel Co., Ltd., on which interest is charged at a rate no higher than the Minimum Loan Rate and repayable monthly. The principal is repayable in semi-annual installments of Baht 40 million, with the first of these due in June 2008, and is to be repaid in full within June 2010. It is an unsecured loan.

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

In June 2009, the Company repaid the whole balance of long-term loan to the bank (31 December 2008: the outstanding balance of the loan amounted to Baht 120 million).

The Company has entered into credit facilities agreements with various financial institutions. As at 30 June 2009, the outstanding balance of credit facilities which are not drawn down is Baht 2,041 million (31 December 2008: Baht 2,788 million). These credit facilities are secured by the pledge of fixed deposits.

## **Pure Sammakorn Development Co., Ltd.**

On 22 January 2007, Pure Sammakorn Development Co., Ltd. entered into a credit facility agreement with a financial institution 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 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).

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

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

As at 30 June 2009, the outstanding balance of the loan amounted to Baht 35 million (31 December 2008: Baht 38 million).

(Unaudited but reviewed)

#### **Pure Biodiesel Co., Ltd.**

On 22 August 2007, Pure Biodiesel Co., Ltd. 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.

The above loan agreement stipulates certain conditions as specified in agreement, 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 agreement.

The credit facility is secured by the mortgage of the subsidiary's land with structures thereon and the pledge of the subsidiary's machinery.

As at 30 June 2009, the outstanding balance of the loan amounted to Baht 153 million (31 December 2008: Baht 169 million).

#### **14. Other current liabilities**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Advances received from customers	18,581	13,525	12,563	2,537
Accrued excise tax	74,250	28,196	74,250	28,196
Value added tax payable	14,051	20,847	14,051	20,847
Corporate income tax payable	3,274	1,637	-	-
Accrued expenses	15,254	21,574	8,526	14,327
Others	9,808	11,831	2,212	2,491
Total	135,218	97,610	111,602	68,398

**15. Corporate income tax**

The Company is not liable to corporate income tax for the six-month period ended 30 June 2009 due to tax loss brought forward.

**16. Segment information**

The Company and its subsidiaries' business operations principally involve the manufacturing and trading of petroleum and petrochemical products, and are carried on in the geographic area of Thailand. As a result, all of the revenues, operating income and assets reflected in these financial statements pertain to the aforementioned business segment and geographic area. Export sales for the three-month and six-month periods ended 30 June 2009 amounted to Baht 306 million and Baht 608 million, respectively (2008: Baht 2,502 million and Baht 3,805 million, respectively).

**17. Commitments and contingent liabilities****17.1 Capital commitments**

As at 30 June 2009, capital commitments of the Company and its subsidiaries totaling Baht 24.32 million were in respect of construction of community mall and the purchases of machinery and equipment.

**17.2 Operating lease commitment and service agreement**

- a) The Company and subsidiaries have entered into several operating lease and service agreements in respect of the leases of land, office space, oil depots, oil stations, vehicles and equipment. The terms of the agreements are generally between 1 and 26 years.

As at 30 June 2009, future minimum lease payments required under these operating lease and service agreements were as follows.

<u>Payable within</u>	<u>Million Baht</u>
Less than 1 year	38.35
2 to 5 years	59.27
More than 5 years	20.93
	<hr/>
	118.55

- b) As at 30 June 2009, a subsidiary has commitment totaling Baht 54 million under a land rental agreement, for which the rate is adjusted every 5 years, for a period of 25 years ending 2032.

### **17.3 Long-term purchase and sale commitments**

- a) In 1995, the Company entered into an agreement with PTT Public Company Limited to purchase raw materials in a quantity and at a price stipulated in the agreement, which is for a 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.
- 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 30 June 2009, PTTUT had yet to supply steam to the subsidiary.

### **17.4 Guarantees**

- a) As at 30 June 2009, there were outstanding bank guarantees of Baht 258.8 million (31 December 2008: Baht 267.3 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 the Company and the subsidiaries' businesses. These included letters of guarantee amounting to Baht 160 million to guarantee payments due to creditors, Baht 94.7 million to guarantee the request for a corporate tax refund from the Revenue Department and Baht 4.1 million to guarantee electricity use, among others.
- b) As at 30 June 2009, the Company issued letters of guarantee amounting to Baht 10 million (31 December 2008: Baht 10 million) to CIMB Thai Bank Public Company Limited (formerly known as "BankThai Public Company Limited") to secure the credit facilities of Pure Biodiesel Co., Ltd. (subsidiary). The guarantees are effective for as long as the underlying obligations have not been discharged by the subsidiary. The Company charged a guarantee fee at a rate of 1%.

**18. Financial instruments**

- a) As at 30 June 2009, the subsidiary had outstanding forward foreign currency contract to purchase totaling USD 0.62 million. Applicable forward rate is Baht 34.31 per USD 1.
- b) As at 30 June 2009, the Company does not have outstanding forward contracts to purchase and sell crude oil and oil products.

**19. Subsequent events**

The Company's Board of Directors meeting, held on 11 August 2009, approved an increase in the Company's investment in Pure Biodiesel Co., Ltd. (a subsidiary in which the Company has an equity interest of 100%), whereby that company's registered capital will increase from Baht 200 million to Baht 280 million through the issue of 0.8 million additional ordinary shares (par value of Baht 100 each) at Baht 100 per share, a total of Baht 80 million. The purpose of the increase in share capital is to provide funds for investments in machinery and equipment of the subsidiary's plant.

**20. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2009.