



ANNUAL REPORT 2010

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED

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Message from the Chairman of the Board of Directors

Thai Economy is largely expanded in 2010. The real GDP achieved 9.3% in the first eleven month of the year 2010 which continue for the third consecutive quarters, even though there is a political turmoil in May. The Industrial Production Index has strongly increased especially in the automobile and electronic goods industry. Operation result of The Company and its subsidiaries is highly related to the country's wider economic. In the fiscal year of 2010, the Company and its subsidiaries has a total sale revenue and net profit of THB 2,554.04 Million and THB 82.37 Million respectively. The growth of sale and profit rose by 24.45 per cent and 65.98 per cent respectively.

The important circumstances in the year 2010 are the shareholders' meeting of the Company resolved to spin-off Union Intraco Public Company Limited (UIC), the wholly owned subsidiary, by issuing the 52,000,000 newly-issued ordinary shares or equal to 40% of the paid-up capital to offer to the Initial Public Offering (IPO) and to list all UIC stocks in Market Alternative Investment or MAI; which is currently in the process of consideration from the Office of Securities Exchange Commission (SEC). The Company will disclose any progress to the shareholders through the SET



The Company hopes that the year 2011, Thai and the World economy will be continue to grow from the previous year so that the Company can deliver the good return to the shareholders. However, the Company will continue the operations with carefulness and prepare for the uncertainty of the might worsen situations. On behalf of board members, I wish to tender my sincere thanks to the shareholders and every stakeholders for their excellent support and hoping all of you to continue the support to the Company.

(Mr. Tawee Butsunorn)
Chairman

Audit Committee's report

To shareholders,

Audit Committee of Union Petrochemical Public Company Limited consisted of three independent directors namely, Mr. Nopporn Thepasithar Chairman of the Audit Committee, Mr. Poolsak Tansitthiphun and Mr. Vorapote Uchupaiboonvong as audit committee. All members of the committee are qualified auditors as required by the regulations of the Security Exchange of Thailand (SET), neither of them holding any shares of the company, take part in administration of the firm, nor take benefit or risk out of the company.

During year 2010, The audit committee met 4 times; which each members attained the meetings as the detail described belows:

- 1 Mr. Nopporn Thepasithar 4 times
- 2 Mr. Poolsak Tansitthiphun 4 times
- 3 Mr. Vorapote Uchupaiboonvong 4 times



in order to review and consider the consolidated quarterly and annual financial statements; the internal control; the connected transaction; the external auditor and other matters which can be summarized as follows:

1. The Company's consolidated quarterly and annual financial statements which are audited by the qualified auditors accepted by the Securities and Exchange Commission or "SEC" is sufficient and accuracy disclosure of information in accordance with generally accepted accounting standard.
2. The Company has the appropriate and effective internal control system. During the previous year, there is no significant mistakes. The Audit Committee has assigned the internal Audit Department to review the company's working procedures as prescribed in the fiscal audit plan in order to verify that the transactions are practiced in compliance with the Company's operating systems.
3. The Company monitors the amendments or the changes in the relevant rule and regulation including that of the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC") in order to ensure that the Company's practices meet all required regulation.

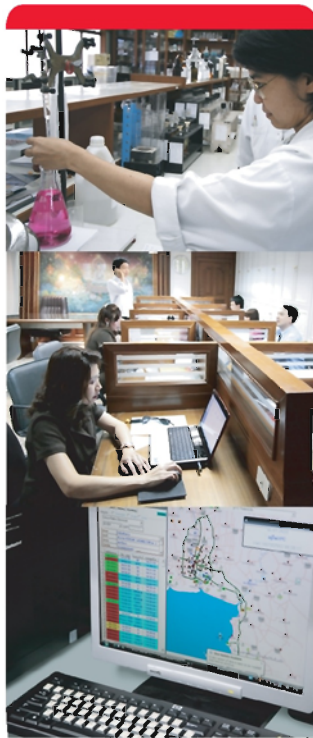
4. The Audit Committee proposed the opinions to the Board of Directors on the qualification and the appropriation of the external auditors for the year 2011. The Audit Committee considered that Ms. Prapasri Leelasupa who possesses the audit license No.4664 and /or Mr.Suchart Panichcharoen who possesses the audit license No. 4475 and/or Mr.Somyos Wiwataphinai who possesses the audit license 5476 of the Sam Nak-ngan AMC Co.,Ltd. has no relationship with and/or take benefit or risk out of the Company and Subsidiaries, major shareholders, managements and their connected persons.

5. During the year 2010, the Company and subsidiaries have rented the office areas from the First Traco Co.,Ltd. which are the juristic person that may cause conflict of interest as prescribe by SET, according to the agreements signed in 2008 by rolling over the previous contracts for another 3 years which is set to be due in 2011. The Audit Committee considered that this transactions is necessity to the business of the Company and in compliance with the generally accepted business practices. The rental rate prescribed in the Contracts are marketable which can be compared to others by the same areas.

For the year 2010, due to the satisfaction with the performance and the independent of the external auditors, the Audit Committee proposed the Board of Directors and ask for approval from the Annual General Meeting of the shareholder which is set to be held within April 2011 to appoint Ms. Prapasri Leelasupa who possesses the audit license No.4664 and /or Mr.Suchart Panichcharoen who possesses the audit license No. 4475 and/or Mr.Somyos Wiwataphinai who possesses the audit license 5476 of the Sam Nak-ngan AMC Co.,Ltd. as the Company external auditors in the accounting year 2011 for another term. The Annual General Meeting of the Shareholders is set to be held on April 21, 2011 at 10.00a.m. at Bangkok Room, Royal City Hotel Borommaratchachonnane, Bangkok Noi , Bang Plad, Bangkok 10700 or may be postpone to other place and time.



(Nopporn Thepasithar)
Chairman of the Audit Committee



The history briefly of Board



1. Mr.Tawee Butsunton
Chairman of the Board of Directors
and Independent Director

Education Qualification

- Honorary Doctorate Degree in Engineering from Chulalongkorn University (1995)
- Honorary Doctorate Degree in Engineering from Burapha University (1998)
- Certificate in Directors Certification Program (DCP) Class 22/2002

Work Experience

- 2007 - Present : Chairman of the Board of Directors
- Thaisri Insurance Co., Ltd.
- 2004 - Present : Chairman of the Board of Directors
- Union Petrochemical Plc.
- Cathay Leaseplan Plc.
- Bank Thai Plc.
- Daiji Corporation Plc.
: Director
- Ratchaburi Electricity Generating Co., Ltd.
- Sahaviriya Steel Industries Plc.
- 2002- 2003 : Chairman of the Board of Directors
- Phayathai Asset Management Co., Ltd.
- 2000- 2003 : Chairman of the Board of Directors and Managing Director
- TMB Bank Plc.

2. Mr.Virat Suwannapasri
Vice Chairman of the Board of
Directors and Director of authorization sign

Education Qualification

- Certificate of the Executive Development from Faculty of Commerce and Accountancy, Chulalongkorn University
- Certificate in Directors Accreditation Program (DAP) Class 43 (Aug 19, 2005)

Work Experience

- 2000 - Present : Director Manager
- Union Petrochemical Plc.
- Union Intraco Co., Ltd.
- Lion Asia (Thailand) Co., Ltd.

3. Mrs.Kanjana Suwannapasri
Duputy Managing Director and Director
of authorization sign

Education Qualification

- Diploma degree of Administration (Marketing) College of Technology Bangkok
- Ph.D. Sociology Mahachulalongkornrajavidyalaya University(2007)
- Certificate in Directors Accreditation Program (DAP) Class 43 (Aug 19, 2005)

Work Experience

- 2000 - Present : Deputy Managing Director
- Union Petrochemical Plc.
: Director
- Lion Asia (Thailand) Co., Ltd.



4. Mr. Perajed Suwannapasri
Deputy Managing Director
and Director of authorization sign

Education Qualification
- Certificate of Business Administration, Finance
and International Banking, The University of Birmingham,
England
- Certificate in Directors Accreditation Program (DAP)
Class 44 (Sep 2, 2005)
Work Experience
2010 - Present : Board of Director
: Union Intraco Public Company Limited
2005 - 2010 : Deputy Managing Director
(Development Business Unit)
: Union Petrochemical Plc.
: Director
: Union Intraco Co., Ltd.
2000 - 2005 : General Manager
: Union Intraco Co., Ltd.
1991 - 2000 : Deputy Manager of Marketing Division
: Union Trading and Industries Co., Ltd.

5. Dr. Khien Vongsuree
Director

Education Qualification
- Ph.D (Electrical Engineering)
The University of British Columbia, Canada
- Certificate in Directors Certification Program (DCP) Class 6/2001
Work Experience
2006(Feb.)-Present : Executive Director
: Union Petrochemical Plc.
2005 - 2006 (Feb.) : Director
: Union Petrochemical Plc.
1998 - 2001 : Director
: Electricity Generating Plc.
1998 - 2000 : Director
: Rayong Electricity Generating Co., Ltd.

6. Miss Suthida Suwannapasri
Assistant Managing Director
and Director of Authorization sign

Education Qualification
- Master Degree in Public Administration ,
National Institute of Development Administration (NIDA)
- Certificate in Directors Accreditation Program (DAP)
Class 45 (Sep 27, 2005)
Work Experience
2005 - Present : Assistant Managing Director
(Sale Department)
: Union Petrochemical Plc.
1993 - 2005 : General Manager
: Union Petrochemical Co., Ltd.



7. Miss Piyanan Suwannapasri
Assistant Managing Director
and Director of Authorization sign

Education Qualification
 - M.B.A in Marketing University of New Haven, USA
 - MSc, in Finance University of New Haven, USA
 - Certificate in Directors Accreditation Program (DAP)
 Class 42 (Aug 1, 2005)
Work Experience
 2005 - Present : Assistant Managing Director
 (Accounting and Financial Department)
 - Union Petrochemical Plc.
 2002 - 2005 : Accounting and Financial Manager
 - Union Petrochemical Co.,Ltd.

8. Miss Piyada Suwannapasri
Assistant Managing Director

Education Qualification
 - M.B.A
 University of New Haven, USA
 - Certificate in Directors Accreditation Program (DAP)
 Class 43 (Aug 19, 2005)
Work Experience
 2005 - Present : Assistant Managing Director
 (General Administration Department)
 - Union Petrochemical Plc.
 : Director
 - Union Intraco Co., Ltd.
 - Lion Asia (Thailand) Co., Ltd.
 2002 - 2005 : General Manager
 - Lion Asia (Thailand) Co., Ltd.

9. Mr. Perapol Suwannapasri
Assistant Managing Director
and Director of Authorization sign

Education Qualification
 - Master Degree in E-Business Management University of Surrey, U.K.
 - Certificate in Directors Accreditation Program (DAP)
 Class 44 (Sep 2, 2005)
Work Experience
 2005 - Present : Assistant Managing Director (Marketing)
 - Union Petrochemical Plc.
 : Director
 - Lion Asia (Thailand) Co., Ltd.
 2003 - 2005 : Business Development Manager
 - Union Petrochemical Plc.



10. Mr.Nopporn Thepsithar
Chairman of Audit Committee

Education Qualification

- Bachelor Degree of Electrical Engineering , Chulalongkorn University
- Certificate in Directors Accreditation Program (DAP)

Class 43 (Aug 19, 2005)

Work Experience

- 2005 - Present : Chairman of Audit Committee
- Union Petrochemical Plc.
- 2004 - Present : Senior Vice-Chairman
- Siam City Cement Plc.
- 2002 - 2003 : Manager of Transportation Department
- Siam City Cement Plc.
- 2000 - 2001 : Director of General Administration
- TCC Holding Co., Ltd.

11. Mr.Poolsak Tansithipun
Audit Committee
and Independent Director

Education Qualification

- Master of Business Administration, Kasetsart University
- Certificate in Directors Accreditation Program (DAP)

Class 51 (Feb 22, 2006)

Work Experience

- 2002-Present : Audit Committee
- Union Petrochemical Plc.
- Present : Manager Director
- Sup-pakij Turakarn Co.,Ltd.(Law advisor and Accounting service)
- : Director
- B Brother Co., Ltd. (Law advisor about the Tax)

12. Mr.Vorapote Uchupaiboonvong
Audit Committee
and Independent Director

Education Qualification

- Master of Business Administration (Financial and International Banking, University of Birmingham, England
- Certificate in Directors Certification Program (DCP) Class 61/2005

Work Experience

- 2005-Present : Audit Committee
- Union Petrochemical Plc.
- 2006 - Present : Director
- Pathum Thani Water Co., Ltd.
- BJT Water Co., Ltd.
- 1990 - Present : Manager of Project Management
- CH.Kanrchang Plc.

General Information

Name : Union Petrochemical Public Company Limited
Location : 728 Union House Bldg., Boromrachachonnee
Bangbumru BangPlad Bangkok 10700
Homepage : <http://www.unionpetrochemical.com>
Business Registration No. : 0107574800391
Type of Business : Trader of Solvents
Number of Share Issued
and Paid up Capital : Common Stock 660,000,000 Shares (As of December 31, 2010)
Par Value : 0.25 Baht per Share
Telephone : 0-2881-8288
Fax : 0-2433-7243-4

Investment of Company

Company Name : Union Intraco Public Company Limited
Location : 9/8 Moo 5 Saladharmasop Taweewattana Bangkok.
Type of Business : Trader of Solvents
Paid up Capital : 78,000,000 Baht
Par Value : 1.00 Baht per share
% of Shareholding : 99.99% (as at December 31, 2010)

Company Name : Lion Asia (Thailand) Company Limited
Location : 728 Union House Bldg., Boromrachachonnee
Bangbumru Bang Plad Bangkok 10700
Type of Business : Trader of Solvents
Registered Capital : 15,000,000 Baht
Paid up Capital : 15,000,000 Baht
Par Value : 100 Baht per Share
% of Shareholding : 99.99% (as at December 31, 2010)

Company Name : Multi Kross Operation Limited
 Location : Hong Kong
 Type of Business : Trader of Solvents
 Registered Capital : 10,000.- HK\$
 Paid up Capital : 10,000.- HK\$
 Par Value : 1 HK\$ per Share
 % of Shareholding : 99.99% (as at December 31, 2010)

Company Name : UKEM Ethanol and Ester Co.,Ltd
 Location : 728 Union House Bldg., Boromrachachonnee
 Bangbumru Bang Plad Bangkok 10700
 Type of Business : Manufacturing and Distributor of Ethanol*
 Registered Capital : 5,000,000 Baht
 Paid up Capital : 1,250,000.- Baht
 Par Value : 10 Baht per Share
 % of Shareholding : 99.99% (as at December 31, 2010)

(*) Not yet operate

Reference Data

Securities registration : Thailand Securities Depository Co.,Ltd.
 Location : Capital Market Academy Building 2nd Floor 2/7 Moo 4 (Northpark Project)
 Thung Song Hong Lak Si Bangkok 10210

Tel : 0-2229-2800
 Fax : 0-2359-1259

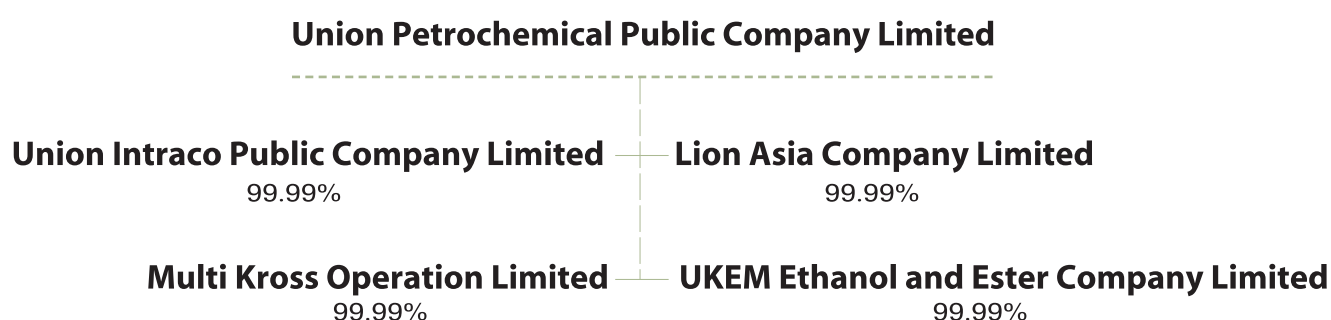
Auditor : Sam Nak Ngan AMC Co.,Ltd.
 Location : 19th Unit 4 Silom Complex 191 Silom Bangrak Bangkok 10500
 Telephone : 0-2231-3980-7
 Fax : 0-2231-3980

Financial Highlights of the Company and its subsidiaries

Summary of Financial Performance <i>Unit : Million Baht</i>	2008	2009	2010
Total Asset	896.51	1,061.55	1,338.65
Total Liabilities	578.52	713.81	930.84
Shareholder Equities	317.99	347.74	407.81
Total Revenue	2,533.08	2,052.28	2,554.04
Total Expense (Exclude Tax & Interest Expense)	2,455.98	1,981.80	2,455.42
Net Profit - (After Tax & Interest Expense)	47.34	49.55	82.24
Financial Ratio			
Gross Profit Margin	9.51%	11.51%	11.15%
Net Profit Margin	1.87%	2.41%	3.22%
Return on Assets	5.28%	4.67%	6.14%
Return on Equities	14.89	14.25%	20.17%
Net Debt Ratio*	0.76	0.82	1.03

Remarks: Interest Burden Debt.

Group Structure



PRODUCTS AND SERVICES

Union Petrochemical Public Company Limited ("UKEM") is the distributors of commodity solvents. These chemicals are used as raw materials in various industries. Target customers of the Company range from small to large industrial manufacturers. Most of them have long-term relationship with the Company.

Union Intraco Public Company Limited ("the Subsidiary") A wholly-owned subsidiary of the Company is the distributor of specialty chemicals. As of December 31, 2010, the registered and paid-up capital of Union Intraco was 78 Million Baht. Most of its products are sold directly to manufacturers. Union Intraco is also responsible for sourcing new specialty chemicals in order to serve customers' needs.

Lion Asia (Thailand) Company Limited ("the Subsidiary"), a wholly-owned subsidiary of the Company is the distributor of specialty solvents. As of December 31, 2010, the registered and the paid-up capital of Lion Asia were 15 Million Baht.

Multi Kross Operation Limited ("the Subsidiary"), a wholly-owned subsidiary of the Company is the distributor of Solvent based in Hong Kong. As of December 31, 2010 the registered and the paid-up capital of Multi Kross Operation Limited were 10,000 Hong Kong Dollars.

UKEM Ethanol and Ester Co.,Ltd ("the Subsidiary"), a wholly-owned subsidiary of the Company is set to operate as the manufacturer and distributor of ethanol. As of December 31, 2010, the registered capital to UKEM Ethanol and Ester Co.,Ltd is 5 Million Baht and its paid up is 1.25 Million Baht

(*) Not yet operate

Revenue Structure

Revenue By Company	2008*		2009*		2010 *	
	THB Mil	%	THB Mil	%	THB Mil	%
Union Petrochemical Plc.	2,244.25	88.60	1,720.97	83.86	2,095.12	82.03
Lion Asia (Thailand) Co.,Ltd.	90.56	3.57	126.78	6.18	167.39	6.55
Union Intraco Co.,Ltd.	198.27	7.83	204.01	9.94	291.53	11.41
Others	0.00	0.00	0.52	0.02	0.00	0.00
Total	2,533.08	100.00	2,052.28	100.00	2,554.04	100.00

Remark: (*) exclude the inter trade between the group of companies

Revenue Breakdown by type of solvents

[In THB :Million]

Revenue By Products		2008	%	2009	%	2010	%
1	Commodity Solvents	2,244.25	88.60	1,720.97	83.86	2,095.12	82.03
2	Specialty Solvents / Chemicals	288.83	11.40	331.31	16.14	458.92	17.97
	Total*	2,533.08	100.00	2,052.28	100.00	2,554.04	100.00

Remark: (*) exclude the inter trade between the group of companies

1 Risks from Change in Prices of Raw Materials

Solvents are products in upstream petrochemical industry, which uses liquid natural gas (NGL), naphta, and condensates for its raw materials. Since the raw materials for solvents come from refinery plants, their prices fluctuate with the prices of crude oil and the supply and demand situation of the petrochemical industry. As a major distributor of solvents, the Company has been able to manage the price fluctuation of its products through the well established relationship with its suppliers.

2 Risks from Dependence on the Small Number of Suppliers

The Company imports and distributes solvents from major manufacturers and distributors, including

1. Thai-MC Co.,Ltd., an affiliate of Mitsubishi Corporation of Japan (The Company has been its authorized distributor since 1985)

2. Esso (Thailand) Public Company Limited, an affiliate of ExxonMobil Group of the US (The Company has been its authorized distributor since 1986)

3. PTT Group such as IRPC Plc., PTT Phenol Co.,Ltd, PTT Chemical Plc., TOC Glycol Co.,Ltd.

There are risks from dependence on the above suppliers. However, the Company has continuously added new import suppliers.

3 Risks from Failure to Extend Supply Contracts with Major Suppliers

Major suppliers include,

1. Thai-MC Co.,Ltd. (The Company has been its authorized distributor since 1985)

2. Esso (Thailand) Public Company Limited (The Company became its authorized distributor in 1986 and has become its Non-exclusive Branded Distributor since 2005)

3. PTT Group such as IRPC Plc., PTT Phenol Co.,Ltd, PTT Chemical Plc., TOC Glycol Co.,Ltd.

Even though the Company may encounter risks from not being able to renew the contracts with its major suppliers, the Company has established long-term relationship with its suppliers and never had a problem renewing supply contracts.

4 Risks from Payment Default from Customers

The Company offers credit terms on average of 90-120 days to its customers. The amount of payment default from the customers was very small and the amount of loan default under legal process is immaterial. The Company plans to reduce the amount of loan default by implementing credit evaluation processes before granting credit approval to each customer.

5 Risks from Increased Competition

There are 5-6 major distributors of solvents, whose aggregate market share has been increasing as competition within the industry has recently been intensified. The Company has been one of the top three largest distributors in terms of sales. Due to its 26-year experiences in the business, the Company has built up its marketing expertise and effective inventory management, which enable the Company to be able to anticipate industrial trends and plan relevant business strategies.

6 Foreign Exchange Risks

The Company is exposed to foreign exchange risks as it imports a significant amount of its products. It is the Company's policy to fully hedge such risks through the purchase of forward contracts.

7 Risks from Having One Major Shareholder with Interests Exceeding 50%

Even though the Suwannapasri Family holds a majority stake of 57%, according to the Company's policies, one-third of shareholders' votes is required to pass resolutions on special subjects. In addition, in order to achieve the balancing of power for the minority shareholders, the Company has implemented the following procedures;

1. Appoint an Audit Committee with three members with the authorities to review operations
2. Appoint four independent members (including four members from the Audit Committee) to the Board of Directors
3. Implement a transparent organizational structure in which decentralization system is utilized
4. The Company has appointed an Internal Control consulting company to set up and monitor its internal control system since February 2006, which reports directly to the Audit Committee

Shareholder Structure and Management

Capital Structure

Registered and Paid up Capital (December 31, 2010) as follows:

Registered Capital	206,250,000 Baht
Paid Up Capital	165,000,000 Baht
No. of Ordinary Shares issued	825,000,000 Shares
Par Value	0.25 Baht Per Share

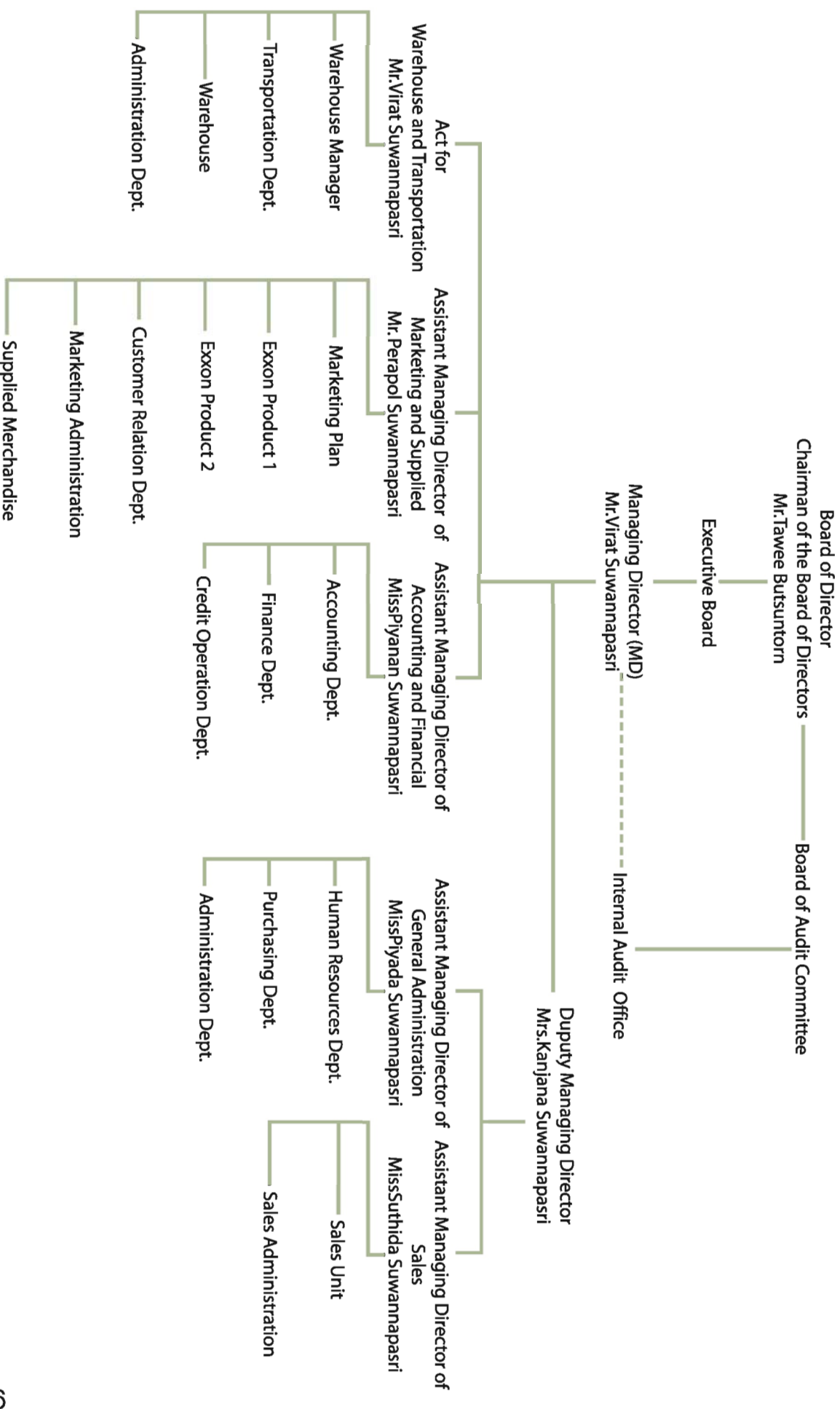
Major Shareholders

	Name	As of December 31, 2010	
		No. of Share held by shareholder	(%)
1	Mrs.Kanjana Suwannapasri	336,600,000	51.00
2	Ms.Krongthong Swettamal	30,497,000	4.62
3	Ms.Siriluk Thaitongthitikul	30,008,100	4.55
4	Mr.Anucha Aek-sen	25,000,000	3.79
5	Thai NVDR	21,051,400	3.19
6	Ms.Wanunthorm Kijwanichsathein	20,400,000	3.09
7	Ms.Kanokor Bordinratana	16,740,000	2.54
8	Ms.Suthida Suwannapasri	6,600,000	1.00
9	Ms.Piyanan Suwannapasri	6,600,000	1.00
10	Mr.Perajed Suwannapasri	6,600,000	1.00
11	Ms.Piyada Suwannapasri	6,600,000	1.00
12	Ms.Chatprapa Suwannapasri	6,600,000	1.00
13	Mr.Perapol Suwannapasri	6,600,000	1.00

Dividend Policy

The Company has dividend policy which not lower than 40% of net profit after tax. And the dividend payment should not impact to its liquidity and others factor related to the company's operation plan. The dividend payment must be approved by the Shareholder Meetings.

ORGANIZATION CHART



STRUCTURE OF THE BOARD

The Boards of the Company consist of Board of Directors, Audit Committee, and the Executive Board.

Board of Director

As of December 31, 2010 the company has 12 directors as follows:

	Name	Title	% of Shareholding in Company (In Million Shares)		
			1 Jan 10*	31 Dec.10	Change
1	Mr.Tawee Butsunton	Chairman	0	0	-
2	Mr.Virat Suwannapasri	Director	0	0	-
3	Mrs.Kanjana Suwannapasri	Deputy Managing Director	336.60	336.60	-
4	MissSuthida Suwannapasri	Assistant Managing Director	6.60	6.60	-
5	MissPiyanan Suwannapasri	Assistant Managing Director	6.60	6.60	-
6	MissPiyada Suwannapasri	Assistant Managing Director	6.60	6.60	-
7	Mr.Perapol Suwannapasri	Assistant Managing Director	6.60	6.60	-
8	Mr.Perajed Suwannapasri	Deputy Managing Director	6.60	6.60	-
9	Dr.Khien Vongsuree	Independent Director	0	0	-
10	Mr.Nopporn Thepsithar	Chairman of Audit Committee	0	0	-
11	Mr.Poolsak Tansitthipun	Audit Committee	0	0	-
12	Mr.Vorapote Uchupaiboonvong	Audit Committee	0	0	-

Authorized Director

The Director who are authorized to sign on behalf of the company are Mr.Wirat Suwannapasri and Ms.Kanchana Suwannapasri with the Company Seal, or Mr.Wirat Suwannapasri or Ms. Kanchana Suwannapasri and two of the followings: Ms.Suthida Suwannapasri, Ms.Piyanan Suwannapasri, Mr.Perajed Suwannapasri, Mr.Perapol Suwannapasri together with the Company Seal.

Audit Committee

As Dec 31, 2010 The Company has 3 audit committees as follows:

	Name	Title
1	Mr.Nopporn Thepsithar	Chairman of Audit Committee
2	Mr.Poolsak Tansitthipun	Audit Committee
3	Mr.Vorapote Uchupaiboonvong	Audit Committee

Note: Mr.Sunchai Chumkasien is the Secretary of the Audit Committee

Executive Board of Director

As Dec 31, 2010 The Company has 5 members for the executive board of committees as follows:

	Name	Title
1	Mr.Virat Suwannapasri	Chairman of Executive Board
2	Mrs.Kanjana Suwannapasri	Vice Chairman of Executive Board
3	MissSuthida Suwannapasri	Executive Director
4	Mr.Perapol Suwannapasri	Executive Director
5	Dr.Khien Vongsuree	Executive Director

Management

As Dec 31, 2010 The Company has 6 persons who are on the management levels as follows:

	Name	Title
1	Mr.Virat Suwannapasri	Managing Director
2	MrsKanjana Suwannapasri	Deputy Managing Director
3	Mr.Perapol Suwannapasri	Assistant Managing Director
4	MissPiyanan Suwannapasri	Assistant Managing Director
5	MissSuthida Suwannapasri	Assistant Managing Director
6	MissPiyada Suwannapasri	Assistant Managing Director

Criteria for the Selection of Directors and Management

Even though the members of the Board of Directors and management team will not come from the procedures of the Nominating Committee, the Company has set criteria for the selection of directors and members of the management team as followed;

- The Executive Committee will consider candidates according to their relevant experiences, culture compatibility, and etc. and proposes the chosen candidate for the approval at the Shareholders' Meeting

- For every Annual Shareholders' Meeting, one-third of the members of the Board of Directors must resign. For the first two years after the listing, the method of a coin toss will be employed to decide which director will resign. From the third year on, the director who holds his position for the longest time shall resign. However, the director who must resign is eligible to be reelected again. Procedures for shareholders to elect a new director are as followed;

- One share is equivalent to one vote,
- One shareholder can only vote for one candidate, and
- The candidate with the highest votes will be elected and, if there is more than one position to be filled, the second highest votes will be elected and so on until all the positions are filled. If candidates have equal votes and only one appointment is needed, the Chairman will be the person to decide which candidate will be elected. Even though the members of the Audit Committee will also not come from the procedures of the Nominating Committee, the Company has set the criteria for the members of the Audit Committee that at least one member will be a specialist in the field of accounting or finance and another member in the field of laws. Each Audit Committee member will serve for a two-year term.

The Attendant of Board Meeting During Year 2010

	Name	No. of Attendant (Board of Director)		No. of Attendant (Audit Committee)	
		2009	2010	2009	2010
1.	Mr.Tawee Butsunton	6/6	6/6	-	-
2.	Mr.Virat Suwannapasri	5/6	6/6	-	-
3.	Mrs.Kanjana Suwannapasri	5/6	5/6	-	-
4.	MissSuthida Suwannapasri	4/6	6/6	-	-
5.	MissPiyanan Suwannapasri	5/6	6/6	-	-
6.	MissPiyada Suwannapasri	6/6	5/6	-	-
7.	Mr.Perapol Suwannapasri	5/6	6/6	-	-
8.	Mr.Perajed Suwannapasri	5/6	6/6	-	-
9.	Mr.Anond Paweenawat**	6/6	2/6	-	-
10.	Dr.Khien Vongsuree	6/6	6/6	-	-
11.	Mr.Nopporn Thepsithar*	5/6	5/6	3/4	4/4
12.	Mr.Poolsak Tansitthipun*	5/6	6/6	4/4	4/4
13.	Mr.Vorapote Uchupaiboonvong*	6/6	6/6	4/4	4/4

Remarks: (*) Director & Audit Committee

(**) Resigned since May 2010

Compensation

a) Director

(Baht)

	Name	2010
1.	Mr.Tawee Butsuntorn	3,060,000
2.	Mr.Virat Suwannapasri	-
3.	Mrs.Kanjana Suwannapasri	-
4.	MissSuthida Suwannapasri	-
5.	MissPiyanan Suwannapasri	-
6.	MissPiyada Suwannapasri	-
7.	Mr.Perapol Suwannapasri	-
8.	Mr.Perajed Suwannapasri	-
9.	Mr.Anond Paweenawat	80,000
10.	Dr.Khien Vongsuree	240,000
11.	Mr.Nopporn Thepsithar	290,000
12.	Mr.Poolsak Tansithipun	280,000
13.	Mr.Vorapote Uchupaiboonvong	270,000
	<i>Total</i>	4,220,000

b) Management

Type of Payment	(Baht)	
	2009	2010
No. of Management (persons)	7	7
Salary	8,520,000	8,982,000
Bonus	710,000	761,000
Others	-	-
<i>Total</i>	9,230,000	9,743,000

Other Benefits

The Company has established the provident fund for the employees at the rate of 2% of their salary. The employees who are work with company not less than 3 years and retired or resigned will benefit from this provident fund.

Corporate Governance Policy

A corporate governance policy of Union Petrochemical Public Company Limited is based on guideline formulated by the Stock Exchange of Thailand (SET) in 2007, which is applied from the 15 principles of best practice for corporate governance of SET announced in March 2002. The Company's corporate governance policy consists of these 4 components:

1. Rights and Equal Treatment to Shareholders.
2. Role of Stakeholders
3. Disclosure and Transparency
4. Responsibilities of the Board of Directors

1. Rights and Equal Treatment to Shareholders.

The Company has assigned the Company Secretary to coordinate with the shareholders in matters relating to the equal protection of the rights of all shareholders. These include the right to buy and sell securities, the right to receive dividends, the right to attend and participate in discussions and voting on important issues at shareholders' meetings and the right to appoint a proxy in the event that a shareholders is unable to attend a meeting. The Company informs shareholders of the time, place and agenda for each shareholders' meeting, together with additional information intended to assist shareholders in making informed decisions about important issues under discussion. This information is sent to shareholders and the registrar not less than 7 days prior to the scheduled date of the meeting. Notices appear in newspapers over a period of 3 consecutive days not less than 3 days prior to the date of the meeting. Invitations are sent to shareholders in Thailand by registered mail, while foreign shareholders are notified by fax or by email. Acknowledgement of receipt is to be made by registered airmail.

2. Role of Stakeholders

The Company has outlined policy guidelines for dealing with various groups of stakeholders which included the insiders as well as the outsiders. The guideline instructs Board members, senior executives and staff at all levels. The stakeholders consists of shareholders, customers, trading partners, employees, competitors, creditors, the local community and society in general. The details are as follows:

- **Shareholders** The Company represents the best interest of shareholders through its commitment to transparency, increasing the Company's value over the long-run and good return of investment.
- **Customers** The Company realizes the importance of customers and consumers' rights to receive good quality products and delivery its on time and keeping the customer's information.
- **Trading Partners** The Company builds good relationships for mutual benefit and honors fully all obligations to its partners.
- **Employees** The Company recognizes the value of developing staff potential and creating a pleasant working environment, including the provision of remuneration and fair treatment to employees.
- **Creditors** The Company complies strictly with the terms of all agreements with creditors
- **Competitors** The Company is committed to fair competition.
- **Community and Society** Recognizing the importance of safety, environmental responsibility, and quality of life for the local community and the society at large. All its business decisions are made with a view to minimizing the impact on society, the environment, and the public's quality of life.

3. Disclosure and Transparency

The Board of Directors has an obligation to make full disclosure of important Company-related information in a reliable and timely manner through a variety of media such as the Company

newsletters and notices to the Stock Exchange of Thailand in both Thai and English versions, the public relations news and the Company's website. This information, which concerns both financial and non-financial matters, is carefully checked and presented in language that is clear, concise, and easy to understand.

The Company has assigned Ms. Piyanan Suwannapasri as "Investor Relations" to provide clear, equal and accurate information to all interested members of the public including the respond to the inquiries of the shareholders, the investors and the securities analysts. The "investor relations" is also responsible for coordinating with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to ensure the Company's full compliance with the latest rules and regulations and the principles of corporate governance.

In 2008, the Company joined the "Opportunity Day Program" which is arranged by SET, in order to meet the investors and securities analyst and provide them the information of company results from operations and its future directions.

4. Responsibilities of the Board of Directors

The scope of authority of the Board of Directors is determined by law, the Company' regulation, the resolution of shareholders meeting and the principles of corporate governance. Members perform their duties with honesty, integrity, and a high degree of responsibility. The Board discloses information in a transparent manner and ensures that Company management operates in line with the goals and objectives, as well as the best interest of shareholders and all of the Company's stakeholders.

The Company separates the role and duties of chairman and the managing director clearly and completely. The Board is charged with appointing the task-specific committee; the Audit Committee, which oversees the Company operations and considered the conflicts of interest in order to maintain the good and efficiency internal control and ensure that the Company's accounting practices are complete and accurate in order to protect the property of the Company as well as to identify the weak points of the Company in order to protect the fraud operations and/or the uncommon situations. At least One of the Audit Committee members must have knowledge of accounting so that he/she can help the Board to review and ensure that the Company's financial statement is complied with Thailand's general accounting standards and The Company chooses the proper accounting policy including to provide sufficient information in the footnotes.

The Structure of the Company's Board of Directors is composed of the number of Independent Directors of no fewer than that is required by law and/or notifications and The Structure of the Board of Director must balance the powers of

As of December 31, 2010, The Company's Board of Directors consists of 12 directors, comprising as follows:

- Executive Director 7 persons
- Non-Executive Director 5 persons
- Independent Director 4 persons

The independent director is accounted for 33.33% of the Board of Directors where is seven directors come from Suwannapasri's family. Six of the Board of Directors, which accounting for 41.67 percent of the Board of Directors, are persons who have no relation with Suwannapasri's family and It is sufficient in the balancing of power. Besides, The Board of Directors approved a clear manual authorities to which all employees must comply with.

Supervision on the Use of Internal Information

The Company sets out the policy on a supervision on the use of internal information which hasn't yet been disclosed to the public by directors and/or management and/or any related person and complied with a policy in a strictly manner. Details of the policy are as follows:

1. Notification must be made to all directors and management of the Company pertaining their duty and responsibility in providing the a report on holding of the Company's securities by themselves, by their spouse, minority and by other related to directors and/or management. Such requirement is in compliance with Section 59 and 275 of the Securities and Exchange Act B.E. 1992.

2. Directors, management and employee in the division receiving internal information are recommended to avoid or suspend their trading of the Company's securities for a period of 1 month prior to the disclosure of the financial statement to the public.

Disciplinary penalty is determined should the policy be violated. Punishment will be determined based on the intention of the action and severity of such wrongdoing.

Human Resources

As of December 31, 2010 the Company has total employees (Excluded 7 persons in the management level) by 93 persons. In the past 3 years, the Company has no any dispute of labor.

Employee Remuneration

Total remuneration of employees during the year 2010 (including the turnover during the year) which is breakdown into salary wages overtime Bonus and other benefits amounted to 26.08 Million Baht.

Human Resource Development

The Company sets out the policy on human resource development to increase the efficiency of employees. The Company recognize that the recruitment process is very important processes in obtaining the qualified people into the organization. The Company set the program in Both internal and external training to develop people in organization and motivate them as well.

Such policies led to an efficient and efficiency work of employees which directly reduced the loss in working process and cost of sale as well.

The Company has established the provident fund for the employees at the rate of 2% of their salary. The employees who are work with company not less than 3 years and retired or resigned will benefit from this provident fund.

The Connected Transactions

During year 2010 (1 January - 31 December 2010) The Company has the connected transaction which can be summarized as follows:

Parties with potential Conflict	First Traco Co.,Ltd
Type of Relationship	Major Shareholder
Type of Transaction	Same Major Shareholder / Director. The Company and Subsidiaries rent an office space and utilize a public utility (Electricity)
Value of Transaction	Rental 2,651,520.00 Baht Public Utility 365,184.00 Baht
Parties with potential Conflict	Lion Asia (Thailand) Co.,Ltd.
Type of Relationship	Subsidiary of Company by holding 99.99% of its registered and paid up capital
Type of Transaction	Buy/Sell solvent / Inventory Space Rental / Tanks (200Ltrs)
Value of Transaction	Buy Solvent 188,550.00 Baht Sell Solvent 69,477,064.25 Baht Buy Tanks 345,255.99Baht Sell Tanks 448,663.00 Baht Inventory Space 150,000.00 Baht
Parties with potential Conflict	Union Intraco Public Company Limited
Type of Relationship	Subsidiary of Company by holding 99.99% of its registered and paid up capital
Type of Transaction	Buy/Sell solvent / Inventory Space Rental
Value of Transaction	Buy Solvent 457,476.00 Baht Sell Solvent 8,742,862.00 Baht Inventory Space 641,759.00 Baht
Parties with potential Conflict/	Mr. Virat Suwannapasri
Type of Relationship	Director of the Company and Subsidiary
Type of Transaction	Advisory Fees
Value of Transaction	460,000 Baht
Parties with potential Conflict /	Mr. Wisanu Meengu
Type of Relationship	Director of the Subsidiary Company
Type of Transaction	Advisory Fees
Value of Transaction	25,000 Baht

Remarks: - The transaction of buy and sell of solvents from/to subsidiaries is higher than the cost of sale.
- The transaction of sell tanks (20 ltrs) to subsidiaries is comparable to the market price
- The transaction of office space rental is reviewed and considered by audit committee and provided opinion that the rental rate charged is similar to the market rate.

Management Discussion and Analysis

Overview of operating performance

In year 2010, the Company and its subsidiaries' net profit amounted to Baht 82.23 Million, increased by Baht 32.69 Million or by 65.98%. Total Revenue of the group was higher than that of the previous year by amount of Baht 501.76 Million or increasing by 24.45% due to the higher quantity of solvent sold which resulted from the highly expand of Country's economy. In 2010, the Gross profit margin of the Company and its subsidiaries is at 11.15% compared to 11.51% that of the previous year, a bit decrease from the last year. However the more efficiency in management of inventory and logistic led to the lower of selling and administrative expensed as percentage which declined from 8.08% in 2009 to 7.29% and the financial expenses as percentage of sale decreased from 0.43% in 2009 to 0.37%. This made the net profit margin of the Company and its subsidiaries increase from 2.437% in 2009 to 3.22% in 2010.

Revenues

In year 2010, The Company and its subsidiaries' revenues from sale of solvents amounted to Baht 2,554.04 Million or increasing by Baht 501.76 Million or by 24.45% when compared to the same period of year 2009. The other revenues in year 2010 was Baht 3.23 Million higher than that of 2009 by amount of Baht 0.92 Million or increasing by 39.94% .

Expenses

Cost of Sales

In Year 2010, The Company and its subsidiaries' cost of sales amounted to Baht 2,269.19 Million or increasing by Baht 453.14 Million or by 24.95% when compared to the same period of year 2009. The gross profit margin of 2009 and 2010 is at 11.51% and 11.15% respectively. It shows that the increasing in cost of sale is mainly due to the higher revenue.

Selling & Administration Expenses (S&A)

In Year 2010, The Company and its subsidiaries' S&A expenses amounted to Baht 186.23 Million or increasing by Baht 20.48 Million or by 12.35% when compared to the same period of year 2009. The S & A expenses was 7.29% and 8.08% of total sale revenues in year 2010 and 2009 respectively. This was mainly due to the increasing in sale revenue. However, the S&A expense as percentage of sale is declining as the Company has an improve in inventory and logistic management.

Interest Expenses

In Year 2010 the Company and its subsidiaries' Interest expenses amounted to Baht 9.49 Million or increasing by Baht 0.71 Million or by 8.03% when compared to the same period of year 2009. The Interest Expenses was 0.37% and 0.43% of total sale revenues in year 2010 and 2009 respectively.

Net Profit

In Year 2010, The Company and its subsidiaries' net profit amounted to Baht 82.24 Million or increasing by Baht 32.69 Million or by 65.98% when compared to the same period of year 2009. The Earning per Share (EPS) increased from 0.075 Bt/Share in Year 2009 to 0.125 Bt/Share in Year 2010. The return on equity (ROE) of the year 2010 and the year 2009 was 20.17%.and 14.25% respectively.

Financial Status

Assets

As the end of the year 2010, the total assets of the Company and its subsidiaries equals to Baht 1,338.65 Million, increasing by Baht 277.10 Million or by 26.10% from the end of the year 2009. The total current asset equals to Baht 1,126.78 Million and the total fixed assets equals to Baht 211.87 Million or equivalent to 84.17% and 15.83% of the total assets respectively. The major component of assets is the "account/ note receivable", accounting for Baht 675.57 Million or 50.47% of total assets.

Liabilities

As the end of the year 2010, the total liabilities of the Company and its subsidiaries equals to Baht 930.84 Million, increased by 30.40% or by Baht 217.03 Million from the end of the year 2009. The total current liabilities equals to Baht 925.39 Million and the long-term liabilities equals to Baht 5.46 Million. The major component of liabilities is the "account /note payable", accounting for Baht 480.42 Million or 51.61% of total liabilities.

Shareholders' Equity

The Company and its subsidiaries' shareholder equity increased by Baht 60.07 Million or by 17.28% from the end of the Year 2009 to Baht 407.81 Million at the end of year 2010.

Audit's Fee

In year 2010, The Company and its subsidiaries remuneration to the auditors can be summarized below:

- a. Auditing Fee to :
 - i. The Company's auditor in the previous financial period totaling Baht -0-
 - ii. The office employing such auditor in the previous financial period for auditing service totaling Baht 1,008,000 and there's no for other expense related to auditing service.
- b. Fee from other services
 - To the Company's auditor in the previous financial period totaling Baht -0-
 - To the office employing Baht -0-

Financial Statements



UNION PETROCHEMICAL PUBLIC COMPANY LIMITED

The Consolidated and the Separate Financial Statements

For the years ended December 31, 2010



บริษัท สำนักงาน เอ เอ็ม ซี จำกัด
SAM NAK-NGAN A.M.C. Co., Ltd.



บริษัท สำนักงาน เอ เอ็ม ซี จำกัด
SAM NAK-NGAN A.M.C. Co., Ltd.

AUDITOR'S REPORT

To the Shareholders and the Board of Directors of UNION PETROCHEMICAL PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate balance sheets as at December 31, 2010 and 2009, the related consolidated and separate statements of income, changes in shareholders' equity and cash flows for the year then ended of UNION PETROCHEMICAL PUBLIC COMPANY LIMITED and its subsidiaries and also of UNION PETROCHEMICAL PUBLIC COMPANY LIMITED only. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my audits.

I conducted my audits in accordance with the 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, evidences 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 consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial positions as at December 31, 2010 and 2009, the consolidated and separate results of operations and cash flows for the year then ended of UNION PETROCHEMICAL PUBLIC COMPANY LIMITED and its subsidiaries and also of UNION PETROCHEMICAL PUBLIC COMPANY LIMITED only in accordance with generally accepted accounting principles.

SAM NAK-NGAN A.M.C. CO., LTD.

(Miss Sansanee Poolsawat)

Certified Public Accountant (Thailand) No. 6977

Bangkok,

February 23, 2011

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As at December 31, 2010 and 2009

(Unit : Baht)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2010	2009	2010	2009
<u>Assets</u>					
Current assets					
Cash and cash equivalents		53,103,708.89	70,955,710.31	34,305,863.65	30,603,687.51
Trade accounts receivable-net	5.1 and 6	675,565,323.90	575,278,280.08	604,463,099.58	552,115,390.36
Inventories-net	7	380,904,813.12	203,842,995.58	236,590,978.57	155,164,866.80
Revenue department receivable		11,370,469.97	5,977,507.05	1,075,368.35	1,090,258.01
Prepaid expense		3,164,440.36	3,327,382.76	2,586,304.90	3,109,736.12
Other current assets	5.1	2,674,030.95	2,404,275.83	694,933.45	2,528,752.86
Total current assets		1,126,782,787.19	861,786,151.61	879,716,548.50	744,612,691.66
Non-current assets					
Investments in subsidiaries	8	-	-	94,284,425.00	94,284,425.00
Property, plant and equipment-net	9	194,397,392.29	183,849,615.13	87,231,216.99	81,540,857.88
Land awaiting development	10	13,959,000.00	13,959,000.00	13,959,000.00	13,959,000.00
Other non-current assets		3,516,326.97	1,958,096.39	2,836,337.49	1,195,207.48
Total non-current assets		211,872,719.26	199,766,711.52	198,310,979.48	190,979,490.36
Total assets		1,338,655,506.45	1,061,552,863.13	1,078,027,527.98	935,592,182.02

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As at December 31, 2010 and 2009

(Unit : Baht)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2010	2009	2010	2009
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Overdrafts and short-term loans due to financial institutions	11	410,747,390.05	276,363,992.88	276,756,054.46	217,163,377.66
Trade accounts payable	5.1	480,416,034.03	412,076,463.80	427,506,090.68	396,115,381.98
Current portion of long-term liabilities	12	3,649,920.22	3,736,354.45	2,528,212.34	3,259,884.97
Other payables	5.1	11,744,115.54	8,107,088.87	11,296,511.35	7,798,837.10
Accrued income tax		13,373,716.49	6,595,203.15	9,011,165.89	3,350,886.13
Other current liabilities		5,456,359.29	3,494,139.85	1,801,940.99	1,706,863.54
Total current liabilities		925,387,535.62	710,373,243.00	728,899,975.71	629,395,231.38
Non-current liabilities					
Liabilities under long-term lease contracts-net	12	5,455,416.37	3,441,041.22	2,962,691.89	3,230,450.21
Other non-current liabilities		-	410.00	-	-
Total non-current liabilities		5,455,416.37	3,441,451.22	2,962,691.89	3,230,450.21
Total liabilities		930,842,951.99	713,814,694.22	731,862,667.60	632,625,681.59

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As at December 31, 2010 and 2009

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2010	2009	2010	2009
Shareholders' equity					
Share capital	13				
Authorized share capital					
825,000,000 ordinary shares @ Baht 0.25 par value each		206,250,000.00	206,250,000.00	206,250,000.00	206,250,000.00
Issued and paid-up share capital					
660,000,000 ordinary shares @ Baht 0.25 par value each		165,000,000.00	165,000,000.00	165,000,000.00	165,000,000.00
Premiums on share capital		46,680,000.00	46,680,000.00	46,680,000.00	46,680,000.00
Unrealized gain					
Differences on revaluation of assets-parent company	9	11,858,112.14	11,058,112.14	11,858,112.14	11,058,112.14
Differences on revaluation of assets-subsiidiary company	9	124,762.89	-	-	-
Differences on internal restructure of entities under common control		3,730,313.34	3,730,313.34	-	-
Currency translation differences		19,970.99	6,948.40	-	-
Retained earnings	14				
Appropriated					
Legal reserve		19,774,900.50	16,500,000.00	19,774,900.50	16,500,000.00
Unappropriated		160,624,494.60	104,762,795.03	102,851,847.74	63,728,388.29
Total shareholders' equity		407,812,554.46	347,738,168.91	346,164,860.38	302,966,500.43
Total liabilities and shareholders' equity		1,338,655,506.45	1,061,552,863.13	1,078,027,527.98	935,592,182.02

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

For the years ended December 31, 2010 and 2009

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2010	2009	2010	2009
Sales		2,554,041,710.69	2,052,277,634.33	2,173,344,946.55	1,797,226,200.27
Cost of sales	7	(2,269,192,358.45)	(1,816,052,064.87)	(1,950,178,755.46)	(1,617,549,212.16)
Gross profit		284,849,352.24	236,225,569.46	223,166,191.09	179,676,988.11
Dividend income from subsidiary	8	-	-	-	1,949,825.00
Gain from disposal of assets		4,292,121.39	78,297.17	4,133,399.94	6,276.44
Gain on exchange rate		10,839,938.28	1,516,773.24	674,214.09	411,250.17
Other income		3,230,112.39	2,308,291.79	1,914,803.37	2,345,271.10
Profit before expenses		303,211,524.30	240,128,931.66	229,888,608.49	184,389,610.82
Selling expenses		(64,148,689.57)	(56,670,155.12)	(41,855,179.91)	(36,693,741.85)
Administrative expenses		(104,612,506.58)	(91,746,232.56)	(84,404,340.16)	(77,551,997.74)
Executives' remuneration	16	(17,468,326.00)	(17,338,009.00)	(13,232,000.00)	(13,257,000.00)
Total expenses		(186,229,522.15)	(165,754,396.68)	(139,491,520.07)	(127,502,739.59)
Profit before financial cost and income tax		116,982,002.15	74,374,534.98	90,397,088.42	56,886,871.23
Financial cost		(9,488,875.94)	(8,783,339.62)	(7,139,482.14)	(6,795,260.70)
Profit before income tax		107,493,126.21	65,591,195.36	83,257,606.28	50,091,610.53
Income tax	19	(25,256,876.04)	(16,044,426.46)	(17,759,596.23)	(10,477,208.31)
Profit for the year		82,236,250.17	49,546,768.90	65,498,010.05	39,614,402.22
Earnings per share	20				
Basic earnings per share		0.125	0.075	0.099	0.060
Diluted earnings per share		0.113	0.074	0.090	0.059
Number of basic ordinary shares (Unit : Shares)		660,000,000	660,000,000	660,000,000	660,000,000
Number of diluted equivalent ordinary shares (Unit : Shares)		725,602,410	670,055,463	725,602,410	670,055,463

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2010 and 2009

Consolidated Financial Statements

	Notes	(Unit : Baht)						
		Issued and Paid-up Share Capital	Premiums on share capital	Unrealized Gain		Currency Translation Differences	Retained Earnings	
				Differences on Revaluation of Assets-Parent Company	Differences on Revaluation of Assets-Subsidiary Company		Appropriated Legal Reserve	Unappropriated
				Company	Company			Total
Balance as at January 1, 2009		165,000,000.00	46,680,000.00	11,058,112.14	-	3,730,313.34	16,500,000.00	75,016,026.13
Currency translation differences		-	-	-	-	-	-	-
Total income recognised in shareholders' equity		-	-	-	-	-	-	-
Profit for the year		-	-	-	-	-	-	-
Total income recognised for the year		-	-	-	-	-	-	-
Dividend paid	14	-	-	-	-	-	-	-
Balance as at December 31, 2009		165,000,000.00	46,680,000.00	11,058,112.14	-	3,730,313.34	16,500,000.00	75,016,026.13
Differences on revaluation of assets	9	-	-	800,000.00	124,762.89	-	-	-
Currency translation differences		-	-	-	-	-	-	-
Total income recognised in shareholders' equity		-	-	800,000.00	124,762.89	-	-	-
Profit for the year		-	-	-	-	-	-	-
Total income recognised for the year		-	-	-	-	-	-	-
Dividend paid	14	-	-	-	-	-	-	-
Legal reserve	14	-	-	-	-	-	-	-
Balance as at December 31, 2010		165,000,000.00	46,680,000.00	11,858,112.14	124,762.89	3,730,313.34	19,774,900.50	160,624,494.60

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2010 and 2009

Separate Financial Statements

	Notes	(Unit : Baht)				
		Issued and paid-up share capital	Premiums on share capital	Unrealized Gain Differences on Revaluation of Asset - Parent Company	Retained Earnings	
					Appropriated Legal reserve	Unappropriated Total
Balance as at January 1, 2009		165,000,000.00	46,680,000.00	11,058,112.14	16,500,000.00	43,913,986.07
Profit for the year		-	-	-	-	39,614,402.22
Total income recognised for the year		-	-	-	-	39,614,402.22
Dividend paid	14	-	-	-	-	(19,800,000.00)
Balance as at December 31, 2009		165,000,000.00	46,680,000.00	11,058,112.14	16,500,000.00	63,728,388.29
Differences on revaluation of asset	9	-	-	800,000.00	-	-
Total income recognised in shareholders' equity		-	-	800,000.00	-	-
Profit for the year		-	-	-	-	65,498,010.05
Total income recognised for the year		-	-	800,000.00	-	65,498,010.05
Dividend paid	14	-	-	-	-	(23,099,650.10)
Legal reserve	14	-	-	-	3,274,900.50	(3,274,900.50)
Balance as at December 31, 2010		165,000,000.00	46,680,000.00	11,858,112.14	19,774,900.50	102,851,847.74
						346,164,860.38

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

For the years ended December 31, 2010 and 2009

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Cash flow from operating activities				
Profit before income tax	107,493,126.21	65,591,195.36	83,257,606.28	50,091,610.53
Reconciliation of profit for the year with cash receipts (payment) from operation				
Dividend income from subsidiary	-	-	-	(1,949,825.00)
Doubtful debts-trade accounts receivable (reversed)	3,209,740.05	(16,748.55)	3,209,740.05	23,697.45
Bad debts	50,076.00	-	-	-
Loss from the cost of goods exceeding net realizable value (reversed)	1,072,651.23	(2,978,350.76)	965,735.50	(2,574,919.76)
Loss on damaged goods	82,620.95	-	-	-
Depreciation	21,446,913.84	22,268,561.57	13,012,085.52	16,131,032.36
Gain from disposal of property, plant and equipment	(4,292,121.39)	(78,297.17)	(4,133,399.94)	(6,276.44)
Loss from devaluation of property	1,450.00	-	-	-
Amortization of intangible assets	19,786.16	9,514.19	11,949.99	-
Unrealized (gain) loss from exchange rate	(3,966,798.82)	511,046.81	(542,654.30)	(140,342.93)
Interest expenses	9,488,875.94	8,783,339.62	7,139,482.14	6,795,260.70
Profit from operation before changes in operating assets and liabilities	134,606,320.17	94,090,261.07	102,920,545.24	68,370,236.91
(Increase) decrease in operating assets				
Trade accounts receivable	(103,546,859.87)	(68,741,801.49)	(55,557,449.27)	(77,200,480.54)
Inventories	(178,217,089.72)	(103,848,989.74)	(82,391,847.27)	(82,618,857.00)
Revenue department receivable	(5,392,962.92)	(3,300,513.75)	14,889.66	(1,090,258.01)
Prepaid expenses	162,942.40	(1,998,471.03)	523,431.22	(1,934,629.35)
Other current assets	(269,590.80)	(1,964,399.85)	1,833,819.41	(2,005,145.27)
Other non-current assets	(685,736.94)	(230,841.90)	(694,080.00)	5,392.52
Increase (decrease) in operating liabilities				
Trade accounts payable	68,168,212.26	89,256,705.48	31,366,850.32	78,125,774.09
Other payable	3,807,435.72	1,278,475.51	3,951,532.45	794,472.84
Other current liabilities	1,869,619.11	(3,831,869.64)	(275,575.54)	(2,561,961.48)
Other non-current liabilities	(410.00)	(162,048.00)	-	-
Cash received (used) from operating activities	(79,498,120.59)	546,506.66	1,692,116.22	(20,115,455.29)
Cash payment for interest expenses	(9,396,275.61)	(8,639,966.49)	(6,768,829.15)	(6,874,917.21)
Cash payment for income tax	(18,478,362.70)	(15,015,819.94)	(12,099,316.47)	(11,566,514.77)
Net cash used in operating activities	(107,372,758.90)	(23,109,279.77)	(17,176,029.40)	(38,556,887.27)

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

For the years ended December 31, 2010 and 2009

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Cash flow from investing activities				
(Increase)decrease in short-term investment	-	1,030,818.48	(1,249,925.00)	-
Purchase of property, plant and equipment	(24,789,550.54)	(11,606,968.40)	(14,205,289.56)	(980,940.40)
Sales of property, plant and equipment	4,486,993.82	163,704.49	4,181,994.87	66,340.00
Purchase of intangible assets	(892,279.80)	-	(959,000.00)	-
Dividends received from subsidiary	-	-	-	1,949,825.00
Net cash received from (used in) investing activities	(21,194,836.52)	(10,412,445.43)	(12,232,219.69)	1,035,224.60
Cash flow from financing activities				
Increase in overdrafts and short-term loans from financial institutions	138,521,389.64	52,745,145.09	60,159,189.48	28,710,155.96
Cash paid for payable from assets purchased	(218,109.05)	(189,069.00)	(150,683.20)	-
Cash paid for liabilities under long-term lease contracts	(4,501,059.08)	(5,832,336.58)	(3,798,430.95)	(4,774,024.06)
Dividend paid	(23,099,650.10)	(19,800,000.00)	(23,099,650.10)	(19,800,000.00)
Net cash received from financing activities	110,702,571.41	26,923,739.51	33,110,425.23	4,136,131.90
Increase in currency translation differences	13,022.59	3,775.72	-	-
Cash and cash equivalents increase(decrease)-net	(17,852,001.42)	(6,594,209.97)	3,702,176.14	(33,385,530.77)
Cash and cash equivalents at the beginning of the year	70,955,710.31	77,549,920.28	30,603,687.51	63,989,218.28
Cash and cash equivalents at the end of the year	53,103,708.89	70,955,710.31	34,305,863.65	30,603,687.51
Additional disclosure				
1. Detail of items not affecting cash-flow are as follows :-				
- Acquisition of fixed assets by entering into long-term lease contracts	6,429,000.00	-	2,799,000.00	-
- Acquisition of assets which had not yet been paid	47,700.00	368,792.25	946,750.00	150,683.20
- Differences on revaluation of assets-parent company	800,000.00	-	800,000.00	-
- Differences on revaluation of assets-subsiary company	124,762.89	-	-	-
- Additional investments in subsidiary which had not yet been paid	-	-	-	1,249,925.00
- Appropriated legal reserve from retained earnings	3,274,900.50	-	3,274,900.50	-
2. Cash and cash equivalents consisted of :-				
- Cash	483,272.27	208,159.48	150,000.00	150,000.00
- Current deposit	787,086.26	433,271.57	418,167.59	227,664.77
- Savings deposit	51,833,350.36	70,314,279.26	33,737,696.06	30,226,022.74
Total	53,103,708.89	70,955,710.31	34,305,863.65	30,603,687.51

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

1. General information

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED (the Company) was registered as a limited company according under the Civil and Commercial Code on May 22, 1981 with registration number 0105524011161 and later registered its conversion to a limited public company on June 2, 2005 with registration number Bor Mor Chor. 0107548000391. Its registered head office is located at 728 Union House Building, Boromratchonnani Road, Bangbunru, Bangphlad, Bangkok, Thailand. The Company's main business is importer, exporter and distributor of chemicals.

2. Basis of financial statements preparation

2.1 The consolidated and separate financial statements were prepared in accordance with the generally accepted accounting principle under the Accounting Act B.E. 2543, which include the already announced accounting standards and their interpretations and accounting procedures determined by of the Federation of Accounting Professionals established under the Accounting Professions Act B.E. 2547 announced to be effective and regulations in accordance with the determination of the Office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.

These financial statements were prepared by using original cost basis except those disclosed otherwise in the accounting policies.

2.2 Announcement of the new accounting standards

The Federation of Accounting Professions has issued FAP's Notifications No. 17/2553 and Nos. 50-55/2553, which have been published in the Royal Gazette, mandating the use of new accounting standards, financial reporting standards and interpretation for financial reporting standards as follows :-

Reference Standard No.	Name	Effective Date
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Reference Standard No.	Name	Effective Date
Accounting framework (Revised 2009)		Immediately
Accounting Standard No. 1 (Revised 2009)	Presentation of Financial Statements	January 1, 2011
Accounting Standard No. 2 (Revised 2009)	Inventories	January 1, 2011
Accounting Standard No. 7 (Revised 2009)	Statement of Cash Flow	January 1, 2011
Accounting Standard No. 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2011
Accounting Standard No. 10 (Revised 2009)	Events after the Reporting Period	January 1, 2011
Accounting Standard No. 11 (Revised 2009)	Construction Contracts	January 1, 2011
Accounting Standard No. 16 (Revised 2009)	Property, Plant and Equipment	January 1, 2011
Accounting Standard No. 17 (Revised 2009)	Leases	January 1, 2011
Accounting Standard No. 18 (Revised 2009)	Revenue	January 1, 2011
Accounting Standard No. 19	Employee Benefits	January 1, 2011
Accounting Standard No. 23 (Revised 2009)	Borrowing Costs	January 1, 2011
Accounting Standard No. 24 (Revised 2009)	Related Party Disclosures	January 1, 2011
Accounting Standard No. 26	Accounting and Reporting by Retirement Benefit Plans	January 1, 2011
Accounting Standard No. 27 (Revised 2009)	Consolidated and Separate Financial Statements	January 1, 2011
Accounting Standard No. 28 (Revised 2009)	Investments in Associates	January 1, 2011
Accounting Standard No. 29	Financial Reporting in Hyperinflationary Economies	January 1, 2011
Accounting Standard No. 31 (Revised 2009)	Interests in Joint Ventures	January 1, 2011
Accounting Standard No. 33 (Revised 2009)	Earnings per Share	January 1, 2011
Accounting Standard No. 34 (Revised 2009)	Interim Financial Reporting	January 1, 2011
Accounting Standard No. 36 (Revised 2009)	Impairment of Assets	January 1, 2011
Accounting Standard No. 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2011
Accounting Standard No. 38 (Revised 2009)	Intangible Assets	January 1, 2011
Accounting Standard No. 40 (Revised 2009)	Investment Property	January 1, 2011
Financial Reporting Standard No. 2	Share-based Payment	January 1, 2011
Financial Reporting Standard No. 3 (Revised 2009)	Business Combination	January 1, 2011
Financial Reporting Standard No. 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	January 1, 2011
Financial Reporting Standard No. 6	Exploration for and Evaluation of Mineral Resources	January 1, 2011
Interpretation for Financial Reporting Standard No. 15	Agreements for the Construction of Real Estate	January 1, 2011
Accounting Standard No. 12	Income Taxes	January 1, 2013
Accounting Standard No. 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013
Accounting Standard No. 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates	January 1, 2013

Accounting Framework, Accounting Standards, Financial Reporting Standards and Interpretation of Financial Reporting Standards, which become effective immediately and on or after January 1st, 2011. The Company's management have assessed the possible effect arisen from the implementation of those standards to the financial statements of the companies within the group for the year 2011 as follows (mentioned especially for those items which have been significantly affected).

Related standard	Significant change effect to financial
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Accounting Standard No. 1 (Revised 2009) Presentation of Financial Statements	Changes in form of item presentation in “the statement of income” and “the statement of changes in shareholders’ equity”, which will be presented as “the comprehensive income statement” and “the statement of changes in equity” instead. Hence other comprehensive profit or loss (income and expense items not allowed to be recognised in statement of income) which are previously shown in “the statement of changes in shareholders’ equity” are now shown in “the comprehensive income statement” and “the statement of changes in equity” will present remaining items that only related to the owners.
Accounting Standard No. 19 Employee Benefits	Requirement for companies within the group to gradually recognise as expense and estimate for liability of employee benefits in accordance to time frame commencing from the first date that employee start to give his or her service. By doing so, assumptions will be made for the use of actuarial calculation to assess obligation and long-term employee benefits together with the use of discount rate as the actual payment of such benefits will occur after long period of service made by employees. For the transitional period during the change over of accounting standards No. 19, recognition of liability estimated from the service of employees prior the effective date can be made on selection of 4 allowable methods. The Group Companies is in the process of discretion and information preparation to evaluate the effect and select the account recording guideline that is most appropriate for the Company.
Accounting Standard No. 24 (Revised 2009) Related Party Disclosures	Additional disclosure of compensation amount paid to key management personnel.

The management of the Company is evaluating its effect on the financial statements on the accounting period the said accounting standard becomes effective.

- 2.3 Preparation of the financial statements in conformity with accounting standards and financial reporting standards requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates which estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.
- 2.4 The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

- 2.5 In the statements of income for the year ended December 31, 2009, there have been reclassification of accounting items as follows :-

(Unit : Baht)

For the year ended December 31, 2009						
	<u>Consolidated Financial Statements</u>			<u>Separate Financial Statements</u>		
	<u>Before</u>	<u>Increase</u>	<u>After</u>	<u>Before</u>	<u>Increase</u>	<u>After</u>
	<u>reclassification</u>	<u>(Decrease)</u>	<u>reclassification</u>	<u>reclassification</u>	<u>(Decrease)</u>	<u>reclassification</u>
Selling expenses	57,462,563.27	(792,408.15)	56,670,155.12	37,326,150.00	(632,408.15)	36,693,741.85
Administrative expenses	92,091,958.41	(345,725.85)	91,746,232.56	76,919,589.59	632,408.15	77,551,997.74
Managements' remuneration	16,199,875.00	1,138,134.00	17,338,009.00	-	-	-

The consolidated balance sheet for the year ended December 31, 2009, Baht 0.17 million of loan due from employees have been reclassified to other non-current assets and Baht 0.17 million of other current liability have been reclassified to other payable.

The reclassification of accounting items is made for the purpose of comparison with those items in the financial statements for the year ended December 31, 2010, which has no effect on profit for the year or shareholder's equity as previously reported.

3. Summary of significant accounting policies

- 3.1 Cash and cash equivalents include cash, bank deposits in types of savings and current accounts with no guarantee obligation.
- 3.2 Trade accounts receivable are shown at the net realizable value. Allowance for doubtful debt is estimated by calculation based on the percentage of aging of the remaining accounts receivable balance at the end of the year in conjunction with the consideration of each respective account receivable anticipated of uncollectibility.
- 3.3 Inventories are stated at cost by the first-in first-out method then net with allowance for deteriorated and slow moving inventories (if any) which is made from considering of the actual value of deteriorated and slow moving inventories or net realizable value, whichever is lower.
- 3.4 Investments in subsidiaries in the separate financial statements are shown under the cost method net by the accumulated allowance for impairment (if any) and change in the investment value will be recognised in the statement of income when the investment is disposed or the impairment of the investment incurred.

3.5 Land are recorded initially at cost and chosen revaluation by shown at fair value evaluated by independent appraiser and net by allowance for asset impairment when there is an indication of the impairment. The Company and its subsidiaries hold the policy for an independent appraiser to perform appraisal for these assets in every 5 years. If there is any factor that has significant effect to the asset value, in the meantime, the Company and its subsidiaries would have it reappraised in that year. The surplus arising from the new appraised value would be considered as the differences on revaluation of assets under the shareholders' equity and the discount arising from the new appraised value lower than cost value would be consider as loss from asset revaluation in the statement of income.

3.6 Plant and equipment are recorded initially at cost and shown net from accumulated depreciation and allowance for asset impairment (if any), and depreciation is calculated by the straight-line method based on the estimated useful lives of assets which are as follows:

- Buildings and improvement 10 and 20 years
- Machine 5-10 years
- Furniture and fixtures 3-5 years
- Electrical equipment and tools 5 years
- Vehicles 5 and 10 years

As at December 31, 2010, the Company and its subsidiaries has changed its estimated useful live and scrap price which expected to be sold when the said vehicle's useful life has expired as follows :-

	<u>Useful lives</u>		<u>Scrap Price</u>	
	<u>Former</u>	<u>New</u>	<u>Former</u>	<u>New</u>
Vehicle-Warehouse	5 years	5 years and 10 years	-	20 percent of the cost
Vehicle-Office	-	-	-	30 percent of the cost

The said change of the estimates would result in the depreciation of the subsequent period to be decreased in the consolidated financial statements in amount of Baht 4.98 million per annum and in the separate financial statements in amount of Baht 4.41 million per annum.

- No depreciation is made for land, construction in progress and assets in transit.

3.7 Leases assets, leases in terms of which the Company and its subsidiaries substantially assume all the risk and rewards of ownership are classified as finance leases or hire purchase. Vehicles acquired by way of the leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of income.

- 3.8 Land awaiting development are initially recorded by cost method net by accumulated allowance for asset impairment (if any).
- 3.9 Intangible assets such as computer software are shown at cost less by accumulated amortized expense and allowance for impairment (if any) of that asset. The Company and its subsidiaries make amortization of intangible asset with certain useful life systematically throughout the useful life of such asset and will review the period and method for amortization of intangible assets with certainty in useful life at least at the end of every year. Amortized expense will be recognized in the statement of income over the useful life of 5 years.
- 3.10 Impairment of assets : the Company and its subsidiaries assess at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, the Company and its subsidiaries make an estimate of the asset's net recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of income. (An asset's recoverable amount is the higher of net sale value or value in use of that asset.)
- 3.11 Trade and other accounts payable are shown at cost.
- 3.12 Interest-bearing liabilities are shown at cost and the expense related to the incurrence of debt is treated as the expense for the year.
- 3.13 The Company and its subsidiaries set up the provision for liabilities when there is a certain possibility of a legally incurred liability from the present or infer from a continuing result from the past incident. The said liability is expected to result in losing the economical beneficial resources to pay for the liability. The amount to be paid is reliable and it is certain that the paid amount on the provision would be repaid in full or partial amount, the Company and its subsidiaries would recognize the repayment of the expense as separate asset but not more than the related provision and show the related expense and the provision in the statement of income net of the recognized expense expected to be repaid.
- 3.14 Ordinary shares are classified as capital and additional costs directly related to issuance of ordinary shares and warrants are recognized as deduction from share capital.

- 3.15 Premiums on share capital under Section 51 of the Public Companies Act B.E. 2535 arisen when the Company share subscription monies are in excess of the par value of the shares issued, the Company have to be set aside to a reserve account (“premiums on share capital”). Premiums on share capital are not available for dividend distribution.
- 3.16 Difference from internal restructure of entities under common control is the difference between the purchase price paid to acquire for the subsidiaries and the fair value of the assets and liabilities of the said subsidiaries (book value), which is shown under the shareholders’ equity. The said surplus would decrease if the Company dispose or decrease the investment ratio in subsidiaries.
- 3.17 Legal reserve in accordance to Public Company Act B.E. 2535 Section 116 : The Company must appropriate for legal reserve at least 5% of net annual profit after deduction of accumulated loss (if applicable) until such reserve has accumulated to 10% of authorized share capital and it must not be distributed as dividends.
- 3.18 The Company accounts for dividend of payment in the financial statements for the year in which such dividend payment has been approved by the meeting of the Company’s shareholders or board of directors.
- 3.19 Items denominated in foreign currencies are recorded in Baht at prevailing rates of exchange when the transactions occur and balances of assets and liabilities at the year end are converted to Baht at the prevailing rates of exchange on that date and gain or loss arising from such conversion is shown as revenue or expense in the statement of income.
- 3.20 Incomes recognition, revenue recognised excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts with the following policies :-
- 3.20.1 Sale of goods: revenue is recognized in the statements of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the economic benefit due from the sale of goods or the amount of the revenue and cost incurred could not be reasonably measured or the probable return of goods.
 - 3.20.2 Service income is recognized as services are provided.
 - 3.20.3 Rental income is recognised over the term of the lease.
 - 3.20.4 Interest income are recognized according to the related period.
 - 3.20.5 Dividend income is recognized when entitled to receive dividend.
 - 3.20.6 Other income is recognized on accrual basis.

- 3.21 The policies concerning its expenses are as follows :-
- 3.21.1 Employee benefits: The Group Companies recognizes salaries, wages, bonuses, other welfare, contribution towards Social Security Fund and provident fund as expenses when occurred.
 - 3.21.2 Executives' remuneration consists of compensation in monetary form, compensating benefits given to directors, managing directors or holders of 4 executive positions lower than the managing directors, all holders of positions equal in rank to the 4th executive position mentioned earlier.
 - 3.21.3 Other expense is recognized on accrual basis.
 - 3.21.4 Financial cost consists of interest expense or other expenses in similar nature charged to the statement of income in the year such expenses are incurred except in case that they are partly recorded as cost of assets due to the effect of long period of time used to acquire construction or produce such assets prior to direct utilization or for sale. Interest which is part of installment amount under financial lease and hire purchase is charged to the statement of income by effective rate method.
 - 3.21.5 Income tax is recognized as expense when it becomes are liable to pay.
- 3.22 Assets under leasing contract, which the risk and ownership of the assets remain with the leaser classified as operating lease. The payment under operating lease recorded as expense throughout the term of the contract.
- 3.23 The related parties or related companies with the Company and its subsidiaries meant the parties or the companies that have the controlling power to the Company and its subsidiaries, controlled by the Company and its subsidiaries either directly or indirectly, or under the same control with the Company and its subsidiaries. Furthermore, the related parties and related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Company and its subsidiaries, important management, directors or the employees of the Company and its subsidiaries who have the power to plan and control the operation of the Company and its subsidiaries including the family members close to the said persons which could persuade or have power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.
- 3.24 Earnings per share

- Basic earnings per share is calculated by dividing the profit for the year by the weighted averaged number of already issued and fully paid shares during the year.
- Diluted earnings per share is calculated by dividing net profit for the year by the total sum of the weighted average number of ordinary shares in issue during the year and the weighted average number of ordinary shares issuable to convert all dilutive potential ordinary shares (warrants) into ordinary shares on the assumption that the dilutive potential ordinary shares have already been converted to the ordinary shares on the issuance date of the potential ordinary shares.

3.25 Financial instruments

Financial assets and liabilities carried on the balance sheets include cash and cash equivalents, trade accounts receivable and payable, other accounts receivable and payable, loan receivables payables and investments. The significant accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.

Foreign currency forward contracts are meant to prevent risk from volatile movements in exchange rates by establishing a future rate at which a foreign currency asset and liability will be settled. Gain or loss from the foreign currency forward contracts will be recorded in the statement of income when the settlement is made.

4. Basis of the consolidated financial statement preparation

4.1 The consolidated financial statements included the financial statements of UNION PETROCHEMICAL PUBLIC COMPANY LIMITED and its subsidiaries as follows :-

<u>Company's Name</u>	<u>Type of Business</u>	<u>Country of Incorporation</u>	<u>Percentage of Shareholding</u>	
			<u>2010</u>	<u>2009</u>
LION ASIA (THAILAND) CO., LTD.	Distributor of chemicals, lubricant products and electronic equipment	Thailand	99.99	99.99
UNION INTRACO PUBLIC CO., LTD.	Importer/exporter and distributor of chemicals	Thailand	99.99	99.99
UKEM ETHANOL AND EASTER CO., LTD.	Manufacturer and distributor of ethanol (Commercial operation has not yet commenced)	Thailand	99.99	99.99
MULTI KROSS OPERATION LTD.	Importer/exporter and distributor of chemicals	The People's Republic of China*	99.99	99.99

* Hong Kong Special Administrative Region of the People's Republic of China

The financial statements of the foreign subsidiary, considered as a foreign unit portray accounts in HK dollars. In the preparation of the consolidated financial statements, the Company has to translate them into Baht by applying the following exchange rates :

- Assets and liabilities are translated by the closing rate at the end of the period.
- Revenue and expenses are translated by the average exchange rate.
- Share capital is translated at the rate when the transaction occurred.

The difference incurred from the exchange rate translation of the said financial statements is shown under the shareholders' equity.

As at December 31, 2010 and 2009, the financial statements of Multi Kross Operation Limited have been audited by other certified public auditor as reported thereon dated February 11, 2011 and February 5, 2010 respectively. The financial statements presented total assets of Baht 0.29 million and Baht 0.37 million respectively, equivalent to 0.02% and 0.03% of total assets in the consolidated balance sheet respectively.

The financial statements of Ukem Ethanol and Easter Co., Ltd. have been combined in preparation of consolidated financial statements in the fourth quarter of 2009, since the Company commenced to invest in this subsidiary which was established in fourth quarter of 2009. The said subsidiary has not yet commenced its operation commercially.

- 4.2 Subsidiaries are an enterprise under the control of the Company. This control occurs when the Company has a controlling power directly or indirectly in giving direction of financial policy and operation of that company in order to derive benefits from activities of the subsidiaries. Also the financial statements of the subsidiaries will be combined into the consolidated financial statements of the group companies commencing from the date of control until the cessation date of such control.
- 4.3 The accounting periods of the subsidiaries end the same date as that of UNION PETROCHEMICAL PUBLIC COMPANY LIMITED.
- 4.4 Investments in subsidiaries where the Company holds shares from 99% or higher are regarded as if holding of 100% in preparing of consolidated financial statements.
- 4.5 The consolidated financial statements are prepared basing on the same accounting policies for the same accounting items or similar accounting events.
- 4.6 The significant inter-balances and transactions between the Company and its subsidiaries, investments in subsidiaries under the Company's account and share capital of its subsidiaries have been eliminated of consolidated financial statements.

5. Inter-transactions with related entities and parties

The Company had transaction items with subsidiary and related companies and parties, which have the same group of shareholders or mutual directors. Significant inter-transactions and remaining balances between the Company and the subsidiary and related companies and parties were as follows :-

5.1 Inter-assets and liabilities

(Unit : Baht)

	<u>Relationship</u>	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
		<u>As at December 31,</u>		<u>As at December 31,</u>	
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Trade accounts receivable					
UNION INTRACO PUBLIC CO., LTD.	subsidiary	-	-	2,140,294.25	1,252,740.05
LION ASIA (THAILAND) CO., LTD.	subsidiary	-	-	28,449,246.67	37,029,282.64
Total		-	-	30,589,540.92	38,282,022.69
- Other accounts receivable					
UNION INTRACO PUBLIC CO., LTD.	subsidiary	-	-	15,870.24	75,219.09
LION ASIA (THAILAND) CO., LTD.	subsidiary	-	-	4,494.00	23,760.42
Total		-	-	20,364.24	98,979.51
- Advance payment					
MULTI KROSS OPERATION LIMITED	subsidiary	-	-	388,838.38	368,740.00
- Purchases of assets from					
LION ASIA (THAILAND) CO., LTD.	subsidiary	-	-	4,186,630.90	553,659.20
- Trade accounts payable					
UNION INTRACO PUBLIC CO., LTD.	subsidiary	-	-	157,290.00	157,411.98
- Other payable					
LION ASIA (THAILAND) CO., LTD.	subsidiary	-	-	1,155,759.50	161,231.02
UKEM ETHANOL AND EASTER CO., LTD.	subsidiary	-	-	-	1,249,925.00
FIRSTRACO CO., LTD.	related company	289,229.76	392,453.48	218,141.76	215,120.08
MR. PERAJED SUWANNAPASRI	related party	-	165,680.45	-	-
Total		289,229.76	558,133.93	1,373,901.26	1,626,276.10

5.2 Inter-revenues and expenses

(Unit : Baht)

	<u>Relationship</u>	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
		<u>For the year ended December 31,</u>			
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Sales to					
UNION INTRACO PUBLIC CO., LTD.	subsidiary	-	-	8,742,862.00	7,902,009.60
LION ASIA (THAILAND) CO., LTD.	subsidiary	-	-	69,477,064.25	67,883,981.74
MULTI KROSS OPERATION LIMITED	subsidiary	-	-	-	479,289.60
Total		-	-	78,219,926.25	76,265,280.94
- Dividend income					
UNION INTRACO PUBLIC CO., LTD.	subsidiary	-	-	-	1,949,825.00

(Unit : Baht)

		<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>Relationship</u>	<u>For the year ended December 31,</u>			
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Other income					
UNION INTRACO PUBLIC CO., LTD.	subsidiary	-	-	641,759.00	720,868.00
LION ASIA (THAILAND) CO., LTD.	subsidiary	-	-	448,663.00	357,625.00
Total		-	-	1,090,422.00	1,078,493.00
- Purchases of goods from					
UNION INTRACO PUBLIC CO., LTD.	subsidiary	-	-	457,476.00	850,847.00
LION ASIA (THAILAND) CO., LTD.	subsidiary	-	-	188,550.00	469,659.20
Total		-	-	646,026.00	1,320,506.20
- Office rental due to					
FIRSTRACO CO., LTD.	related company	2,651,520.00	2,929,920.00	2,150,400.00	2,150,400.00
- Other expenses					
LION ASIA (THAILAND) CO., LTD.	subsidiary	-	-	345,255.99	113,300.94
FIRSTRACO CO., LTD.	related company	365,184.00	404,028.00	256,228.00	250,720.00
MR.VIRAT SUWANNAPASRI	related party	460,000.00	-	-	-
MR.VISSANU MEEYOO	related party	25,000.00	-	-	-
Total		850,184.00	404,028.00	601,483.99	364,020.94

Policy of inter-price setting

- Inter-purchase and sale for goods transactions between the Company and its subsidiaries are charged at price comparable to those charged to outside parties.
- Inter-purchase and sale for assets between the Company and its subsidiaries are based on mutually agreed price, which is higher than cost.
- Income from warehouse rental fees is complied with mutual agreements where the Company entered into warehouse rental agreements with two subsidiaries with significant details as follows :-
 - 1) Commencing on November 1, 2009 until October 31, 2010, a rental fee of Baht 12,500.00 per month was charged. The agreement has been extended for another year from November 1, 2010 until October 31, 2011 at the same rental fee.
 - 2) Commencing on December 1, 2008 until November 30, 2009, a rental fee of Baht 26,875.00 per month was charged. The agreement has been extended for another year from December 1, 2009 until November 30, 2010 at the same rental fee. However, a subsidiary terminated the contract on June 1, 2010 onwards, because it has relocated the warehouse to a new location.
 - 3) Commencing on July 1, 2009 until June 30, 2010, a rental fee of Baht 20,000.00 per month was charged. The new agreement has been entered into for the period commencing from July 1, 2010 to June 30, 2011 and the rental fee has been increased to Baht 40,000.00 per month because of the increment of the rental area.
- Consulting fee is in accordance with the mutually-agreed contracts entered into with related persons.

- Office leasing fees (Union House Building) and electricity usage fee are complied with mutual agreements entered into with a related company as follows :-
 - 1) The Company entered into an office area leasing contract for the area on the 1st and 2nd floor for a period of 3 years commencing on July 1, 2008 until June 30, 2011, with a leasing fee of Baht 179,200.00 per month.
 - 2) The two subsidiaries entered into office leasing contracts for the area on the 3rd and 5th floors for period of 3-4 years with significant details as follows :-
 - The area on the 3rd floor commencing on July 1, 2008 until June 30, 2011 with leasing fee of Baht 55,680.00 per month. However, a subsidiary terminated the contract on June 1, 2009 onwards, because it had moved to a new location.
 - The area on the 5th floor commencing on December 19, 2006 until December 31, 2010 with leasing fee of Baht 55,680.00 per month and grace period for monthly leasing fee during the period between December 19, 2006 to December 31, 2007.
 - 3) Electricity fee is charged on actual usage.

5.3 Nature of relationship of related companies and party

<u>Company's and person name</u>	<u>Relationship</u>	<u>Related by</u>
UNION INTRACO PUBLIC CO., LTD.	Subsidiary	Direct shareholding
LION ASIA (THAILAND) CO., LTD.	Subsidiary	Direct shareholding
UKEM ETHANOL AND EASTER CO., LTD.	Subsidiary	Direct shareholding
MULTI KROSS OPERATION LTD.	Subsidiary	Direct shareholding
FIRSTRACO CO., LTD.	Related company	Related person
MR. VIRAT SUWANNAPASRI	Related party	The Company's director
MR. PERAJED SUWANNAPASRI	Related party	The Company's director
MR. VISSANU MEEYOO	Related party	Director of subsidiary

6. Trade accounts receivable-net

Consisted of :-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Related companies	-	-	30,589,540.92	38,282,022.69
Other companies	681,039,371.18	577,542,587.31	579,347,605.94	516,097,674.90
Total	681,039,371.18	577,542,587.31	609,937,146.86	554,379,697.59
<u>Less</u> Allowance for doubtful accounts	(5,474,047.28)	(2,264,307.23)	(5,474,047.28)	(2,264,307.23)
Net	675,565,323.90	575,278,280.08	604,463,099.58	552,115,390.36

Aging analyses for trade accounts receivable were as follows :-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Related companies				
Trade accounts receivable within credit term	-	-	22,712,570.07	38,124,625.69
Overdue aging of trade accounts receivable : -				
- Not over 3 months	-	-	7,594,490.85	157,397.00
- Over 3 months but not over 6 months	-	-	282,480.00	-
Total	-	-	30,589,540.92	38,282,022.69
Other companies				
Trade accounts receivable within credit term	515,294,427.41	430,880,034.35	438,006,413.04	385,809,538.20
Overdue aging of trade accounts receivable : -				
- Not over 3 months	159,614,626.28	139,163,997.42	135,557,794.51	122,219,682.33
- Over 3 months but not over 6 months	467,617.82	1,869,856.25	344,835.32	2,378,037.55
- Over 6 months but not over 12 months	404.46	2,652,107.73	404.46	386,366.30
- Over 12 months	4,150,732.83	1,023,546.70	4,150,732.83	3,625,642.26
Total trade accounts receivable	679,527,808.80	575,589,542.45	578,060,180.16	514,419,266.64
Returned cheques	1,511,562.38	1,953,044.86	1,287,425.78	1,678,408.26
Total	681,039,371.18	577,542,587.31	579,347,605.94	516,097,674.90
<u>Less</u> Allowance for doubtful accounts	(5,474,047.28)	(2,264,307.23)	(5,474,047.28)	(2,264,307.23)
Net	675,565,323.90	575,278,280.08	573,873,558.66	513,833,367.67
Grand Total	675,565,323.90	575,278,280.08	604,463,099.58	552,115,390.36

The normal credit term granted by the Company and its subsidiaries ranges from 7 days to 120 days.

The Company and its subsidiaries have movements in transactions of allowance for doubtful accounts during the year as follows :-

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the years ended December 31,</u>		<u>For the years ended December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Beginning balance	(2,264,307.23)	(2,281,055.78)	(2,264,307.23)	(2,240,609.78)
<u>Plus</u> Allowance made for doubtful accounts	(3,353,180.85)	(261,697.45)	(3,353,180.85)	(261,697.45)
<u>Less</u> Reversal of allowance for doubtful accounts	143,440.80	278,446.00	143,440.80	238,000.00
Ending balance	(5,474,047.28)	(2,264,307.23)	(5,474,047.28)	(2,264,307.23)

7. Inventories-net

Consisted of :-

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Finished goods	323,480,336.69	185,456,560.90	201,417,384.07	146,717,081.08
Goods in transit	50,335,370.04	11,396,090.15	35,732,226.67	8,273,844.39
Raw materials	7,668,080.69	6,738,029.60	-	-
Chemical containers	690,957.00	449,595.00	545,847.00	312,685.00
Total	382,174,744.42	204,040,275.65	237,695,457.74	155,303,610.47
<u>Less</u> Allowance for the cost of goods exceeding net realizable value	(1,269,931.30)	(197,280.07)	(1,104,479.17)	(138,743.67)
Net	380,904,813.12	203,842,995.58	236,590,978.57	155,164,866.80

The costs of inventories which were recognized as expense and included in “cost of sale” account for the years ended December 31, 2010 and 2009, in the consolidated financial statements amounted to Baht 2,268.12 million and Baht 1,819.03 million respectively and in the separate financial statements for the years ended December 31, 2010 and 2009 amounted to Baht 1,949.21 million and Baht 1,620.12 million respectively.

The Company and its subsidiaries have movements in transactions of allowance for the cost of goods anticipated to be higher than net realizable value during the year as follows :-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the years ended December 31,</u>		<u>For the years ended December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Beginning balance	(197,280.07)	(3,175,630.83)	(138,743.67)	(2,713,663.43)
<u>Plus</u> Allowance made for the cost of goods exceeding net realizable value	(2,961,177.33)	(1,880,036.89)	(2,819,840.86)	(1,849,729.34)
<u>Less</u> Reversal of allowance for the cost of goods exceeding net realizable value	1,888,526.10	4,858,387.65	1,854,105.36	4,424,649.10
Ending balance	(1,269,931.30)	(197,280.07)	(1,104,479.17)	(138,743.67)

8. Investments in subsidiaries

Consisted of :-

(Unit : Baht)

			<u>Separate Financial Statements</u>					
			<u>As at December 31,</u>					
<u>Company's Name</u>	<u>Paid-Up Capital</u>		<u>Percentage of</u>		<u>2010</u>		<u>2009</u>	
	<u>2010</u>	<u>2009</u>	<u>Investment</u>		<u>Investment</u>		<u>Investment</u>	
			<u>2010</u>	<u>2009</u>	<u>Cost Method</u>	<u>Dividend</u>	<u>Cost Method</u>	<u>Dividend</u>
LION ASIA (THAILAND) CO., LTD.	15,000	15,000	99.99	99.99	14,999,300.00	-	14,999,300.00	-
UNION INTRACO PUBLIC CO., LTD.	78,000	78,000	99.99	99.99	77,993,000.00	-	77,993,000.00	1,949,825.00
UKEM ETHANOL AND EASTER CO., LTD.	1,250	1,250	99.99	99.99	1,249,925.00	-	1,249,925.00	-
MULTI KROSS OPERATION LTD.	42	42	99.99	99.99	42,200.00	-	42,200.00	-
Total					94,284,425.00	-	94,284,425.00	1,949,825.00

On July 16, 2010, UNION INTRACO PUBLIC COMPANY LIMITED, a subsidiary, has registered its conversion to a public company limited and alteration of memorandum of association with the Ministry of Commerce and has changed the par value of the ordinary shares from Baht 1,000.00 per share to the new par value of Baht 1.00 per share and registered the increase of the share capital from Baht 78.00 million to the new registered share capital of Baht 130.00 million by allocating 52 million capital increase shares at the par value of Baht 1.00 per share to offer for sale to the general public after the subsidiary received the approval from the Office of Securities and Exchange Commission to offer the capital increase shares for sale to the general public. The Company would receive the right to reserve the newly issued shares at not more than 13 million shares at the par value of Baht 1.00 per share equivalent to 10% of the total registered share capital of the subsidiary after the sale offer. The selling price would be the same with the price offer to the general public.

9. Property, plant and equipment-net

Consisted of :

9.1 Consolidated Financial Statements

	(Unit : Baht)							
	Land	Buildings and Improvement	Machinery	Furniture and Fixtures	Electrical Equipments and Tools	Vehicles	Construction in Progress and Asset-in-transit	Total
Cost :								
As at January 1, 2009	63,984,574.97	66,531,883.08	-	10,381,770.31	18,419,659.42	87,396,911.93	20,589,910.70	267,304,710.41
Purchase	-	-	-	1,808,484.47	1,314,557.78	-	8,852,718.40	11,975,760.65
Transfer in	-	10,652,609.00	-	668,271.02	-	-	-	11,320,880.02
Disposal	-	-	-	(168,036.25)	(72,660.88)	-	-	(240,697.13)
Transfer out	-	-	-	-	-	-	(11,320,880.02)	(11,320,880.02)
As at December 31, 2009 and January 1, 2010	63,984,574.97	77,184,492.08	-	12,690,489.55	19,661,556.32	87,396,911.93	18,121,749.08	279,039,773.93
Purchase	-	164,600.00	-	5,736,256.32	3,896,198.62	18,692,181.60	2,777,014.00	31,266,250.54
Transfer in	-	-	16,582,447.14	-	3,865,045.94	-	-	20,447,493.08
Disposal/ Amortization	-	-	-	(2,041,878.36)	(283,176.98)	(11,935,654.09)	-	(14,260,709.43)
Transfer out	-	-	-	-	-	-	(20,447,493.08)	(20,447,493.08)
As at December 31, 2010	63,984,574.97	77,349,092.08	16,582,447.14	16,384,867.51	27,139,623.90	94,153,439.44	451,270.00	296,045,315.04
Difference on revaluation of assets increased :								
As at January 1, 2010	11,058,112.14	-	-	-	-	-	-	11,058,112.14
Revaluation	924,762.89	-	-	-	-	-	-	924,762.89
As at December 31, 2010	11,982,875.03	-	-	-	-	-	-	11,982,875.03
Accumulated depreciation :								
As at January 1, 2009	-	(17,250,113.56)	-	(6,234,142.88)	(6,863,733.63)	(53,787,009.11)	-	(84,134,999.18)
Depreciation for the year	-	(3,993,572.95)	-	(1,540,007.38)	(3,473,643.31)	(13,261,337.93)	-	(22,268,561.57)
Disposal	-	-	-	96,645.17	58,644.64	-	-	155,289.81
As at December 31, 2009 and January 1, 2010	-	(21,243,686.51)	-	(7,677,505.09)	(10,278,732.30)	(67,048,347.04)	-	(106,248,270.94)
Depreciation for the year	-	(4,110,704.08)	(1,017,009.94)	(2,120,976.19)	(4,743,427.01)	(9,454,796.62)	-	(21,446,913.84)
Disposal/Amortization	-	-	-	2,005,956.09	165,120.02	11,894,760.89	-	14,065,837.00
As at December 31, 2010	-	(25,354,390.59)	(1,017,009.94)	(7,792,525.19)	(14,857,039.29)	(64,608,382.77)	-	(113,629,347.78)
Impairment of assets :								
As at January 1, 2010	-	-	-	-	-	-	-	-
Increase	(1,450.00)	-	-	-	-	-	-	(1,450.00)
As at December 31, 2010	(1,450.00)	-	-	-	-	-	-	(1,450.00)
Net book value :								
As at December 31, 2009	75,042,687.11	55,940,805.57	-	5,012,984.46	9,382,824.02	20,348,564.89	18,121,749.08	183,849,615.13
As at December 31, 2010	75,966,000.00	51,994,701.49	15,565,437.20	8,592,342.32	12,282,584.61	29,545,056.67	451,270.00	194,397,392.29
Depreciation reported in the statement of income								
For the year ended December 31, 2009								22,268,561.57
For the year ended December 31, 2010								21,446,913.84

9.2 Separate Financial Statements

					(Unit : Baht)
Land	Buildings	Furniture	Electrical	Vehicles	Total

		and Improvement	and Fixtures	Equipment and Tools		
Cost :						
As at January 1, 2009	16,941,887.86	50,603,428.68	6,321,692.28	6,663,864.42	77,517,963.45	158,048,836.69
Purchase	-	-	533,102.72	598,520.88	-	1,131,623.60
Disposal	-	-	(62,000.00)	-	-	(62,000.00)
As at December 31, 2009 and January 1, 2010	16,941,887.86	50,603,428.68	6,792,795.00	7,262,385.30	77,517,963.45	159,118,460.29
Purchase	-	-	2,373,879.40	3,499,558.00	12,077,602.16	17,951,039.56
Disposal/Amortization	-	-	(2,018,922.39)	-	(11,008,075.17)	(13,026,997.56)
As at December 31, 2010	16,941,887.86	50,603,428.68	7,147,752.01	10,761,943.30	78,587,490.44	164,042,502.29
Difference on revaluation of assets :						
As at January 1, 2010	11,058,112.14	-	-	-	-	11,058,112.14
Revaluation	800,000.00	-	-	-	-	800,000.00
As at December 31, 2010	11,858,112.14	-	-	-	-	11,858,112.14
Accumulated depreciation :						
As at January 1, 2009	-	(16,098,704.30)	(4,141,169.04)	(2,894,772.58)	(49,371,972.71)	(72,506,618.63)
Depreciation for the year	-	(2,829,747.20)	(795,377.14)	(1,042,877.58)	(11,463,030.44)	(16,131,032.36)
Disposal	-	-	1,936.44	-	-	1,936.44
As at December 31, 2009 and January 1, 2010	-	(18,928,451.50)	(4,934,609.74)	(3,937,650.16)	(60,835,003.15)	(88,635,714.55)
Depreciation for the year	-	(2,674,299.75)	(830,273.96)	(1,504,858.31)	(8,002,653.50)	(13,012,085.52)
Disposal/Amortization	-	-	1,993,955.52	-	10,984,447.11	12,978,402.63
As at December 31, 2010	-	(21,602,751.25)	(3,770,928.18)	(5,442,508.47)	(57,853,209.54)	(88,669,397.44)
Net book value :						
As at December 31, 2009	28,000,000.00	31,674,977.18	1,858,185.26	3,324,735.14	16,682,960.30	81,540,857.88
As at December 31, 2010	28,800,000.00	29,000,677.43	3,376,823.83	5,319,434.83	20,734,280.90	87,231,216.99
Depreciation reported in the statement of income						
For the year ended December 31, 2009						16,131,032.36
For the year ended December 31, 2010						13,012,085.52

As at December 31, 2010 and 2009, vehicles as appeared in the consolidated financial statements with book value in amount of Baht 17.87 million and Baht 14.19 million respectively and in the separate financial statements with book value in amount of Baht 11.10 million and Baht 12.21 million respectively, are under long-term lease contracts as mentioned in the notes to financial statements No. 12.

As at December 31, 2010 and 2009, building improvement on leasehold in the consolidated financial statements at the book value in amount of Baht 10.34 million and Baht 11.90 million respectively and in the separate financial statements with book value in amount of Baht 8.75 million and Baht 10.05 million respectively, would automatically be owned by the lessor once the lease contracts expired as mentioned in the notes to financial statements No. 5.2.

As at December 31, 2010 and 2009, fixed assets as appeared in the consolidated financial statements in amount of Baht 45.09 million and Baht 32.16 million respectively and in the separate financial statements in amount of Baht 39.40 million and Baht 29.89 million respectively were fully depreciated but still in use.

The Company and its subsidiary arranged for an appraisal of the land by an independent appraiser using the Market Approach, which implied the value of the assets which expected to be sold in an appropriate time period from the appraised date with the seller's consent and the buyer fully aware of the detail of the said assets as follows :-

(Unit : Baht)				
<u>Appraisal Date</u>	<u>Cost Value</u>	<u>Appraised Value</u>	<u>Difference on revaluation of assets (Recognized in shareholders' equity)</u>	<u>Difference on revaluation of assets (Recognized in the statements of income)</u>
Parent Company				
March 1, 2005	16,941,887.86	28,000,000.00	11,058,112.14	-
August 31, 2010	16,941,887.86	28,800,000.00	11,858,112.14	-
Subsidiary Company				
December 6, 2005	47,042,687.11	47,042,687.11	-	-
July 28, 2010	38,641,237.11	38,766,000.00	124,762.89	-
July 29, 2010	8,401,450.00	8,400,000.00	-	1,450.00

10. Land awaiting development

As at December 31, 2010 and 2009, the whole amount of land was purchased from a related company to be used as a research center in the future.

11. Overdrafts and short-term loans from financial institutions

Consisted of :-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Overdrafts from financial institutions	41,720.36	2,952,336.77	9,313.87	2,952,336.77
Short-term loans from financial institutions				
- Trust receipt	161,245,952.00	54,695,448.75	38,860,464.14	-
- Trust receipt-promissory notes	71,459,717.69	48,716,207.36	67,886,276.45	44,211,040.89
- Promissory notes	178,000,000.00	170,000,000.00	170,000,000.00	170,000,000.00
Total	410,747,390.05	276,363,992.88	276,756,054.46	217,163,377.66

As at December 31, 2010 and 2009, overdrafts and short-term loan from financial institutions has the unutilized credit availment in the consolidated financial statements at Baht 699.96 million and Baht 597.05 million respectively and in the separate financial statements at Baht 655.00 million and Baht 552.05 million respectively, which bear the interest rates at SIBOR+2.00% to 3.00% per annum and SIBOR +2.00% to 5.00% per annum respectively, with no guarantee obligation.

12. Liabilities under long-term lease contracts-net

Consisted of the minimum repayments under the long-term lease contracts as follows :-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Liabilities under long-term lease contracts				
- due in less than 1 year	4,141,253.00	4,357,306.00	2,908,424.00	3,856,262.00
- due in 1-5 years	5,740,732.84	3,823,623.83	3,142,069.83	3,604,167.83
Total liabilities under long-term lease contracts	9,881,985.84	8,180,929.83	6,050,493.83	7,460,429.83
<u>Less</u> Future interest in the long-term lease contracts	(776,649.25)	(1,003,534.16)	(559,589.60)	(970,094.65)
Present value of liabilities under long-term lease contracts	9,105,336.59	7,177,395.67	5,490,904.23	6,490,335.18
<u>Less</u> Current portion of long-term liabilities	(3,649,920.22)	(3,736,354.45)	(2,528,212.34)	(3,259,884.97)
Liabilities under long-term lease contracts-net	5,455,416.37	3,441,041.22	2,962,691.89	3,230,450.21

As at December 31, 2010 and 2009, in the consolidated financial statements the amounts of Baht 6.56 million and Baht 4.32 million respectively and in the separate financial statements Baht 2.95 million and Baht 3.64 million respectively were liabilities under 12 and 14 financial lease contracts for vehicle respectively entered into with 4 financial institutions with monthly leasing fees of Baht 0.44 million and Baht 0.45 million respectively for the period of 3-5 years. These contracts were guaranteed by the Company's directors and once

all the liabilities under the contracts have been fully met, the Company and its subsidiaries will receive the ownership of these vehicles automatically.

As at December 31, 2010 and 2009, in the consolidated and separate financial statements the amounts of Baht 2.54 million and Baht 2.85 million respectively were liabilities under one finance lease contract for vehicle with a leasing company at monthly leasing fee of Baht 0.04 million for the period of 5 years. These contracts were guaranteed by the Company's directors. The rights to the vehicles still belong to the lessor until the Company makes purchase payments according to the obligations in contracts.

13. Share capital

Consisted of :-

	Par Value (Baht)	Shares/ Baht			
		<u>2010</u>		<u>2009</u>	
		Number of shares	Value	Number of shares	Value
Authorized shares capital					
As at January 1,					
- Ordinary shares	0.25	825,000,000	206,250,000.00	1,210,000,000	302,500,000.00
Capital increase	0.25	-	-	165,000,000	41,250,000.00
Capital decrease	0.25	-	-	(550,000,000)	(137,500,000.00)
As at December 31,					
- Ordinary shares	0.25	825,000,000	206,250,000.00	825,000,000	206,250,000.00
Issued and paid-up share capital					
As at January 1,					
- Ordinary shares	0.25	660,000,000	165,000,000.00	660,000,000	165,000,000.00
As at December 31,					
- Ordinary shares	0.25	660,000,000	165,000,000.00	660,000,000	165,000,000.00

In accordance with the minutes of the extraordinary shareholders' meeting No. 2/2551, held on November 13, 2008, it resolved to increase of the registered share capital of the Company from formerly Baht 165.00 million to Baht 302.50 million by issuance of 550 million new ordinary shares at the par value of Baht 0.25 per share, aggregated to Baht 137.50 million. For the increased share capital, 330 million ordinary shares are to be issued and offered for sale to the existing shareholders and 220 million new ordinary share are issued to

support the exercise of the Company's 220 million units of warrants issued to the existing shareholders who reserve their rights to purchase the Company's increased ordinary shares at the ratio of 3 new ordinary shares to 2 units of warrants at the offering price of Baht 0.00 per unit. The Company registered the increment of the registered share capital with the Ministry of Commerce on November 25, 2008. However, on April 8, 2009, according to minutes of annual general meeting of shareholders No.1/2552, it resolved to cancel the increase of registered share capital and the issue of warrants as detailed above, because of the situation of the global financial crisis which has impacted on economic growth rate of Thailand and the whole world to recede into economic recession. As the economic expansion rate of Thailand has been contracting continuously, the Company has to be cautious in making any investment. Thus, the meeting made a unanimous resolution to cancel the increase of the registered share capital and resolved to decrease the registered share capital from Baht 302.50 million to Baht 165.00 million by decreasing the number of unissued ordinary shares. The Company had proceeded to register this decrease with the Ministry of Commerce on April 21, 2009.

In accordance with the minutes of the extraordinary shareholders' meeting No. 1/2552, held on September 30, 2009, it resolved to increase the registered share capital of the Company from formerly Baht 165.00 million to Baht 206.25 million by issuance of 165.00 million new ordinary shares at the par value of Baht 0.25 per share, aggregated to Baht 41.25 million to support the exercise of the Company's warrants to the existing shareholders who took up the offer at the ratio of 4 ordinary shares to 1 unit of warrant at the offering price of Baht 0.00 per unit. One unit of warrant has right to purchase one ordinary share at the price of Baht 0.50 per share and these warrants last for 5 years since their issuance and the first exercise right falls on December 30, 2010 and the last one in November 2014. The Company registered its newly increased registered capital and the alteration of memorandum of association with the Ministry of Commerce on October 7, 2009.

In the forth quarter of 2010, for the warrant exercise, there were 500 units of warrant exercised to purchase 500 ordinary shares at Baht 0.50 per share aggregating to Baht 250.00. The Company is in the process of registration with the Ministry of Commerce so the balance sheet as at December 31, 2010, recorded the said transaction separately is in other current liabilities.

As at December 31, 2010, the remaining warrants with full conversion right to purchase ordinary shares but not yet exercised amounting to 164,999,500 units.

14. Dividend paid and legal reserve

In accordance with the minutes of the annual general meeting of shareholders of the Company No.1/2553 held on April 27, 2010, it unanimously resolved to appropriate for dividend payment from operating

result of the year 2009 at the rate of Baht 0.035 per share to 660,000,000 shares totaling Baht 23.10 million. The dividends were paid to the shareholders on May 25, 2010.

In accordance with the minutes of the annual general meeting of shareholders of the Company No.1/2552 held on April 8, 2009, it unanimously resolved to appropriate for dividend payment from operating result of the year 2008 at the rate of Baht 0.03 per share to 660,000,000 shares totaling Baht 19.80 million. The dividends were paid to the shareholders on May 7, 2009.

In the year 2010, the Company appropriated Baht 3.27 million of the profit for the year 2010 as legal reserve in accordance with the Public Limited Company Act.

15. Capital management

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure.

16. Executives' remuneration

The executives' remuneration included the compensation paid to the directors of the Company and its subsidiary in accordance to Section 90 of Public Company Act, which exclude salaries and related fringe benefits paid to the executive directors of the Company and its subsidiary as follows :-

	(Unit : Million Baht)			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
For the year ended December 31,	4.28	-	4.22	4.37

17. Natures of expenses

Consisted of :-

(Unit : Baht)			
<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>

Purchase of finished goods	2,387,445,506.03	1,913,840,727.63	1,991,651,102.42	1,702,206,851.57
Change in finished goods	(138,953,826.88)	(100,638,258.67)	(54,700,302.99)	(82,618,857.00)
Executives' compensation	17,468,326.00	17,338,009.00	13,232,000.00	13,257,000.00
Employees' compensation	40,000,674.85	34,677,628.37	26,814,524.75	24,836,536.00
Depreciation and amortization	21,466,700.00	22,278,075.76	13,024,035.51	16,131,032.36
Rent	10,101,170.78	9,719,418.46	8,304,754.77	8,009,398.50
Interest expenses	9,488,875.94	8,783,339.62	7,139,482.14	6,795,260.70
Other expenses	117,893,329.82	84,590,861.00	91,344,161.07	63,229,990.32
Total	2,464,910,756.54	1,990,589,801.17	2,096,809,757.67	1,751,847,212.45

18. Financial information by sectors

The Company and its subsidiaries' conduct the same main businesses i.e. importers and distributors of chemicals; thus, financial information is presented as the same business segment. Additionally, the majority of the operation of the Company and its subsidiaries are solely in Thailand. As a result, all of the revenues, operating result and assets as reflected in these financial statements pertaining to the aforementioned sole business segment and geographic area.

19. Income tax

For the year ended December 31, 2010 and 2009, the Company and its subsidiaries calculated their income tax at 20-30% on profit before tax but after adding back items not allowed as expenses in tax calculation, which the majority was depreciation of vehicle with value exceeding Baht 1 million. The Company received tax benefit under Royal Decree No. 387 B.E. 2544 which authorized the decrease of tax rate to 20% of profit for the year covering the period of 5 consecutive accounting periods. The tax privilege is first utilized in the year 2007.

20. Earnings per share

For the year ended December 31, 2010, earnings per share is calculated as follows :-

<u>Consolidated Financial Statements</u>			<u>Separate Financial Statements</u>		
<u>For the year ended December 31, 2010</u>			<u>For the year ended December 31, 2010</u>		
Profit for the year	Number of shares	Earnings per share	Profit for the year	Number of shares	Earnings per share
(Baht)	(Shares)	(Baht)	(Baht)	(Shares)	(Baht)

Basic earnings per share

The profit for the year available to ordinary shareholders	82,236,250.17	660,000,000	0.125	65,498,010.05	660,000,000	0.099
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Effect of diluted equivalent ordinary shares

Warrants

- Existing shareholders	-	65,602,410	-	65,602,410
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Diluted earnings per share

Profit available to ordinary shareholders by

assuming warrant conversion to ordinary shares	82,236,250.17	725,602,410	0.113	65,498,010.05	725,602,410	0.090
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For the year ended December 31, 2009, earnings per share is calculated as follows :-

	<u>Consolidated Financial Statements</u>			<u>Separate Financial Statements</u>		
	<u>For the year ended December 31, 2009</u>			<u>For the year ended December 31, 2009</u>		
	Profit for the year	Number of shares	Earnings per share	Profit for the year	Number of shares	Earnings per share
	(Baht)	(Shares)	(Baht)	(Baht)	(Shares)	(Baht)
<u>Basic earnings per share</u>						
The profit for the year available to ordinary shareholders	49,546,768.90	660,000,000	0.075	39,614,402.22	660,000,000	0.060
<u>Effect of diluted equivalent ordinary shares</u>						
Warrants						
- Existing shareholders	-	10,055,463	-	-	10,055,463	-
<u>Diluted earnings per share</u>						
Profit available to ordinary shareholders by						
assuming warrant conversion to ordinary shares	49,546,768.90	670,055,463	0.074	39,614,402.22	670,055,463	0.059

21. Commitments and contingent liabilities

21.1 Commitments and contingent liabilities of the Company and its subsidiaries are as follows :-

	<u>Consolidated Financial Statements</u>				<u>Separate Financial Statements</u>			
	<u>As at December 31,</u>				<u>As at December 31,</u>			
	2010	2009	2010	2009	2010	2009	2010	2009
	Million USD	Million Baht	Million USD	Million Baht	Million USD	Million Baht	Million USD	Million Baht
Letters of guarantee	-	88.14	-	85.78	-	77.00	-	77.08
Letters of guarantee (Unutilized)	-	196.86	-	199.22	-	190.00	-	189.22
Letters of credit and trust receipt (Unutilized)	-	843.36	-	741.59	-	778.25	-	669.32
Forward foreign exchange contracts (Unutilized)	1.66	396.00	2.33	393.00	0.66	393.00	2.33	393.00

Joint credit facility (Unutilized)	-	115.00	-	115.00	-	100.00	-	100.00
Receivables purchase facility	-	150.00	-	150.00	-	150.00	-	150.00
Import Foreign Letter of Credit	0.91	-	0.28	-	0.83	-	0.05	-
Stand by Letter of Credit	2.00	-	-	-	-	-	-	-

21.2 Construction agreement

A subsidiary entered into a contract to construct colour mixing tank with a company for the construction value of Baht 1.20 million. As at December 31, 2009, the outstanding balance of this obligation, which had not been recorded in the financial statements, remained at Baht 0.88 million and in the first quarter of 2010, it has been recognized in the financial statements.

- 21.3 A subsidiary has entered into an agreement to participate in the project of intelligent meeting room (agreement for supply of equipment, software and services for intelligent meeting solution) with True Universal Convergent Co., Ltd. (TUC) and Dosanet Co., Ltd. (located in Republic of Korea) for the period of 2 years starting from February 1, 2010 to February 1, 2012 with right for extension for another year if no party gives its intention to cancel the agreement. On the subsidiary's part, it has to invest in all hardwares including insurance premiums to cover them for the value of Baht 5.00 million, pay for the marketing expense of Baht 0.10 million per year to TUC and pay for the training expense of Baht 0.20 million to Dosanet Co., Ltd., while TUC is responsible for expense of the Internet connection to install I-Meeting Solution system and finding customers and Dosanet Co., Ltd. is responsible for acquisition of software and expertise for I-Meeting Solution system. Benefit arisen will be divided in proportion to revenues at the ratio specified in the agreement.

21.4 Assets purchase agreement

A subsidiary entered into an equipment purchase agreement for the value of Baht 1.85 million. As at December 31, 2010, the outstanding balance of this obligation, which has not been recorded in the financial statements, remained at Baht 0.96 million.

22. Financial instruments

Policy to manage financial risk

The Company and its subsidiaries possess risk regarding to the change of market interest rate and in currency exchange rate and from nonperformance of contractual obligations by counter parties. The Company and its subsidiaries will consider using appropriate financial instruments when it considers necessary to manage such risks. However, the Company and its subsidiaries do not have any policy to hold or issue any financial instruments for speculation or for trading.

Risk on interest rates

Risk on interest rates is derived from the change of interest rates in the future which affect upon the Company and its subsidiaries' operating results and cash flows. Due to bearing short-term liabilities which require interests to be paid at floating interest rates, the Company and its subsidiaries have not utilised any financial instrument to hedge against such risk.

Risk on exchange rates

Regarding risks on exchange rates, the Company and its subsidiaries mainly involve with purchases of goods in foreign currencies. As at December 31, 2010 and 2009, the Company and its subsidiaries have assets and liabilities in foreign currencies, to which the contract to hedge against risk of exchange rates has not been entered into, as follows :-

		<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
		<u>As at December 31,</u>		<u>As at December 31,</u>	
<u>Currencies</u>		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Thousand US Dollars	Assets	4	188	-	-
Thousand US Dollars	Liabilities	7,871	2,005	2,781	280

As at December 31, 2010 and 2009, the Company conducted forward foreign exchange contracts with four commercial banks to hedge against such exchange rate risk from debt payment denominated in foreign currencies. The Company did not record such financial assets (liabilities) in the financial statements. The due date for payment of the forward foreign exchange contracts which are already applied remains not greater than 6 months. The detail can be shown as follows :-

Consolidated and Separate Financial Statements

Amount fixed in contract
'000 USD

Amount earned in contract
'000 Baht

<u>As at December 31,</u>		<u>As at December 31,</u>	
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
2,089	412	63,512	13,731

Net fair values of financial derivatives as at the balance sheets date are as follows :-

(Unit : Thousand Baht)

Consolidated and Separate Financial Statements

	<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>
Net fair values of forward foreign exchange contracts	(111)	57

Risk on credit provision

The majority of sales is in the form of wholesaling to companies which are highly secured in finance and contain good credit in term of repayment capability. It is noted that the Company and its subsidiaries have built up a long time relationship with these clients which in the case of new customers the Company and its subsidiaries will carefully consider credit worthiness. Additionally, the appropriated allowance for doubtful debt will be readily made thus it believes that the risk which the debtors will not repay is minimal.

Fair value

Due to the fact that financial assets and liabilities are mainly made in short term and loan bearing interest rates comparable to market rates; consequently, the management of the Company and its subsidiaries believed such financial assets and liabilities are presented in value which is not materially different from relevant fair value.

23. Provident fund

The group companies and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The group companies and their employees contribute to the fund monthly at the rate of 2.00% of basic salaries. The fund, which is managed by Ayudhya Fund Management Co., Ltd., will be paid to the employees upon their termination of employment in accordance with the fund rules. For the years ended December 31, 2010 and 2009, in the consolidated financial statements, the Company's and its subsidiaries' contributions amounted to Baht 0.47 million and Baht 0.43 million respectively and in the separate financial statements, the Company's contributions is the same amount of Baht 0.23 million for both years.

24. Subsequent Event

The Company and a subsidiary entered into an agreement for business co-operation to determine the business operation boundaries and for the co-operation in business alliance between the two companies with the objective to prevent the conflict of interest in the future and to maximize the benefit generated for the shareholders of the Company and the subsidiary. The contractual term is 2 years commencing from the execution date of the agreement. The said agreement is legally binding. If nonperformance of contractual obligation incur by either party, it shall pay the penalty and indemnity in accordance with the business co-operation agreement. The shareholders of both companies shall be informed of the duplicating transaction issues by disclosing in the matter for acknowledgement in the letter inviting the shareholders to attend the annual general shareholders' meeting each year that the issues have incurred.

25. Approval of financial statements

These financial statements have already been approved for issuance by the Union Petrochemical Public Company's board of directors on February 23, 2011.



บริษัท สำนักงาน เอ เอ็ม ซี จำกัด

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