

UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

AND AS AT DECEMBER 31, 2013

AUDITOR'S REPORT

To the Shareholders of

UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate financial statements of UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED, which comprise consolidated and separate statements of financial position as at December 31, 2013, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, including notes of summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with standards on auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED as at December 31, 2013, and their financial performance and cash flows for the year then ended in accordance with the Thai financial reporting standards.

Emphasis of Matter

Without qualifying my opinion, I draw your attention to notes 2 and 5 to financial statements as explained involving the impacts on the Company from changes in new accounting policy since Thai accounting standard No. 12 “Income Taxes” was applied.

D I A International Audit Co., Ltd.

(Mrs. Suvimol Krittayakiern)

C.P.A. (Thailand)

Registration No. 2982

February 21, 2014

UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

Assets	Note	Consolidated financial statements (Baht)			Separate financial statements (Baht)		
		December 31, 2013	December 31, 2012 (Restated)	January 1, 2012 (Restated)	December 31, 2013	December 31, 2012 (Restated)	January 1, 2012 (Restated)
Current assets							
Cash and cash equivalents	6	98,769,337.65	32,454,383.69	70,600,067.44	64,909,631.16	27,960,593.99	68,232,511.14
Current investments - cash at banks		0.00	0.00	28,020,041.74	0.00	0.00	28,020,041.74
Trade and other receivables	7	211,618,583.19	185,984,792.57	110,576,622.92	193,822,836.30	184,703,445.90	110,463,821.57
Prepayment for wages and goods acquisition		4,211,008.35	25,941,042.79	5,961,514.40	4,211,008.35	11,786,042.79	5,961,514.40
Inventories	8	237,594,213.94	117,777,367.73	92,524,285.32	237,541,463.94	117,724,617.73	91,405,601.92
Total current assets		552,193,143.13	362,157,586.78	307,682,531.82	500,484,939.75	342,174,700.41	304,083,490.77
Non-current assets							
Pledged bank deposit		0.00	0.00	12,561,874.99	0.00	0.00	12,561,874.99
Investment in associates	9	270,042,339.36	198,778,073.04	168,470,379.84	111,051,487.00	111,051,487.00	111,051,487.00
Investment in subsidiaries	10	0.00	0.00	0.00	40,200,030.00	5,249,625.00	4,999,700.00
Property, plant and equipment	11	802,765,804.98	425,213,939.87	25,317,468.92	797,427,516.54	424,444,645.26	25,266,824.41
Deferred tax assets	12	4,663,587.71	2,258,895.50	2,251,234.15	3,581,286.77	1,364,887.81	1,926,256.22
Prepayment for fixed assets acquisition		773,477.99	28,588,055.05	0.00	773,477.99	28,588,055.05	0.00
Other non-current assets		4,141,611.93	4,221,677.28	4,044,901.45	2,396,352.22	3,774,209.82	4,044,901.45
Total non-current assets		1,082,386,821.97	659,060,640.74	212,645,859.35	955,430,150.52	574,472,909.94	159,851,044.07
Total assets		1,634,579,965.10	1,021,218,227.52	520,328,391.17	1,455,915,090.27	916,647,610.35	463,934,534.84

Notes to financial statements are parts of these financial statements.

UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2013

	Note	Consolidated financial statements (Baht)			Separate financial statements (Baht)		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
Liabilities and shareholders' equity			(Restated)	(Restated)		(Restated)	(Restated)
Current liabilities							
Bank overdrafts and short-term loans							
from financial institutions	13	212,585,902.67	170,650,116.03	16,793,237.16	212,585,902.67	170,650,116.03	16,793,237.16
Trade and other payables	14	271,344,119.65	115,742,115.75	64,156,133.14	254,765,548.43	115,163,007.22	64,068,372.34
Current portion of long-term debts	15, 16	27,019,885.27	9,669,858.81	823,245.67	27,019,885.27	9,669,858.81	823,245.67
Advance received under agreement		0.00	14,900,000.00	0.00	0.00	0.00	0.00
Corporate income tax payable		4,314,156.63	15,853,024.74	11,506,127.31	4,314,156.63	15,853,024.74	11,506,127.31
Total current liabilities		515,264,064.22	326,815,115.33	93,278,743.28	498,685,493.00	311,336,006.80	93,190,982.48
Non-current liabilities							
Long-term loans	15	130,143,803.39	42,226,875.00	0.00	130,143,803.39	42,226,875.00	0.00
Financial lease liabilities	16	5,124,134.47	4,359,590.84	1,550,877.38	5,124,134.47	4,359,590.84	1,550,877.38
Employee benefit obligations		7,472,201.96	6,148,982.00	5,693,751.00	7,379,227.00	6,097,336.00	5,693,751.00
Other non-current liabilities		9,800,103.84	0.00	0.00	9,800,103.84	0.00	0.00
Total non-current liabilities		152,540,243.66	52,735,447.84	7,244,628.38	152,447,268.70	52,683,801.84	7,244,628.38
Total liabilities		667,804,307.88	379,550,563.17	100,523,371.66	651,132,761.70	364,019,808.64	100,435,610.86

Notes to financial statements are parts of these financial statements.

UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2013

Liabilities and shareholders' equity	Note	Consolidated financial statements (Baht)			Separate financial statements (Baht)		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			(Restated)	(Restated)		(Restated)	(Restated)
Shareholders' equity							
Share capital							
Authorized share capital							
663,496,662 ordinary							
shares of Baht 0.50 each	17	<u>331,748,331.00</u>			<u>331,748,331.00</u>		
552,949,478 ordinary							
shares of Baht 0.50 each			<u>276,474,739.00</u>		<u>276,474,739.00</u>		
172,500,000 ordinary							
shares of Baht 1 each				<u>172,500,000.00</u>			<u>172,500,000.00</u>
Issued and paid-up share capital							
554,191,159 ordinary							
shares of Baht 0.50 each	17	277,095,579.50			277,095,579.50		
436,449,478 ordinary							
shares of Baht 0.50 each			218,224,739.00		218,224,739.00		
172,499,988 ordinary							
shares of Baht 1 each				172,499,988.00			172,499,988.00
Premium on ordinary shares		363,817,832.06	181,830,224.59	83,266,474.59	363,817,832.06	181,830,224.59	83,266,474.59
Amount received in advance for							
ordinary shares	17	85,500.00	0.00	0.00	85,500.00	0.00	0.00
Retained earnings							
Appropriated - legal reserve	18	20,487,128.53	17,366,731.06	12,940,393.95	20,487,128.53	17,366,731.06	12,940,393.95
Unappropriated	19	<u>297,222,503.34</u>	<u>220,345,854.88</u>	<u>150,935,515.48</u>	<u>143,296,288.48</u>	<u>135,206,107.06</u>	<u>94,792,067.44</u>
Total owners of the Company		<u>958,708,543.43</u>	<u>637,767,549.53</u>	<u>419,642,372.02</u>	<u>804,782,328.57</u>	<u>552,627,801.71</u>	<u>363,498,923.98</u>
Non-controlling interests		<u>8,067,113.79</u>	<u>3,900,114.82</u>	<u>162,647.49</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total shareholders' equity		<u>966,775,657.22</u>	<u>641,667,664.35</u>	<u>419,805,019.51</u>	<u>804,782,328.57</u>	<u>552,627,801.71</u>	<u>363,498,923.98</u>
Total liabilities and shareholders' equity		<u>1,634,579,965.10</u>	<u>1,021,218,227.52</u>	<u>520,328,391.17</u>	<u>1,455,915,090.27</u>	<u>916,647,610.35</u>	<u>463,934,534.84</u>

Notes to financial statements are parts of these financial statements.

UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2013	2012 (Restated)	2013	2012 (Restated)
Sales and services		977,933,563.76	811,818,137.12	903,848,331.86	811,818,137.12
Cost of sales and services		(804,492,785.84)	(617,670,655.33)	(733,558,810.12)	(617,670,655.33)
Gross profit		173,440,777.92	194,147,481.79	170,289,521.74	194,147,481.79
Other income					
Dividend income		0.00	0.00	8,444,980.00	0.00
Others		12,217,660.83	8,906,067.45	12,543,555.46	9,060,342.12
Selling expenses		(32,070,204.06)	(27,262,034.67)	(32,070,204.06)	(27,262,034.67)
Administrative expenses		(82,492,623.33)	(61,174,599.16)	(78,639,653.18)	(58,185,850.13)
Finance costs		(3,754,332.67)	(2,736,676.58)	(3,743,252.71)	(2,736,669.43)
Share of profit from investment					
in associate		77,749,246.32	30,307,693.20	0.00	0.00
Profit before income tax		145,090,525.01	142,187,932.03	76,824,947.25	115,023,269.68
Income tax expenses	20	(14,228,704.60)	(26,488,866.19)	(14,416,997.85)	(27,057,895.95)
Profit for the year		130,861,820.41	115,699,065.84	62,407,949.40	87,965,373.73
Other comprehensive income		0.00	0.00	0.00	0.00
Total comprehensive income for the year		130,861,820.41	115,699,065.84	62,407,949.40	87,965,373.73
Total comprehensive income attributable to :					
Owners of the Company		131,194,416.44	116,961,673.51	62,407,949.40	87,965,373.73
Non-controlling interests		(332,596.03)	(1,262,607.67)	0.00	0.00
		130,861,820.41	115,699,065.84	62,407,949.40	87,965,373.73
Earnings per share					
Basic earnings per share	21.2	0.24	0.24	0.11	0.18
Weighted average number of					
ordinary shares	21.1	553,369,640	492,205,492	553,369,640	492,205,492
Diluted earnings per share	21.2	0.23	0.24	0.11	0.18
Weighted average number of					
ordinary shares	21.1	560,923,378	492,205,492	560,923,378	492,205,492

Notes to financial statements are parts of these financial statements.

UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

		Consolidated financial statements (Baht)						(Unit : Baht)	
		Owners of the Company							
		Issued and paid-up share capital	Premium on share capital	Amount received in advance for ordinary shares	Retained earnings		Owners of the Company	Non-controlling interests	Total shareholders' equity
					Appropriated Legal reserve	Unappropriated			
Note									
	Balance as at December 31, 2012	218,224,739.00	181,830,224.59	0.00	17,366,731.06	218,528,894.43	635,950,589.08	3,458,179.77	639,408,768.85
	Effects of adoption the new accounting								
	policy-income taxes	5	0.00	0.00	0.00	1,816,960.45	1,816,960.45	441,935.05	2,258,895.50
	Balance as at December 31, 2012								
	- after restatement	218,224,739.00	181,830,224.59	0.00	17,366,731.06	220,345,854.88	637,767,549.53	3,900,114.82	641,667,664.35
	Changes in shareholders' equity								
	for the year 2013								
	Ordinary shares increase	17	12,150,000.00	174,177,369.97	0.00	0.00	186,327,369.97	4,499,595.00	190,826,964.97
	Ordinary shares exercised								
	from warrants	17	647,000.00	7,810,237.50	0.00	0.00	8,457,237.50	0.00	8,457,237.50
	Warrants to purchase								
	ordinary shares	17	0.00	0.00	85,500.00	0.00	85,500.00	0.00	85,500.00
	Total comprehensive income								
	for the period		0.00	0.00	0.00	131,194,416.44	131,194,416.44	(332,596.03)	130,861,820.41
	Dividend paid by cash and								
	ordinary shares	19	46,073,840.50	0.00	0.00	(51,197,370.51)	(5,123,530.01)	0.00	(5,123,530.01)
	Legal reserve	18	0.00	0.00	0.00	3,120,397.47	(3,120,397.47)	0.00	0.00
	Balance as at December 30, 2013		<u>277,095,579.50</u>	<u>363,817,832.06</u>	<u>85,500.00</u>	<u>20,487,128.53</u>	<u>297,222,503.34</u>	<u>958,708,543.43</u>	<u>8,067,113.79</u>
	Balance as at December 31, 2011		172,499,988.00	83,266,474.59	0.00	12,940,393.95	148,846,780.04	417,553,636.58	148.78
	Effects of adoption the new accounting								
	policy-income taxes	5	0.00	0.00	0.00	2,088,735.44	2,088,735.44	162,498.71	2,251,234.15
	Balance as at January 1, 2012								
	- after restatement		172,499,988.00	83,266,474.59	0.00	12,940,393.95	150,935,515.48	419,642,372.02	162,647.49
	Changes in shareholders' equity								
	for the year 2012 :								
	Ordinary shares	17	19,850,000.00	98,563,750.00	0.00	0.00	118,413,750.00	5,000,075.00	123,413,825.00
	Total comprehensive income								
	for the year		0.00	0.00	0.00	116,961,673.51	116,961,673.51	(1,262,607.67)	115,699,065.84
	Dividend paid by cash and								
	ordinary shares	19	25,874,751.00	0.00	0.00	(43,124,997.00)	(17,250,246.00)	0.00	(17,250,246.00)
	Legal reserve	18	0.00	0.00	0.00	4,426,337.11	(4,426,337.11)	0.00	0.00
	Balance as at December 31, 2012		<u>218,224,739.00</u>	<u>181,830,224.59</u>	<u>0.00</u>	<u>17,366,731.06</u>	<u>220,345,854.88</u>	<u>637,767,549.53</u>	<u>3,900,114.82</u>

Notes to financial statements are parts of these financial statements.

UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit : Baht)

	Note	Separate financial statements					Total shareholders' equity
		Issued and paid-up share capital	Premium on share capital	Amount received in advance for ordinary shares	Retained earnings		
					Appropriated Legal reserve	Unappropriated	
Balance as at December 31, 2012		218,224,739.00	181,830,224.59	0.00	17,366,731.06	133,841,219.25	551,262,913.90
Effects of adoption the new accounting policy-income taxes	5	0.00	0.00	0.00	0.00	1,364,887.81	1,364,887.81
Balance as at December 31, 2012 - after restatement		218,224,739.00	181,830,224.59	0.00	17,366,731.06	135,206,107.06	552,627,801.71
Changes in shareholders' equity for the year 2013							
Ordinary shares increase	17	12,150,000.00	174,177,369.97	0.00	0.00	0.00	186,327,369.97
Ordinary shares exercised from warrants	17	647,000.00	7,810,237.50	0.00	0.00	0.00	8,457,237.50
Warrants to purchase ordinary shares	17	0.00	0.00	85,500.00	0.00	0.00	85,500.00
Total comprehensive income for the year		0.00	0.00	0.00	0.00	62,407,949.40	62,407,949.40
Dividend paid by cash and ordinary shares	19	46,073,840.50	0.00	0.00	0.00	(51,197,370.51)	(5,123,530.01)
Legal reserve	18	0.00	0.00	0.00	3,120,397.47	(3,120,397.47)	0.00
Balance as at December 31, 2013		277,095,579.50	363,817,832.06	85,500.00	20,487,128.53	143,296,288.48	804,782,328.57
Balance as at December 31, 2011		172,499,988.00	83,266,474.59	0.00	12,940,393.95	92,865,811.22	361,572,667.76
Effects of adoption the new accounting policy-income taxes	5	0.00	0.00	0.00	0.00	1,926,256.22	1,926,256.22
Balance as at January 1, 2012 - after restatement		172,499,988.00	83,266,474.59	0.00	12,940,393.95	94,792,067.44	363,498,923.98
Changes in shareholders' equity for the year 2012							
Share capital increase	17	19,850,000.00	98,563,750.00	0.00	0.00	0.00	118,413,750.00
Total comprehensive income for the year		0.00	0.00	0.00	0.00	87,965,373.73	87,965,373.73
Dividend paid by cash and ordinary shares	19	25,874,751.00	0.00	0.00	0.00	(43,124,997.00)	(17,250,246.00)
Legal reserve	18	0.00	0.00	0.00	4,426,337.11	(4,426,337.11)	0.00
Balance as at December 31, 2012		218,224,739.00	181,830,224.59	0.00	17,366,731.06	135,206,107.06	552,627,801.71

Notes to financial statements are parts of these financial statements.

UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before corporate income tax	145,090,525.01	142,187,932.03	76,824,947.25	115,023,269.68
Adjustment				
Depreciation	9,430,299.27	3,658,222.68	9,063,929.18	3,303,710.41
Unrealized (gain) loss on exchange rate	(1,769,159.83)	719,976.69	(1,769,159.83)	719,976.69
Share of profit from investment in associate	(77,749,246.32)	(30,307,693.20)	0.00	0.00
(Gain) loss on disposal of fixed assets	19,798.00	(476,634.51)	19,798.00	(476,634.51)
Amortization of prepaid expenses	2,294,806.10	1,092,491.84	2,083,774.05	1,091,421.71
Employee benefit obligations	1,323,219.96	455,231.00	1,281,891.00	403,585.00
Dividend income	0.00	0.00	(8,444,980.00)	0.00
Interest expenses	2,866,805.15	1,526,934.63	2,866,805.15	1,526,927.48
	81,507,047.34	118,856,461.16	81,927,004.80	121,592,256.46
(Increase) Decrease in changes of operating assets				
Trade and other receivables	(35,664,234.71)	(76,905,191.49)	(4,038,802.44)	(75,735,515.78)
Prepayment for wages and purchasing goods	7,575,034.44	(19,979,528.39)	7,575,034.44	(5,824,528.39)
Inventories	(119,816,846.21)	(25,639,659.72)	(119,816,846.21)	(25,639,659.72)
Other non-current assets	1,081,480.37	99,604.05	1,101,480.37	99,604.05
Increase (Decrease) in changes of operating liabilities				
Trade and other payables	179,110,187.19	(9,015,939.17)	148,955,724.50	(9,507,286.90)
Advance received under agreement	0.00	14,900,000.00	0.00	0.00
Other non-current liabilities	9,800,103.84	0.00	9,800,103.84	0.00
Cash generated (paid for) from operations	123,592,772.26	2,315,746.44	125,503,699.30	4,984,869.72
Interest paid	(8,842,697.58)	(2,413,925.39)	(8,842,697.58)	(2,413,918.24)
Corporate income tax paid	(29,450,057.17)	(22,597,037.31)	(28,172,264.92)	(22,149,630.11)
Net cash provided by (used in) operating activities	85,300,017.51	(22,695,216.26)	88,488,736.80	(19,578,678.63)

Notes to financial statements are parts of these financial statements.

UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Cash flows from investing activities				
Decrease in current investment	0.00	28,020,041.74	0.00	28,020,041.74
Decrease in pledged bank deposit	0.00	12,561,874.99	0.00	12,561,874.99
Payments for investment in associate	(1,960,000.00)	0.00	0.00	0.00
Dividend received from associate	8,444,980.00	0.00	8,444,980.00	0.00
Increase in investment in subsidiary	0.00	0.00	(34,950,405.00)	(249,925.00)
Proceeds from sales of fixed assets	1,000.00	476,635.51	1,000.00	476,635.51
Payments for fixed assets acquisition	(361,266,795.40)	(365,406,983.38)	(356,331,431.48)	(365,399,754.41)
Net cash provided by (used in) investing activities	(354,780,815.40)	(324,348,431.14)	(382,835,856.48)	(324,591,127.17)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	38,201,309.91	153,787,183.05	38,201,309.91	153,787,183.05
Increase in long-term loans	104,244,501.54	49,942,875.00	104,244,501.54	49,942,875.00
Payments for financial lease liabilities	(2,405,503.06)	(995,673.40)	(2,405,503.06)	(995,673.40)
Proceeds from non-controlling interests	4,499,595.00	5,000,075.00	0.00	0.00
Proceeds from exercise of warrants to purchase ordinary shares	85,500.00	0.00	85,500.00	0.00
Proceeds from share capital increase	193,762,203.44	118,413,750.00	193,762,203.44	118,413,750.00
Dividend paid	(5,123,530.01)	(17,250,246.00)	(5,123,530.01)	(17,250,246.00)
Net cash provided by (used in) financing activities	333,264,076.82	308,897,963.65	328,764,481.82	303,897,888.65
Effects of changes in exchange rate for				
cash and cash equivalents	2,531,675.03	0.00	2,531,675.03	0.00
Increase (decrease) in cash and cash equivalents	66,314,953.96	(38,145,683.75)	36,949,037.17	(40,271,917.15)
Cash and cash equivalents as at January 1	32,454,383.69	70,600,067.44	27,960,593.99	68,232,511.14
Cash and cash equivalents as at December 31	98,769,337.65	32,454,383.69	64,909,631.16	27,960,593.99

Notes to financial statements are parts of these financial statements.

UNIVERSAL ADSORBENTS & CHEMICALS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

1. GENERAL INFORMATION

- 1.1 The Company was registered as a company limited on April 1, 1985 and on April 22, 2010, the Company has registered to change its status to public company limited and is listed company in the Market for Alternative Investment (MAI) on October 11, 2010.
- 1.2 The Company's registered address is No.1 TP&T Tower, Floor 19th, Soi Vibhavadirangsit 19, Vibhavadirangsit Road, Chatuchak Sub-District, Chatuchak District, Bangkok 10900 and the branch office's addresses as follows :
- Branch 1 : Warehouse is located at 999 Moo 4, Soi Tesaban Bangpoo 99 (Sermitra), Sukhumvit Road, Muang Samutphakan, Samutprakan.
- Branch 2 : Sale office is located at 267/77 Sukhumvit Road, Maptaput, Muang Rayong, Rayong. Move to branch at 188/76 Sukhumvit Road, Maptaput, Muang Rayong, Rayong.
- Branch 3 : Warehouse is located at 613/13 Moo 2, Songkla-Jana Road, Pawong, Songkla, Songkla.
- Branch 4 : Manufacturing plant and distribution at 150 Moo 2, Amphur Mae Tang, Chiangmai.
- Branch 5 : Manufacturing plant and distribution at 1/1 Moo 8, Tumbon Kokrak, Amphur Kongkraitat, Sukhothai.
- 1.3 The Company has engaged in business as follows:
- 1.3.1 The Company has engaged in business of import and distribution of chemicals and equipment used in various industries i.e. off-shore natural gas exploration and production, oil refinery and upstream petrochemicals, engine oil lubricant manufacturing plant, polymer and plastic manufacturing plant, chemical industrial plant, power plant and utilities system.
- 1.3.2 To provide the consultant and advising for the marketing of any products and services, the feasibility study of any projects or works related to Energy industry, Refinery, Petrochemicals, Power plants and other utilities.
- 1.3.3 Production and distribution of Biogas used in power generation, transportation and various industries.
- 1.3.4 Hire of construction of machines and equipment used in various industries i.e. off-share natural gas exploration and production, oil refinery and upstream petrochemicals, engine oil lubricant manufacturing plant, polymer and plastic manufacturing plant, chemical industrial plant, power plant and utilities system.
- 1.3.5 Production and distribution of petroleum manufacturing such as Compressed Natural Gas (CNG), Liquefied Petroleum Gas (LPG), Natural Gas Liquid (NGL).

2. BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRESENTATION

2.1 Financial statements preparation basis

The financial statements have been prepared in conformity with the financial reporting standards enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of the Department of Business Development by Ministry of Commerce dated September 28, 2011 regarding the condensed form should be included in the financial statements B.E. 2554 and in accordance with the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial reporting under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

2.2 Accounting standards and financial reporting standards adoption during the year

The Federation of Accounting Professions issued accounting standards, financial reporting standards, standing interpretations and accounting guidance which are expected to be effective for the financial statements beginning on or after January 1, 2013 as detailed below:

Accounting Standards

TAS 12 Income Taxes

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

TAS 21 (Revised 2009) The Effects of Changes in Foreign Exchange Rate

Financial Reporting Standards

TFRS 8 Operation Segments

Standing Interpretations

TSIC 10 Government Assistance-No Specific Relation to Operating Activities

TSIC 21 Income Taxes- Recovery of Revalued Non-Depreciable Assets

TSIC 25 Income Taxes- Changes in the Tax Status of an Enterprises or its Shareholders

Accounting Guidance

Transfers of Financial Assets

The above financial reporting standards will have no significantly impacts on these financial statements except for TAS 12 "Income Taxes" as disclosed in notes 4 and 5.

2.3 The new issued and revised accounting standards and financial reporting standards

- 1) The new issued and revised accounting standards and financial reporting standards which are expected to be effective for the financial statements beginning on or after January 1, 2014. The Company and its subsidiaries have not adopted in the preparation of these financial statements. The details are following:

Accounting Standards

TAS 1	(Revised 2012) Presentation of Financial Statements
TAS 7	(Revised 2012) Statement of Cash Flows
TAS 12	(Revised 2012) Income Taxes
TAS 17	(Revised 2012) Leases
TAS 18	(Revised 2012) Revenue
TAS 19	(Revised 2012) Employee Benefits
TAS 21	(Revised 2012) The Effects of Changes in Foreign Exchange Rate
TAS 24	(Revised 2012) Related Party Disclosures
TAS 28	(Revised 2012) Investments in Associates
TAS 31	(Revised 2012) Interests in Joint Venture
TAS 34	(Revised 2012) Interim Financial Reporting
TAS 36	(Revised 2012) Impairment of Assets
TAS 38	(Revised 2012) Intangible Assets

Financial Reporting Standards

TFRS 2	(Revised 2012) Share - Based Payments
TFRS 3	(Revised 2012) Business Combinations
TFRS 5	(Revised 2012) Non-current Held for Sale and Discontinued Operations
TFRS 8	(Revised 2012) Operating Segments

Standing Interpretations

TSIC 15 Operating Leases - Incentives

TSIC 27 Evaluating the Substance of Transactions Involving the Legal form of a Lease

TSIC 29 Service Concession Arrangements Disclosures

TSIC 32 Intangible Assets - Web Site Costs

Financial Reporting Interpretations

TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities

TFRIC 4 Determining whether an Arrangement contains a Lease

TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation

Funds

TFRIC 7 Applying the Restatement Approach under TAS 29 *Financial Reporting in Hyperinflationary*

Economies

TFRIC 10 Interim Financial Reporting and Impairment

TFRIC 12 Service Concession Arrangements

TFRIC 13 Customers Loyalty Programmes

TFRIC 17 Distribution of Non-cash Assets to Owners

TFRIC 18 Transfers of Assets from Customers

- 2) The issued and revised accounting standards and financial reporting standards which are effective for the financial statements beginning on or after January 1, 2016 onwards and the Company and subsidiaries have not applied for these financial statements preparation as follows:

Financial Reporting Standards

TFRS 4 Insurance Contracts

At present, the Company and its subsidiaries are being evaluated the effects of those standards on the financial statements in the year in which they are initially applied.

3. BASIS OF CONSOLIDATED FINANCIAL STATEMENTS PREPARATION

The consolidated financial statements incorporate the interim financial statements of Universal Adsorbents & Chemicals Public Company Limited and its subsidiaries, control is achieved where the Company has the power to govern the financial and operating policies until the control is ceased as follows :

	Incorporated in	Percentage of investment (%)		Type of business
		2013	2012	
Subsidiaries				Hire of water production
UAC Hydrotek Co., Ltd.	Thailand	50	50	and distribution including related equipment use in consumption and industries
UAC & TPT Energy Co., Ltd.	Thailand	50.01	99.97	Production and distribution of Biogas used in power generation, transportation and various industries
UAC Energy Co., Ltd.	Thailand	99.99	0.00	Generating and distribution of electricity current and alternative energy

The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.

The balance of accounts and transactions between Qualitech Public Company Limited and its subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Income and Expenses Recognition

4.1.1 Revenues and expenses are recognized on an accrual basis.

4.1.2 Revenues from sales are recognized when the goods are delivered, the significant risk and rewards have been transferred to the customers.

4.1.3 Revenues from project advisory services are recognized as income when the services are rendered.

4.1.4 Revenues from construction contract services are recognized by reference to the stage of completion of the contract activity when it is probable that total contract cost will be exceed total contract revenue, the expected loss is recognized as an expenses in statements of comprehensive income immediately.

4.2 Cash and Cash Equivalents

Cash and cash equivalents included cash on hand and at bank of which the maturity is less than three months from the deposit date and without restriction on withdrawal.

4.3 Trade and Other receivables

Trade and other receivables are stated at the rights to receive amount/invoice amount less allowance for doubtful accounts.

The Company and subsidiaries provided allowance for doubtful accounts by considering the overdue period of the accounts receivable from the abilities to repay the debts of each accounts receivable.

4.4 Inventory

Supplies are valued at the lower of cost on a first-in first-out (FIFO) basis or net realizable value.

4.5 Investment

Investment in subsidiaries is stated at cost net of provision for impairment (if any).

Investment in separate financial statements is stated at cost net of provision for impairment of investment (if any).

4.6 Plant and equipment

Building and equipment are stated at cost less relevant accumulated depreciation and provision for impairment of assets (if any). Cost is included initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company and subsidiaries incur.

Building and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets and depreciation charge has to be determined separately for each significant parts of assets with the cost that is significant in relation to the total cost of asset item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

The estimated useful lives of the assets are as follows :

	Number of years
Building and building improvement	5 - 20
Machinery and equipment	5 - 20
Office equipment	2, 5
Office furniture and fixture	5
Vehicles	5

Land and assets under construction were not depreciated.

4.7 Impairment of Assets

The Company and subsidiaries have assessed the impairment of assets whenever events or changes indicated that the carrying amount of an assets exceeds its recoverable value (net selling price of the assets under current operation or its utilization value whichever is higher). The Company will consider the impairment for each asset item or each assets unit generating cash flows, whichever is practical. In case of the carrying amount of an asset exceeds its recoverable value, the Company and subsidiaries will recognize an impairment loss in the statements of comprehensive income for the period. The Company and subsidiaries will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment.

4.8 Transactions in Foreign Currencies

The Company and subsidiaries record its transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transaction dates. The outstanding balances of accounts in foreign currencies as at the statements of financial position date are converted into Thai Baht by using the exchange rates ruling on the same date.

Gains or Loss on exchange rate are taken into income or expense in the results of operation.

4.9 Financial Instruments

Financial instruments are presented in statements of financial position, consist of cash and cash equivalents, current investment, trade and other receivables, pledged fixed deposit and long-term investment, bank overdrafts and short-term loans from financial institution, trade and other payables and financial lease liabilities. The basis of recognition and measurement of each item is separately disclosed in the related transactions.

4.10 Long-Term Lease

4.10.1 Financial lease

The Company and subsidiaries record vehicles under hire purchase agreement/lease agreement as assets and liabilities in an amount equal to the fair value of the leased assets or the present value of the minimum payments under the agreements. Interest expenses are recorded to each period over the term of the agreement.

4.10.2 Operating lease

The Company and subsidiaries have recorded long-term lease land agreement to be paid over the term of the agreement under operating lease as rental expenses since the inception date in the statements of comprehensive income, amortized on a straight-line basis.

4.11 Employee Benefits

4.11.1 Provident fund

The Company and subsidiaries have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in the statements of comprehensive income in the period in which they are incurred.

4.11.2 Employee benefits for post - employment benefits

The Company and subsidiaries provide for post employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method by the independent actuary. The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions.

The principle actuarial assumptions were as follows;

Discount rate	4.11% per annum
Employee turnover	Age-related scale and kind of employees
Mortality	According to Thailand TMO2008 male and female tables

4.12 Income Tax and Deferred Tax

4.12.1 Income tax expense for the period comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income

1) Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2) Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized that it is probable that they will not utilize in the foreseeable future.

4.12.2 Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the reporting date.

4.12.3 In determining the amount of current and deferred tax, the Company and subsidiaries take into account the impact of uncertain tax positions and whether additional taxes and interest may be settled. The Company and subsidiaries believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company and subsidiaries to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4.12.4 Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Company and subsidiaries intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

4.12.5 A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.13 Accounting Estimates

Preparation of financial statements in conformity with the financial reporting standards required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes related thereto. Consequent actual results may differ from those estimates.

The Company and subsidiaries made estimates and assumptions concerning the future factors. The results of accounting estimates may be differed from the related actual results. The estimates and assumptions that may have a risk of causing an adjustment to the assets in the next financial year related to allowance for doubtful accounts, allowance for devaluation of inventories at the statements of financial position date. Other estimates are described in the corresponding disclosures.

4.14 Provisions

The Company and subsidiaries recognize a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.

4.15 Earnings per Share

Basic earnings per share which is determined by dividing the net profit for the year by the weighted average number of ordinary shares issued and paid-up during the year.

Diluted earnings per share is determined by the net profit for the year by the weighted average number of ordinary shares issued and paid-up during the year including number of ordinary shares issued to warrant holders.

5. EFFECTS FROM INITIAL ADOPTION FINANCIAL REPORTING STANDARDS

For the first quarter of the year 2013, the Company and subsidiaries have applied TAS 12 "Income Taxes", in accordance with the FAP's notification, the Company and its subsidiaries thus taken income tax expenses (income) to adjust the beginning of 2013 retained earnings and made retroactively adjustment the 2012 financial statements. The effects from apply such accounting standards, the financial statements for the year ended December 31, 2013, represented the increase in beginning retained earnings and deferred tax assets by the same amount of Baht 2.26 million in the consolidated financial statements and Baht 1.36 million in the separate financial statements. The 2012 financial statements have changed as follows :

	Consolidated financial statements (Baht)		
	Before restatement	After restatement	Difference
<u>Statements of financial position as at December 31, 2012</u>			
Deferred tax assets	0.00	2,258,895.50	2,258,895.50
Unappropriated retained earnings	218,528,894.43	220,345,854.88	1,816,960.45
Non-controlling interests	3,458,179.77	3,900,114.82	441,935.05
<u>Statements of financial position as at January 1, 2012</u>			
Deferred tax assets	0.00	2,251,234.15	2,251,234.15
Unappropriated retained earnings	148,846,780.04	150,935,515.48	2,088,735.44
Non-controlling interests	148.78	162,647.49	162,498.71
<u>Statements of comprehensive income</u>			
<u>For the year ended December 31, 2012</u>			
Income tax expenses	26,496,527.54	26,488,866.19	(7,661.35)
Total comprehensive income for the year	115,691,404.49	115,699,065.84	7,661.35
Basic earnings per share	0.24	0.24	0.00
Weighted average number of common shares (Note 21.1)	492,205,492	492,205,492	

	Separate financial statements (Baht)		
	Before restatement	After restatement	Difference
<u>Statements of financial position as at December 31, 2012</u>			
Deferred tax assets	0.00	1,364,887.81	1,364,887.81
Unappropriated retained earnings	133,841,219.25	135,206,107.06	1,364,887.81
<u>Statements of financial position as at January 1, 2012</u>			
Deferred tax assets	0.00	1,926,256.22	1,926,256.22
Unappropriated retained earnings	92,865,811.22	94,792,067.44	1,926,256.22
<u>Statements of comprehensive income</u>			
<u>For the year ended December 31, 2012</u>			
Income tax expenses	26,496,527.54	27,057,895.95	561,368.41
Total comprehensive income for the period	88,526,742.14	87,965,373.73	(561,368.41)
Basic earnings per share	0.18	0.18	0.00
Weighted average number of common shares (Note 21.1)	492,205,492	492,205,492	

6. ADDITIONAL DISCLOSURE OF CASH FLOWS INFORMATION

6.1 Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Cash	73,080.00	28,035.00	62,968.00	23,035.00
Current accounts	969,856.32	1,624,400.84	890,608.32	1,596,449.99
Savings deposit	97,726,401.33	30,801,947.85	63,956,054.84	26,341,109.00
Total	<u>98,769,337.65</u>	<u>32,454,383.69</u>	<u>64,909,631.16</u>	<u>27,960,593.99</u>

6.2 Non-cash transaction

For the year ended December 31, 2013

- 1) The Company has fixed assets acquisition expenses in the amount of Baht 43.37 million, are undue payment at the end of the period which was presented as other payables.
- 2) The Company entered into leasing agreement for vehicles in the amount of Baht 5.95 million by making initial payment amount of Baht 1.76 million and the remaining will be made by installment which was presented as financial lease liabilities.
- 3) The Company has paid ordinary share dividend amount of Baht 46.07 million (92.15 million ordinary shares at par value of Baht 0.50 million) to the shareholders (note 19).

For the year ended December 31, 2012

- 1) The Company has purchased fixed assets in the amount of Baht 59.87 million, are due payment in 2013 which was presented as other payables.
- 2) The Company entered into leasing agreement for vehicles of Baht 6.58 million by making initial payment amount of Baht 1.65 million. The remaining was presented as financial lease liabilities.
- 3) The Company has paid ordinary share dividend amount of Baht 25.87 million (25.87 million shares at par value of Baht 1 each) to the shareholders (note 19).

7. TRADE AND OTHER RECEIVABLES

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2013	2012	2013	2012
Trade accounts receivable				
Billed	119,608,571.22	152,760,166.21	117,601,541.22	152,760,166.21
Unbilled	34,109,589.33	8,391,965.96	19,517,077.43	8,391,965.96
Other receivables				
Value Added Tax receivable	36,795,424.49	14,663,732.88	35,799,868.35	13,671,149.19
Others	21,104,998.15	10,168,927.52	20,904,349.30	9,880,164.54
Total	<u>211,618,583.19</u>	<u>185,984,792.57</u>	<u>193,822,836.30</u>	<u>184,703,445.90</u>

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Trade accounts receivable are				
separated by aging as follows :				
Trade accounts receivable				
under Credit Term	94,484,065.49	71,131,964.00	93,362,095.49	71,131,964.00
Trade accounts receivable overdue for payment				
- Less than 3 months	22,270,145.87	53,680,697.60	21,385,085.87	53,680,697.60
- Over 3 - 6 months	697,200.00	9,966,379.86	697,200.00	9,966,379.86
- Over 6 - 12 months	130,189.71	17,981,124.75	130,189.71	17,981,124.75
- Over 12 months	2,026,970.15	0.00	2,026,970.15	0.00
Total	<u>119,608,571.22</u>	<u>152,760,166.21</u>	<u>117,601,541.22</u>	<u>152,760,166.21</u>

8. INVENTORIES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Raw materials	0.00	19,014,996.06	0.00	19,014,996.06
Finished goods	114,559,894.18	95,549,488.30	114,507,144.18	95,496,738.30
Supplies	1,038,770.40	0.00	1,038,770.40	0.00
Goods in transit	122,722,652.42	3,939,986.43	122,722,652.42	3,939,986.43
Total	<u>238,321,317.00</u>	<u>118,504,470.79</u>	<u>238,268,567.00</u>	<u>118,451,720.79</u>
Less Allowance for devaluation				
of finished goods	<u>(727,103.06)</u>	<u>(727,103.06)</u>	<u>(727,103.06)</u>	<u>(727,103.06)</u>
Net	<u>237,594,213.94</u>	<u>117,777,367.73</u>	<u>237,541,463.94</u>	<u>117,724,617.73</u>

9. INVESTMENT IN ASSOCIATES

Name	Nature of business	Relationship	Authorized	Investment (Baht)					
			share capital	Shareholding percentage		Equity method		Cost method	
			(Baht)	2013	2012	2013	2012	2013	2012
Associates									
Bangchak Biofuel Co., Ltd.	Manufacturing and distribution biodiesel	Director and shareholders	281,500,000.00	30	30	268,366,423.34	198,778,073.04	111,051,487.00	111,051,487.00
Sebigas UAC Co., Ltd.	Construction contracts	Director and shareholders	4,000,000.00	49	0	1,675,916.02	0.00	0.00	0.00
				Total		270,042,339.36	198,778,073.04	111,051,487.00	111,051,487.00

The financial statements for the year ended December 31, 2013 of Bangchak Biofuel Co., Ltd. were taken to prepare the consolidated financial statements which were audited by the other auditor.

The financial statements for the year ended December 31, 2013 of Sebigas UAC Co., Ltd. (held at 49% by subsidiary - UAC Energy Co., Ltd.) which were taken to prepare the consolidated financial statements which were audited by the other auditor.

10. INVESTMENT IN SUBSIDIARIES

Name	Nature of business	Incorporated in	Paid-up share capital (Baht)	Percentage of shareholding		Separate financial statement (Baht)	
				2013	2012	Cost method	
						2013	2012
UAC Hydrotek Co., Ltd.	Hire of water production	Thailand	10,000,000.00	50	50	4,999,700.00	4,999,700.00
UAC & TPT Energy Co., Ltd.	Production and distribution of Biogas	Thailand	9,700,000.00	50.01	99.97	5,200,630.00	249,925.00
UAC Energy Co., Ltd.	Generating and distribution of electricity current and alternative energy	Thailand	30,000,000.00	99.99	0.00	29,999,700.00	0.00
Total						40,200,030.00	5,249,625.00

1. The financial statements for the year ended December 31, 2013 of the above subsidiaries were taken to prepare the consolidated financial statements which were audited by the auditor.
2. For the second quarter of 2013, a subsidiary (UAC & TPT Energy Co., Ltd.) has received the payment of share capital from calling for the payment in the another amount of Baht 0.75 million, as a result, subsidiary has the issued and paid-up share capital amount of Baht 1 million. Subsequent in the third quarter of the same year, the subsidiary has registered the increase share capital from Baht 1 million to Baht 30 million (divided into 300,000 ordinary shares at par value of Baht 100 each). As a result, after the increase share capital, the Company has reduced in proportion of shareholding to 50.01% and subsidiary has called for and received the payment for the increase share capital amount of Baht 8.70 million (equal to 30% of increase share capital).
3. A subsidiary (UAC Energy Co., Ltd.) was established as a company limited with the registered share capital amount of Baht 1 million on August 26, 2013 (divided into 10,000 ordinary shares at par value of Baht 100 each). The Company has proportion of shareholding at 99.97%. Subsequent in the fourth quarter of the same year, the subsidiary has registered the increase share capital from Baht 1 million to Baht 30 million (divided into 300,000 ordinary shares at par value of Baht 100 each). As a result, after the increase share capital, the Company has increased in proportion of shareholding to 99.99% and subsidiary has called for and received the payment for the increase share capital in full amount. As at December 31, 2013, a subsidiary has the issued and paid-up share capital amount of Baht 30 million (equal to 100% of share capital).

11. PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements (Baht)								
	Land	Building and improvement	Machinery and equipment	Office furniture	Office fixture	Vehicles	Building under construction	Total
Assets - Cost								
As at December 31, 2011	0.00	3,565,397.81	165,200.00	8,189,754.82	739,036.19	17,143,314.38	13,860,002.17	43,662,705.37
Acquisition	0.00	552,065.01	3,137,242.68	2,217,611.51	56,028.00	6,580,000.00	389,945,814.03	402,488,761.23
Transfer from inventories	0.00	0.00	0.00	1,065,933.40	0.00	0.00	0.00	1,065,933.40
Disposal	0.00	0.00	0.00	0.00	0.00	(3,635,514.02)	0.00	(3,635,514.02)
As at December 31, 2012	0.00	4,117,462.82	3,302,442.68	11,473,299.73	795,064.19	20,087,800.36	403,805,816.20	443,581,885.98
Acquisition	2,047,633.00	209,573.94	12,718,578.03	1,559,217.67	2,414,727.68	5,914,018.69	362,139,213.37	387,002,962.38
Disposal	0.00	0.00	0.00	(14,621.50)	(78,201.03)	0.00	0.00	(92,822.53)
Transfer construction work	0.00	23,750,440.35	155,808,665.05	0.00	0.00	0.00	(179,559,105.40)	0.00
As at December 31, 2013	2,047,633.00	28,077,477.11	171,829,685.76	13,017,895.90	3,131,590.84	26,001,819.05	586,385,924.17	830,492,025.83
Accumulated depreciation								
As at December 31, 2011	0.00	1,002,375.58	71,901.33	4,903,313.07	441,793.86	11,925,852.61	0.00	18,345,236.45
Depreciation for the year	0.00	810,976.76	83,517.23	1,518,447.55	82,868.93	1,162,412.21	0.00	3,658,222.68
Depreciation - write off	0.00	0.00	0.00	0.00	0.00	(3,635,513.02)	0.00	(3,635,513.02)
As at December 31, 2012	0.00	1,813,352.34	155,418.56	6,421,760.62	524,662.79	9,452,751.80	0.00	18,367,946.11
Depreciation for the year	0.00	1,404,961.17	4,192,919.58	1,797,818.12	277,505.80	1,757,094.60	0.00	9,430,299.27
Depreciation - write off	0.00	0.00	0.00	(11,264.34)	(60,760.19)	0.00	0.00	(72,024.53)
As at December 31, 2013	0.00	3,218,313.51	4,348,338.14	8,208,314.40	741,408.40	11,209,846.40	0.00	27,726,220.85
Net book value								
As at December 31, 2012	0.00	2,304,110.48	3,147,024.12	5,051,539.11	270,401.40	10,635,048.56	403,805,816.20	425,213,939.87
As at December 31, 2013	2,047,633.00	24,859,163.60	167,481,347.62	4,809,581.50	2,390,182.44	14,791,972.65	586,385,924.17	802,765,804.98

	Separate financial statements (Baht)							Total
	Land	Building and improvement	Machinery and equipment	Office furniture	Office fixture	Vehicles	Building under construction	
Assets - Cost								
As at December 31, 2011	0.00	3,565,397.81	165,200.00	8,133,820.24	739,036.19	17,143,314.38	13,860,002.17	43,606,770.79
Acquisition	0.00	552,065.01	3,137,242.68	2,210,382.54	56,028.00	6,580,000.00	389,945,814.03	402,481,532.26
Disposal	0.00	0.00	0.00	0.00	0.00	(3,635,514.02)	0.00	(3,635,514.02)
As at December 31, 2012	0.00	4,117,462.82	3,302,442.68	10,344,202.78	795,064.19	20,087,800.36	403,805,816.20	442,452,789.03
Acquisition	2,047,633.00	209,573.94	9,972,137.30	1,526,767.67	2,414,727.68	5,914,018.69	359,982,740.18	382,067,598.46
Disposal	0.00	0.00	0.00	(14,621.50)	(78,201.03)	0.00	0.00	(92,822.53)
Transfer construction work	0.00	23,750,440.35	155,808,665.05	0.00	0.00	0.00	(179,559,105.40)	0.00
As at December 31, 2013	2,047,633.00	28,077,477.11	169,083,245.03	11,856,348.95	3,131,590.84	26,001,819.05	584,229,450.98	824,427,564.96
Accumulated depreciation								
As at December 31, 2011	0.00	1,002,375.58	71,901.33	4,898,023.00	441,793.86	11,925,852.61	0.00	18,339,946.38
Depreciation for the year	0.00	810,976.76	83,517.23	1,163,935.28	82,868.93	1,162,412.21	0.00	3,303,710.41
Depreciation - write off	0.00	0.00	0.00	0.00	0.00	(3,635,513.02)	0.00	(3,635,513.02)
As at December 31, 2012	0.00	1,813,352.34	155,418.56	6,061,958.28	524,662.79	9,452,751.80	0.00	18,008,143.77
Depreciation for the year	0.00	1,404,961.17	4,183,658.48	1,440,709.13	277,505.80	1,757,094.60	0.00	9,063,929.18
Depreciation - write off	0.00	0.00	0.00	(11,264.34)	(60,760.19)	0.00	0.00	(72,024.53)
As at December 31, 2013	0.00	3,218,313.51	4,339,077.04	7,491,403.07	741,408.40	11,209,846.40	0.00	27,000,048.42
Net book value								
As at December 31, 2012	0.00	2,304,110.48	3,147,024.12	4,282,244.50	270,401.40	10,635,048.56	403,805,816.20	424,444,645.26
As at December 31, 2013	2,047,633.00	24,859,163.60	164,744,167.99	4,364,945.88	2,390,182.44	14,791,972.65	584,229,450.98	797,427,516.54

Building and improvement at cost of Baht 23.96 million and assets under construction at cost of Baht 583.80 million is structured on leased land (note 28.1).

After the end of period, assets under construction at cost of Baht 536.71 million were already completed and is used as guarantee against financial lease loans amount of Baht 300 million.

12. DEFERRED TAX ASSETS

Consolidated financial statements (Baht)					
	Recognize as (expenses)		Recognize as (expenses)		As at December 31, 2013
	As at December 31, 2011	income in profit or loss (note 20.2)	As at December 31, 2012	income in profit or loss (note 20.2)	
Inventories (allowance for devaluation of finished goods)	218,130.92	(72,710.31)	145,420.61	0.00	145,420.61
Employee benefit obligations	1,708,125.30	(478,328.90)	1,229,796.40	264,643.99	1,494,440.39
Subsidy income for recognize	0.00	0.00	0.00	1,960,020.76	1,960,020.76
Dificit from operations of subsidiary	324,977.93	558,700.56	883,678.49	180,027.46	1,063,705.95
Total	<u>2,251,234.15</u>	<u>7,661.35</u>	<u>2,258,895.50</u>	<u>2,404,692.21</u>	<u>4,663,587.71</u>
Separate financial statements (Baht)					
	Recognize as (expenses)		Recognize as (expenses)		As at December 31, 2013
	As at December 31, 2011	income in profit or loss (note 20.2)	As at December 31, 2012	income in profit or loss (note 20.2)	
Inventories (allowance for devaluation of finished goods)	218,130.92	(72,710.31)	145,420.61	0.00	145,420.61
Employee benefit obligations	1,708,125.30	(488,658.10)	1,219,467.20	256,378.20	1,475,845.40
Subsidy income for recognize	0.00	0.00	0.00	1,960,020.76	1,960,020.76
Total	<u>1,926,256.22</u>	<u>(561,368.41)</u>	<u>1,364,887.81</u>	<u>2,216,398.96</u>	<u>3,581,286.77</u>

13. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	Consolidated and	
	Separate financial statements (Baht)	
	2013	2012
Bank overdrafts	10,723,109.65	0.00
Short-term loans from bank	50,000,000.00	30,000,000.00
Trust receipt payable	151,862,793.02	140,650,116.03
Total	<u>212,585,902.67</u>	<u>170,650,116.03</u>

As at December 31, 2013 and 2012, the Company has overdrafts line with bank amount of Baht 35 million (3 banks) at the interest of MOR - 1.5% - MOR per annum.

As at December 31, 2013, the Company has short-term loans with a bank amount of Baht 50 million by issuing promissory notes is due within March 2014 at interest rate of MMR per annum.

As at December 31, 2012, the Company has short-term loans with two banks amount of Baht 30 million by issuing promissory notes 1) amount of Baht 10 million is due within January 2013, at the interest of MLR - 2 per annum and 2) amount of Baht 20 million is due within March 2013 at interest rate of MMR per annum.

As at December 31, 2013 and 2012, the Company has credit line for import goods from overseas with several banks amount of Baht 420 million, at the agreed interest rate on the loan agreement date.

As at December 31, 2013 and 2012, such overdrafts line and loans have no collaterals.

14. TRADE AND OTHER PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Trade accounts payable	204,032,245.39	40,782,124.01	188,040,189.49	40,782,124.01
Other payables				
Accrued expenses	7,777,762.61	5,573,464.23	7,655,462.61	5,528,464.23
Fixed assets acquisition payable	43,700,740.67	59,300,961.10	43,367,600.50	59,300,961.10
Others	15,833,370.98	10,085,566.41	15,702,295.83	9,551,457.88
Total	<u>271,344,119.65</u>	<u>115,742,115.75</u>	<u>254,765,548.43</u>	<u>115,163,007.22</u>

15. LONG-TERM LOANS

	Consolidated and	
	Separate financial statements (Baht)	
	2013	2012
Loans from bank	154,187,376.54	49,942,875.00
Less Current portion of long-term loans	(24,043,573.15)	(7,716,000.00)
Net	<u>130,143,803.39</u>	<u>42,226,875.00</u>

As at December 31, 2012, the Company has long-term loans from bank as follows :

1. The first loan agreement in the amount of Baht 19.51 million, the principal is repayable on a monthly basis through 81 installments of Baht 0.24 million each (graced 3 months for principal repayment), commenced in September 2012. The interest is payable on a monthly basis at the rate of MLR - 2.75% per annum.
2. The second loan agreement in the amount of Baht 32.60 million, the principal is repayable on a monthly basis through 81 installments of Baht 0.40 million each (graced 3 months for principal repayment), commenced in October 2012. The interest is payable on a monthly basis at the rate of 3% per annum.
3. The third loan agreement in the amount of Baht 111.96 million, the principal is repayable on a monthly basis through 48 installments of Baht 2.33 million each (graced 12 months for principal repayment), commenced in June 2014. The interest is payable on a monthly basis at the rate of MLR - 1.75 per annum.

Both loans agreement are guaranteed by machinery and equipment and assets under construction (note 10), part of leasehold right (note 28.1) and the Company must comply with significant conditions in loans agreement about 1) the Company should not get into any obligations, debts or responsibility from borrowings or guarantees any persons which resulted to Debt to Equity Ratio exceeds 2 : 1, and 2) the Company will preserve Debt Service Coverage Ratio not less than 2 times.

16. FINANCIAL LEASE LIABILITIES

1) Financial lease liabilities excluded future interest are as follows :

	Consolidated and Separate financial statements (Baht)	
	2013	2012
Hire-purchase payable	7,332,267.93	4,755,886.91
Lease payable	768,178.66	1,557,562.74
Total	8,100,446.59	6,313,449.65
Less Current portion of long-term debt	(2,976,312.12)	(1,953,858.81)
Net	5,124,134.47	4,359,590.84

As at December 31, 2013 and 2012, vehicles at cost of Baht 16.56 million and Baht 10.65 million respectively

is under the repayment to such payable under the agreement.

2) The minimum to be paid under financial lease as follows :

	Consolidated and Separate financial statements (Baht)	
	2013	2012
Within 1 year	3,280,065.00	2,207,555.81
Over 1 year not over 3 years	4,765,026.81	3,478,761.00
Over 3 year not over 5 years	610,404.00	1,132,723.00
Total	8,655,495.81	6,819,039.81
Less Future interest of financial lease	(555,049.22)	(505,590.16)
Present value of financial lease liabilities	8,100,446.59	6,313,449.65

17. SHARE CAPITAL

For the year 2013

1 According to the minutes of the 2013 Annual General Meeting of Shareholders held on April 5, 2013, passed the following resolution:

1.1 Decrease share capital in the amount of Baht 25,248.50 (50,497 ordinary shares at par value of Baht 0.50 each), as a result, the Company has the registered ordinary shares total 552,898,981 shares at par value of Baht 0.50 each. The Company has registered the decrease share capital with the Ministry of Commerce on April 18, 2013.

1.2 Pay dividend to the shareholders at Baht 0.11112 per share for 460.75 million shares, total amount of Baht 51.20 million by dividing into 1) ordinary shares dividend payment amount not exceed Baht 46.07 million or in the rate of Baht 0.10 per share to the shareholders in the ratio of 5 existing shares per 1 share dividend, and 2) cash dividend payment at Baht 0.01112 per share, total amount not exceed Baht 5.12 million and legal reserve is provided from the 2012 results of operation amount of Baht 4.43 million. The dividend payment made on May 3, 2013.

1.3 Increase share capital amount of Baht 55.30 million (110.60 million ordinary share at par value of Baht 0.50 each), as a result, the Company has the registered ordinary shares total 663,498,981 shares at par value of Baht 0.50 each. The Company has registered the increase share capital with the Ministry of Commerce on April 19, 2013 and the allotting of increase share capital is as follows :

1.3.1 Allot in the amount not exceed 92.15 million ordinary shares at par value of Baht 0.50 each for supporting share dividend payment as per No.1.2 and the Company has registered the increase share capital with the Ministry of Commerce on May 3, 2013.

1.3.2 Allot in the amount not exceed 18.45 million ordinary shares at par value of Baht 0.50 each for reserve the exercise of warrants (UAC - W1).

2. According to the minutes of the Extraordinary Meeting of Shareholders No. 1/2013 held on August 2, 2013, passed the resolution to decrease share capital amount of Baht 1,159.50 (2,319 ordinary shares at par value of Baht 0.50 arose from indivisible share capital from dividend payment (note 1.2), as a result, the Company has the registered ordinary shares total 663,496,662 shares at par value of Baht 0.50 each. The Company has registered the decrease share capital with the Ministry of Commerce on August 15, 2013.

2. The increase and decrease of share capital for the year ended December 31, 2013 are as follow:

	Authorized share capital		Issued and paid-up share capital	
	Number of shares	Amount (Baht)	Number of shares	Amount (Baht)
Balance as at January 1, 2013	552,949,478	276,474,739.00	436,449,478	218,224,739.00
Ordinary shares increase	110,600,000	55,300,000.00	24,300,000	12,150,000.00
Ordinary shares issued from				
exercise of warrants	0	0.00	1,294,000	647,000.00
Ordinary shares decrease	(52,816)	(26,408.00)	0	0.00
Ordinary shares dividend	0	0.00	92,147,681	46,073,840.50
Balance as at December				
31, 2013	<u>663,496,662</u>	<u>331,748,331.00</u>	<u>554,191,159</u>	<u>277,095,579.50</u>

3. The increase and decrease of common shares issued from exercise of warrants (UAC - W1) for the year ended December 31, 2013 are as follows :

	Number of units
Balance as at January 1, 2013	0
Exercise of warrants issued	92,149,503
Exercise of warrants	<u>(1,127,633)</u>
Balance as at December 31, 2013	<u>91,021,870</u>

On December 18, 2013, the Company received the payment from exercise right of warrants to purchase ordinary shares for 11,400 units in the amount of Baht 85,500 million. As at December 31, 2013, the Company presented such amount as "Amount received in advance for ordinary shares". The Company has registered the increase share capital from exercise of warrants to purchase ordinary shares with the Ministry of Commerce on January 10, 2014.

For the year 2012

1. According to the minutes of the 2012 Annual General Meeting of Shareholders held on April 30, 2012, passed the following resolution:
 - 1.1 To decrease unissued share capital of the Company amount of Baht 12, remains registered share capital amount of Baht 172,499,988.00 (172.50 million ordinary shares at par value of Baht 1 each), the Company has registered the decrease share capital with the Ministry of Commerce on May 10, 2012.
 - 1.2 To increase the Company's registered share capital amount of Baht 59.87 million to Baht 232.37 million (232.37 million ordinary shares at par value of Baht 1 each), the Company has registered the increase share capital with the Ministry of Commerce on May 11, 2012 as detailed following:
 - 1.2.1 Issue new ordinary shares for supporting share dividend payment in the amount of Baht 25.87 million (25.87 million ordinary shares at par value of Baht 1 each) and on May 18, 2012, the Company has already paid share dividend to shareholders (note 19).
 - 1.2.2 Issue new ordinary shares for supporting the increase share capital under General Mandate in the amount of Baht 34.00 million (34 million ordinary shares at par value of Baht 1 each) which is allotted to the existing shareholders for 17 million shares (not exceed 10% of registered share capital) and the private placement for 17 million shares (not exceed 10% of registered share capital).
2. According to the minutes of the Extraordinary Meeting of Shareholders No. 1/2012 held on June 27, 2012, passed the following resolution:
 - 2.1 To cancel the increase share capital under General Mandate of Baht 34 million (34 million ordinary shares at par value of Baht 1 each).
 - 2.2 To decrease the Company's share capital amount of Baht 34,000,247.00 (34,000,247 ordinary shares at par value of Baht 1 each) to be corresponded with the cancellation of the increase share capital under General Mandate and the remaining indivisible shares from share dividend payment 247 shares. The Company has registered the decrease share capital with the Ministry of Commerce on July 5, 2012.
 - 2.3 To increase share capital with specific objectives amount of Baht 22 million (22 million ordinary shares at par value of Baht 1 each) to offer to private placement for supporting the investment expansion on Petroleum Production Project in Sukhothai province including project related to renewable and alternative energy in the future. According to the minutes of the Board of directors' meeting No. 5/2012 held on June 27, 2012, passed to approve the issue share capital to an investor on July 10, 2012. The Company has registered the increase share capital with the Ministry of Commerce on July 6, 2012. Subsequent, according to the minutes of Board of directors' meeting No. 9/2012 held on September 14, 2012, passed the resolution to change the offering of increase share capital to private placement to be allotted to the Right Offering, Public Offering and warrants issuance the existing shareholders and public investors.

3. According to the minutes of shareholders' extraordinary meeting No. 2/2012 held on October 19, 2012, passed the following resolution:

- 3.1 Change the par value of shares capital from Baht 1 to Baht 0.50 each, as a result, the Company has the registered ordinary shares total 440,749,478 shares at par value of Baht 0.50 each. The Company has registered the change in par value of share capital with the Ministry of Commerce on October 22, 2012.
- 3.2 Decrease share capital in the amount of Baht 22 million (44 million ordinary shares at par value of Baht 0.50 each), as a result, the Company has the registered ordinary shares total 396,749,478 shares at par value of Baht 0.50 each. The Company has registered the decrease share capital with the Ministry of Commerce on October 24, 2012.
- 3.3 Issue warrants (UAC - W1) in the amount not exceed 79.40 million units to the existing shareholders whose the name listed in shareholders register as at the Record Date at the ratio of 5 existing shares to 1 units of UAC - W1. The offering price of warrants is Baht zero and the exercise price is Baht 7.50. The last exercise date shall be on the last business day of each quarter of the 3 year periods of the issuance date.
- 3.4 Increase share capital amount of Baht 78.10 million (156.20 million ordinary share at par value of Baht 0.50 each), the Company has registered the increase share capital with the Ministry of Commerce on October 25, 2012 and the allotting of increase share capital is as follows :
 - 3.4.1 Allot in the amount not exceed 92.20 million ordinary shares at par value of Baht 0.50 each for reserve the exercise of warrants (UAC - W1). As per No.3.3 and No.3.5
 - 3.4.2 Allot in the amount not exceed 64 million ordinary shares at par value of Baht 0.50 each by offering to
 - 1) the existing shareholders whose the name listed in the shareholders register as at the Record Date in the amount not exceed 39.70 million shares at the ratio of 10 existing shares to 1 new share.

On December 3, 2012, the Company has received the payment of ordinary shares which offered to the existing shareholders amount of Baht 119.10 million (39.70 million shares at par of Baht 0.5 each, offering price of Baht 3 each). The Company has registered the change of paid-up share capital from such increase share capital with the Ministry of Commerce on December 4, 2012.

- 2) the public investors in the amount not exceed 24.30 million shares.

On January 14, 2013, the Company has received the payment of ordinary shares which offered to the public amount of Baht 191.97 million (24.30 million shares at par of Baht 0.5 each, offering price of Baht 7.90 each). The Company has registered the change of paid-up share capital from such increase share capital with the Ministry of Commerce on January 15, 2013.

3.5 Issue warrants (UAC-W1) in the amount not exceed 12.80 million units to 1) the existing shareholders who subscribed for new issued shares at the ratio, and 2) the public investors who subscribed for new issued shares as per No.3.4.2 at the ratio of 5 new shares to 1 unit of UAC-W1. The offering price of warrant is Baht zero. The details related to warrants (UAC-W1) are indicated as same as No.3.3.

On February 1, 2013, the Company has issued warrants (UAC-W1) to shareholders for 92.15 million units comprise 79.35 million units for shareholders as per No. 1.3 and 12.80 million units for shareholders as per No. 1.5

18. LEGAL RESERVE

According to the Public Company Act., the Company has to appropriate its reserve as a legal reserve net less than 5% of the annual net profit after deduction with deficit brought forward (if any) until the reserve not less than 10% of the authorized share capital. The reserve is not available for dividend distribution.

19. RETAINED EARNINGS APPROPRIATION

For the year 2013

According to the minutes of the Company's Board of directors' meeting No. 1/2013 held on February 20, 2013, passed the resolution to submit the approval to the shareholders' general meeting for dividend payment to the shareholders at Baht 0.11112 each for 460.75 million shares totally Baht 51.20 million by dividing into 1) ordinary shares dividend payment amount not exceed Baht 46.08 million or Baht 0.10 per share to the shareholders in the ratio of 5 existing shares per 1 share dividend, and 2) cash dividend payment at Baht 0.01112 per share or amount not exceed Baht 5.12 million. The Company has paid such dividend on May 5, 2013.

For the year 2012

According to the minutes of the 2012 Annual General Meeting of Shareholders held on April 30, 2012, passed the resolution to pay dividend to the shareholders at Baht 0.4167 per share total amount of Baht 68.13 million by:

- Pay interim dividend on October 6, 2011 at Baht 0.1667 per share total amount of Baht 25.01 million by dividing into 1) ordinary share dividend payment not exceed Baht 22.50 million or in the rate of Baht 0.15 per share (22.50 million ordinary shares at par value of Baht 1 each) to the shareholders in the ratio of 20 existing shares per 3 shares dividend, and 2) cash dividend payment at Baht 0.0167 per share or total amount not exceed Baht 2.51 million.
- The remaining annual dividend payment at Baht 0.25 per share, total amount of Baht 43.12 million by dividing into dividend payment as per 1) ordinary shares dividend payment amount not exceed Baht 25.87 million or Baht 0.15 per share (25.87 million ordinary shares at par value of Baht 1 each) to the shareholders in the ratio of 20 existing shares per 3 shares dividend, and 2) cash dividend payment at Baht 0.10 per share or amount not exceed Baht 17.25 million. The Company has already paid dividend paid on May 18, 2012.

20. INCOME TAX

20.1 The calculation of income taxes for the current period

Parent Company

The Company calculated corporate income tax at the rate of 20% (for the year 2013) and 23% (for the year 2012) of profit (loss) before deducting with tax expenses and added back by other expenses which shall not be allowed as expenses in tax calculation (if any).

Subsidiaries

The corporate income tax is calculated at the rate of 15 - 20% (for the year 2013) and 15-23% (for the year 2012) of profit (loss) before deducting with tax expenses and added by other expenses which shall not be allowed as expenses in tax calculation (if any).

20.2 Income tax recognized in profit or loss

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax				
for the current year	16,633,396.81	26,496,527.54	16,633,396.81	26,496,527.54
Deferred tax on changes in				
temporary differences	(2,404,692.21)	(7,661.35)	(2,216,398.96)	561,368.41
Total income tax	14,228,704.60	26,488,866.19	14,416,997.85	27,057,895.95

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20.3 Reconciliation for effective income tax rate

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012 (Restated)	2013	2012 (Restated)
Profit before income tax	145,090,525.01	142,187,932.03	76,824,947.25	115,023,269.68
Income tax rate (%)	20	23	20	23
Income tax	29,018,105.00	32,703,224.37	15,364,989.45	26,455,352.03
Income tax reduction	1,330.01	684,473.84	0.00	642,085.41
Prohibited taxable expenses	1,133,963.07	424,829.38	1,061,678.21	316,436.83
Additional taxable expenses	(320,991.57)	(356,300.75)	(2,009,669.81)	(355,978.32)
Share of profit of investment in subsidiaries	(15,606,666.07)	(6,970,769.43)	0.00	0.00
Effects from elimination with subsidiaries	2,964.16	3,408.78	0.00	0.00
Total income tax	14,228,704.60	26,488,866.19	14,416,997.85	27,057,895.95
Effective income tax rate (%)	10	19	19	24

21. EARNING PER SHARE

21.1 Basic earnings per share is determined by dividing the net profit (loss) for the year by the weighted average number of common shares issued and paid-up during the year using the number of shares including the number of shares dividend issued to the shareholders in accordance with the resolution of the shareholders' general meeting for the year 2013 held on April 5, 2013 (note 17) and was made retroactively adjustment to earnings per share for the year 2012 as below :

	Consolidated financial statements			
	Before dividend payment/ of par value		After dividend payment/ of par value	
	Earnings per share	Number of shares	Earnings per share	Number of shares
2013	-	-	0.24	553,369,640
2012	0.29	400,057,811	0.24	492,205,492
	Separate financial statements			
	Before dividend payment/ of par value		After dividend payment/ of par value	
	Earnings per share	Number of shares	Earnings per share	Number of shares
2013	-	-	0.11	553,369,640
2012	0.22	400,057,811	0.18	492,205,492

21.2 Diluted Earnings per share is determined by dividing the net profit (loss) for the year by the weighted average ordinary shares issued and paid-up during the year using the number of shares including the number of share dividend issued to the shareholders in accordance with the resolution of shareholders' general meeting for the year 2013 held on April 5, 2013 (note 17) and was made retroactively adjustment to earnings per share for the year 2012 as mentioned above and the number of ordinary shares issued to the warrants-holders (note 17).

Consolidated financial statements							
	Profit for the year			Number of shares		Earnings / share	
	2013	Baht	2012	2013	shares	2012	2013 Baht 2012
	(Restated)			(Note 21.1)			
Basic earnings per share							
Profit of common shareholders	131,194,416.44		116,961,673.51	553,369,640		492,205,492	0.24 0.24
Effects of potential common share (exercise rights)	-		-	7,553,738		-	
Diluted earnings per share							
Profit of common shareholders assumed as conversion to common share	131,194,416.44		116,961,673.51	560,923,378		492,205,492	0.23 0.24
Separate financial statements							
	Profit for the year			Number of shares		Earnings / share	
	2013	Baht	2012	2013	shares	2012	2013 Baht 2012
	(Restated)			(Note 21.1)			
Basic earnings per share							
Profit (loss) of common shareholders	62,407,949.40		87,965,373.73	553,369,640		492,205,492	0.11 0.18
Effects of potential common share (exercise rights)	-		-	7,553,738		-	
Diluted earnings per share							
Profit of common shareholders assumed as conversion to common share	62,407,949.40		87,965,373.73	560,923,378		492,205,492	0.11 0.18

22. TRANSACTION WITH RELATED PERSONS AND PARTIES

The Company's assets, liabilities, revenues and expenses arose from the transaction with related persons and parties. Those transactions are determined on the basis of the company concerned and in the normal course of business.

22.1 General information

<u>Name/Related persons and parties</u>	<u>Relationship</u>	<u>Description</u>	<u>Pricing policy</u>
<u>Related persons</u>			
Miss Chawisa Jivacate	Intimates of director	Warehouse rental	Rental fee of Baht 0.14 million per month
<u>Subsidiary</u>			
UAC Hydrotek Co., Ltd.	Subsidiary	Other income	0.02 million per month
UAC & TPT Energy Co., Ltd.	Subsidiary	Other income	0.05 million per month
<u>Associate</u>			
Bangchak Biofuel Co., Ltd.	Associated company and common director	Purchase of goods	Market price
Sebigas UAC Co., Ltd.	Associated company and common director	Contractor wage	As agreed
<u>Other related parties</u>			
P & P Ordinary Partnership	Intimates of director are partners of that party	Warehouse rental	Rental fee of Baht 0.13 million per month
Hydrotek Public Co., Ltd.	Common shareholder and subsidiary's director	Sales Contractor wage	Market price As agreed
K & N Commercial Co., Ltd.	Intimates of director	Purchase of goods	Market price

22.2 Assets and liabilities transaction with related persons and parties consist of :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Trade and other receivables				
Hydrotek Public Co., Ltd.	<u>5,750,000.00</u>	<u>65,146.00</u>	<u>5,750,000.00</u>	<u>65,146.00</u>
Prepayment for wages and goods acquisition				
Hydrotek Public Co., Ltd.	<u>0.00</u>	<u>21,716,250.00</u>	<u>0.00</u>	<u>7,561,250.00</u>
Trade and other payables				
Bangchak Biofuel Co., Ltd.	0.00	1,205,267.47	0.00	1,205,267.47
Hydrotek Public Co., Ltd.	24,920,609.50	0.00	8,926,875.00	0.00
Sebigas UAC Co., Ltd.	521,424.38	0.00	521,424.38	0.00
Total	<u>25,442,033.88</u>	<u>1,205,267.47</u>	<u>9,448,299.38</u>	<u>1,205,267.47</u>

22.3 Revenues and expenses transaction with related persons and parties for the are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
<u>Sales</u>				
Hydrotek Public Co., Ltd.	158,200.00	38,000,000.00	158,200.00	38,000,000.00
<u>Other income</u>				
UAC Hydrotek Co., Ltd.	0.00	0.00	260,160.00	195,120.00
UAC & TPT Energy Co., Ltd.	0.00	0.00	102,000.00	0.00
Total	0.00	0.00	362,160.00	195,120.00
<u>Cost of sales and services</u>				
1) Purchase				
Bangchak Biofuel Co., Ltd.	47,266,597.64	24,254,733.85	47,266,597.64	24,254,733.85
2) Contractor wage				
Hydrotek Public Co., Ltd.	112,091,390.00	11,988,750.00	41,486,250.00	11,988,750.00
Total	159,357,987.64	36,243,483.85	88,752,847.64	36,243,483.85
<u>Administrative expenses</u>				
Miss Chawisa Jivacate	1,667,368.44	0.00	1,667,368.44	0.00
P & P Ordinary Partnership	0.00	1,528,421.04	0.00	1,528,421.04
K & N Commercial Co., Ltd.	69,360.00	0.00	69,360.00	0.00
Total	1,736,728.44	1,528,421.04	1,736,728.44	1,528,421.04

22.4 Other transactions with related parties are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
<u>Fixed assets - wages</u>				
Sebigas UAC Co., Ltd.	486,328.50	0.00	486,328.50	0.00

23. DIRECTORS REMUNERATION

Directors' remuneration is the benefits being paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive salaries and related benefits payable to the executive.

24. MANAGEMENT BENEFIT EXPENSES

Management benefit is expenses relating to salaries, remunerations and other benefits to being paid the directors who are holding management position, in accordance with the definitions of the Office of Securities and Exchange Commission. The Management under this definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in position comparable to these fourth executive levels.

25. EXPENSES ANALYZED BY NATURE

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Work performed by the entity and				
capitalized as capital expenditure	(11,488,436.34)	(3,838,317.74)	(11,488,436.34)	(3,838,317.74)
Changes in inventories	(19,010,405.88)	(5,698,335.98)	(19,010,405.88)	(6,690,165.42)
Raw materials and consumables used	23,017,260.25	0.00	23,017,260.25	0.00
Contractors wage	123,491,390.00	11,988,750.00	52,886,250.00	11,988,750.00
Employees benefit expenses	52,854,356.69	33,837,978.39	50,639,221.41	31,796,251.24
Depreciation	9,430,299.27	3,658,222.68	9,063,929.18	3,303,710.41
Commission for sale of goods	2,623,371.00	2,561,914.00	2,623,371.00	2,561,914.00
Directors' remuneration	2,460,000.00	2,410,000.00	2,460,000.00	2,410,000.00
Management benefit expenses	13,472,874.40	12,906,586.00	13,472,874.40	12,906,586.00

26. SEGMENT INFORMATION

26.1 The Company and subsidiaries' operation involve in significant segment as follows:

Parent company

- Business segment are 1) import and distribute of chemical and equipment for using industry, 2) provide the consultant and advising for the marketing of any products and services, 3) production and distribution of biogas , 4) hire of construction of machines and equipment used in various industries, and 5) production and distribution of petroleum products (there is no income)
- Geographical segment involve in both domestic and overseas.

Subsidiaries

- Business segment are 1) hire of water production and distribution for using in industry and consumption purpose including distribution and installation the related equipment, 2) generate of bio gas for using in electricity generating, transportation and other industries (there is no income), and 3) generate and distribute of electricity current and alternative energy (there is no income)
- Geographical segment involve in both domestic and overseas.

26.2 Segment information in consolidated financial statements are as follows:

	Domestic								Overseas				Total			
	Sales		Hire of construction		Sales of biogas		Total		Sales		Project advisory		Total			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
Segment revenues	714.80	703.12	150.81	12.52	0.30	0.00	865.91	715.64	64.20	31.58	47.82	64.60	112.02	96.18	977.93	811.82
Segment cost	(590.60)	(577.25)	(144.42)	(11.99)	(10.67)	0.00	(745.69)	(589.24)	(58.80)	(28.43)	0.00	0.00	(58.80)	(28.43)	(804.49)	(617.67)
Segment profit	124.20	125.87	6.39	0.53	(10.37)	0.00	120.22	126.40	5.40	3.15	47.82	64.60	53.22	67.75	173.44	194.15

(Unit : Millon)

Most of cost of project advisory is expense of the management which could not properly allocated and the value is immaterial, then, the segment cost of project advisory was not presented.

27. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

27.1 Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in notes to financial statements no. 4.9.

27.2 Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company and subsidiaries. The Company and subsidiary have policy to hedge this credit risk by reviewing the financial status of customers. Financial assets shown in statements of financial position at the book value deducted by allowance for doubtful accounts is maximum value of credit risk.

27.3 Interest rate risk

Interest rate risk from changes in market interest rate will affect the results of the Company and subsidiaries operations and cash flows. The Company and subsidiaries exposed the interest rate risk to its cash equivalents, pledged fixed deposit, bank overdrafts and short-term loans from financial institution, and financial lease liabilities. The Company do not use derivative financial instruments to hedge such risk.

27.4 Exchange rate risk

The Company and subsidiaries exposed to exchange rate risk due to their purchasing and selling denominated in foreign currencies which were entered into forward contract against exchange rate risk hedging. The contract period is not exceeded 1 year.

The Company has financial assets and liabilities denominated in foreign currency as follows :

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Financial assets				
Deposit account in				
US Dollar	780,602.21	295,100.89	780,602.21	295,100.89
Trade accounts receivable				
in US Dollar	109,493.45	1,095,323.54	109,493.45	1,095,323.54
Other receivables in				
US Dollar	108,512.05	0.00	108,512.05	0.00
Other receivables in EURO	1,600.00	0.00	800.00	0.00

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Financial liabilities				
Trust receipt payable in				
US Dollar	3,575,234.87	4,380,212.70	3,575,234.87	4,380,212.70
Trust receipt payable				
in EURO	0.00	142,880.00	0.00	142,880.00
Trade accounts payable				
in US Dollar	4,413,214.35	453,210.00	4,413,214.35	453,210.00
Trade accounts payable				
in EURO	183,117.80	4,261.00	183,117.80	4,261.00
Other payables in Pound				
Steling	21,920.00	0.00	21,920.00	0.00
Other payable in US Dollar	0.00	1,856,887.82	0.00	1,856,887.82
Other payable in EURO	9,182.26	0.00	8,386.46	0.00
The Company has remaining forward contract as follows :				
	Exchange rate per Baht			
	2013	2012	2013	2012
US Dollar	31.28 - 33.006	30.82 - 30.821	3,733,304.87	800,000.00
EURO	0.00	39.2330 - 39.9139	0.00	338,024.00

28. COMMITMENT AND CONTINGENT LIABILITIES

28.1 The Company has commitment under irrecoverable operating lease with the various lessor in order to lease as office building, goods warehouse, and use as plant for bio gas products and petroleum products. The Company has to pay the minimum amount in the future under operating lease as follows :

	Consolidated and Separate financial statements (Baht)	
	2013	2012
Within 1 year	5,670,552.00	1,488,964.00
Over 1 year less than 5 years	8,612,464.00	2,804,409.82
Over 5 years	13,306,710.39	11,119,766.02
Total	<u>27,589,726.39</u>	<u>15,413,139.84</u>

28.2 The Company is liable on payment under office building and warehouses services agreement with the several lessors by making monthly rental and services fee amount of Baht 0.19 million. As at December 31, 2013 and 2012, the Company has to pay the services fee until the completion amount of Baht 4.39 million and Baht 1.26 million respectively.

28.3 The Company and subsidiaries are liable on payment under goods, fixed assets acquisition agreement and hire a contractor as follows :

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
US Dollar	125,290.00	4,841,889.39	125,290.00	4,841,889.39
EURO	2,288,900.00	11,379.31	2,145,000.00	11,379.31
Baht	12,669,274.95	263,532,536.41	9,073,414.95	192,757,536.41

28.4 The Company and subsidiaries are liable on payment under letter of credit agreement with two banks relating to goods acquisition as follows :

	Consolidated and Separate financial statements	
	2013	2012
US Dollar	122,320.00	189,870.00
EURO	57,904.00	227,668.00

28.5 Commitment on Employee Joint Investment Program (EJIP)

The Company and subsidiaries for the objective to build the persuasion in work procedures and feeling to be joint owners of the Company as well as to maintain the employees' services for the Company. The project period is 3 years. The employee who is intended to be a member, should pay contribution to the project at the rate of 5% of basic salaries, the Company and subsidiaries have to pay contribution at the rate of 5-7% of employee's salaries. Every month, such contribution will be taken to purchase the Company's share capital ("UAC") which traded in the Stock Exchange of Thailand on the indicated date. Membership employees can gradually sell "UAC" share capital when matured 1 year at the stipulated ratio. The Employee Joint Investment Program was authorized to manage by Tisco Securities Company Limited.

The Company and subsidiaries recognized contribution payment to such project as expenses in statements of comprehensive income for the accounting period in which the contribution is paid.

28.6 The Company and subsidiaries have contingent liabilities with two banks from issuance of letter of goods quality guarantee to some of customers and guarantee duties and taxes for import of goods from an overseas as at December 31, 2013 and 2012 total amount of Baht 45.97 million and Baht 45.97 million respectively. Such letter of guarantees have no collaterals.

29. PROVIDENT FUND

The Company and subsidiaries have joined to be a member of provident fund named "K Master Pool Fund Registered Provident Fund" which registered in accordance with the Provident Fund Act B.E. 1987 and the amendment by appointing the fund management to be fund manager. The fund is contributed to both by the employees, and the Company and subsidiaries at the same rate of 3-5% of employees' salaries based on length of works. The accumulation and benefits will be paid to the members upon their retirement, death or resignation.

30. CAPITAL MANAGEMENT

The objective of financial management of the Company and subsidiaries is to preserve the ability to continue their operations as a going concern and capital structure to be properly appropriated.

31. EVENTS AFTER THE REPORTING PERIOD

According to the minutes of the Board of directors' meeting No. 1/2014 held on February 21, 2014, passed the resolution to propose the approval the dividend payment to the shareholders at Baht 0.16 per share for 554,204,839 shares amounting to Baht 88.67 million. The amount of dividend payment may increase if UAC-W1 holders exercise their rights in Quarter 1, 2014.

32. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of Directors on February 21, 2014.