

1 General information

Thai Poly Acrylic Public Company Limited is a public limited company, incorporated and resident in Thailand. The address of its registered office is as follows:

60-61 Moo 9, 4th Putthamonthon Road, Krathumlom, Sampran, Nakornpathom.

The Company is listed on the Stock Exchange of Thailand. The Company engages principally in the business of manufacturing and selling of Acrylic, Acrylonitrile Butadiene Styrene and High Impact Polystyrene sheets. Each of these products is considered as part of the same line of business.

The financial statements have been approved by the Company's board of directors on 26 February 2009.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543 being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

2 Accounting policies (Cont'd)

2.2 New accounting standard and amendments to accounting standards

During the years 2007 and 2008, the Federation of Accounting Professions (“FAP”) has announced new standard and amendments to Thai Accounting Standards (“TAS”) as follows:

- amendments to Thai Accounting Standards and the new Thai Accounting Standard which are effective for the period beginning on or after 1 January 2008 except TAS no. 29 (Revised 2007) “Leases” which is effective for the lease contract started on or after 1 January 2008.

Revised standards:

TAS no. 25 (Revised 2007)	“Cash Flow Statements”
TAS no. 29 (Revised 2007)	“Leases”
TAS no. 31 (Revised 2007)	“Inventories”
TAS no. 33 (Revised 2007)	“Borrowing Costs”
TAS no. 35 (Revised 2007)	“Presentation of Financial Statements”
TAS no. 39 (Revised 2007)	“Accounting Policies, Changes in Accounting Estimates and Errors”
TAS no. 41 (Revised 2007)	“Interim Financial Reporting”
TAS no. 43 (Revised 2007)	“Business Combinations”
TAS no. 49 (Revised 2007)	“Construction Contracts”

New standard:

TAS no. 51 “Intangible Assets”

TAS no. 43 (Revised 2007) “Business Combinations” and TAS no. 49 (Revised 2007) “Construction Contracts” are irrelevant to the Company. The other revised standards and TAS no. 51 “Intangible Assets” have no significant impact on the financial statements being presented, except TAS no. 35 (Revised 2007) “Presentation of Financial Statements” which has affected the disclosures as explained in Notes 3 and 4.

- amendments to Thai Accounting Standards which are effective for the period beginning on or after 1 January 2009.

TAS no. 36 (Revised 2007) “Impairment of Assets”
TAS no. 54 (Revised 2007) “Non-current Assets Held for Sale and Discontinued Operations”

The Company’s management has determined and expected that those revised standards either are irrelevant to the Company or will not significantly impact to the financial statements being presented.

2.3 Foreign currency translation

Items included in the financial statements are measured using Thai Baht. The financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currency, are recognised in the statement of income.

2 Accounting policies (Cont'd)

2.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

2.5 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

2.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of raw materials is determined by the first-in, first-out method while costs of finished goods and work in process are determined by the weighted average method.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

The cost of the purchase of raw materials comprises of both the purchase price and costs directly attributable to the acquisition of the raw materials, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in process comprises of raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating capacity.

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.7 Property, plant and equipment

Land is stated at historical cost. All other property, plant and equipment is stated at historical cost less accumulated depreciation.

Depreciation of assets acquired before the year 1992 is calculated on the diminishing balance method at the rate of 20% per annum and depreciation of assets acquired from the year 1992 onwards is calculated on the straight line method to write off the cost of each asset, except for land which is not depreciated, over the estimated useful lives as follows:

Buildings improvement	5 years
Buildings	20 years
Machinery and equipment	5, 10 years
Furniture, fixtures and office equipment	3, 5 years
Motor vehicles	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

2 Accounting policies (Cont'd)

2.7 Property, plant and equipment (Cont'd)

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

2.8 Leasehold right

Expenditure on acquired leasehold right on land is capitalised and amortised using the straight line method over the lease period.

2.9 Impairment of assets

Property, plant and equipment and other non-current assets, including intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Assets that suffered an impairment are reversed for possible impairment loss if the estimation of the recoverable amounts were changed in subsequent period after the Company's recognition of impairment.

2.10 Leases - where the company is the lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2 Accounting policies (Cont'd)

2.11 Employee benefits

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Company. The Company's contributions to the provident fund are charged to the statement of income in the year to which they relate.

"The post employee benefits under the Thai Labour Law" are not recognised in the financial statements.

The Company has obligations under employee reward program. The detail of the obligations is mentioned in Note 21. These obligations are recognised as expenses in the statement of income.

2.12 Revenue recognition

Revenue comprises of the invoiced value for the sales of goods and services net of discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity when it is determined that such income will accrue to the Company.

2.13 Deferred income taxes

The Company does not recognise income taxes payable or receivable in future periods with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on property, plant and equipment, allowance for doubtful accounts and allowance for inventories obsolescence.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2 Accounting policies (Cont'd)

2.15 Accounting for derivative financial instruments

Foreign currency forward contracts establish a predetermined exchange rate (“forward rate”) at which the Company will receive foreign currency amounts on a predetermined future date. Obligations under forward foreign exchange contracts are recognised in the balance sheet on inception. At the balance sheet date the foreign currency amounts receivable or payable under these contracts are translated at the balance sheet exchange rate. Unrealised gains or losses that result from the translation are recognised in the income statement. Any premium or discount equal to the difference between the exchange rate and the forward rate at the inception of the contract is amortised over the life of the contract.

3 Critical accounting estimates, assumption and judgements

3.1 Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Company’s plant and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

3.2 Allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the default or inability of customers to make required payments. The allowance is based on consideration of historical collection experience, known and identified instances of default of each customer.

3.3 Allowance for obsolete and defective inventories and net realisable value

The Company maintains an allowance for obsolete and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category especially for finished goods, the Company will fully set up an allowance for obsolete and defective inventories for finished goods which have no movement longer than 1 year. In addition, the Company also maintains an allowance for net realisable value to reflect the estimated losses resulting from the selling prices of inventories which are less than their costs. The allowance is based on consideration of committed selling prices and the trend of selling prices in the market.

4 Capital risk management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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5 Cash and cash equivalents

	2008 Baht	2007 Baht
Cash on hand	50,000	50,000
Deposits at banks - Current deposits	11,687,644	15,321,000
- Savings deposits	106,569,507	145,312,166
	<u>118,307,151</u>	<u>160,683,166</u>

The interest rates of savings deposits were between 0.10% and 0.50% per annum (2007 : 0.10% and 2.80% per annum).

6 Short-term investments

Time deposit with a bank of approximately Baht 1.5 million (2007 : Baht 1.4 million) was used as a security for bank overdraft facilities.

7 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholders of the Company are Lucite International UK Overseas Holdcol Limited (incorporated in England) which owns 42.28% and Asiatic Acrylic Company Limited (incorporated in Thailand) which owns 34.12% of the Company's shares, respectively. The remaining 23.60% of the shares are widely held.

Lucite International UK Overseas Holdcol Limited is a subsidiary of Lucite International Group Limited (Ultimate parent company).

The material related party transactions consist of the transactions carried out with Lucite Group and Asiatic Acrylic Company Limited. They were carried out on the terms and conditions similar to those carried out with third parties and based on an arm's length basis. Service fee is charged based on the level of difficulty of service provided.

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7 Related party transactions (Cont'd)

The material transactions with related parties can be summarized as follows:

i) Purchases/sales of goods and services for the years ended 31 December

	2008 Baht	2007 Baht
Sales of goods:		
Fellow subsidiaries	12,601,641	15,479,689
	<u>12,601,641</u>	<u>15,479,689</u>
Purchases of raw materials:		
Fellow subsidiaries	138,698,340	9,557,838
Subsidiary of ultimate parent	10,860,907	15,210,936
	<u>149,559,247</u>	<u>24,768,774</u>
Service fee:		
Fellow subsidiaries	5,824,534	7,023,559
Subsidiary of ultimate parent	1,887,643	1,507,671
	<u>7,712,177</u>	<u>8,531,230</u>
Materials and supplies in transit:		
Fellow subsidiaries	13,904,064	-
Subsidiary of ultimate parent	1,990,237	2,857,735
	<u>15,894,301</u>	<u>2,857,735</u>

ii) Outstanding balances arising from sales/purchases of goods and services as at 31 December

	2008 Baht	2007 Baht
Trade accounts receivable - related companies:		
Fellow subsidiaries	2,139,259	6,615,537
	<u>2,139,259</u>	<u>6,615,537</u>
Trade accounts payable - related companies:		
Fellow subsidiaries	84,637,694	3,688,043
Subsidiary of ultimate parent	2,959,170	7,145,940
	<u>87,596,864</u>	<u>10,833,983</u>
Other payable - related companies:		
Fellow subsidiaries	3,247,710	4,413,577
Subsidiary of ultimate parent	934,596	1,254,012
	<u>4,182,306</u>	<u>5,667,589</u>

iii) Directors' remuneration

In 2008, the remuneration was solely paid to audit committee at Baht 1,087,950 (2007 : Baht 1,092,875). Directors' remuneration represents meeting fees and gratuities as approved by the shareholders in the Ordinary General Meeting of shareholders.

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8 Trade accounts and notes receivable, net

	2008 Baht	2007 Baht
Trade accounts and notes receivable	306,074,803	351,539,514
<u>Less</u> Allowance for doubtful accounts	-	(1,015,498)
Trade accounts and notes receivable, net	<u>306,074,803</u>	<u>350,524,016</u>

Aging of the outstanding trade accounts and notes receivable as of 31 December can be analysed as follows:

	2008 Baht	2007 Baht
Current	259,778,666	306,883,064
Overdue:		
less than 3 months	44,908,034	40,522,291
3 - 6 months	-	2,798,719
6 - 12 months	1,341,057	267,635
Over 12 months	47,046	1,067,805
Trade accounts and notes receivable	306,074,803	351,539,514
<u>Less</u> Allowance for doubtful accounts	-	(1,015,498)
Trade accounts and notes receivable, net	<u>306,074,803</u>	<u>350,524,016</u>

9 Inventories, net

	2008 Baht	2007 Baht
Finished goods	40,362,697	30,807,485
Raw materials	38,255,069	33,279,277
Spare parts and factory supplies	39,949,475	34,526,762
	118,567,241	98,613,524
<u>Less</u> Allowance for obsolescence and net realisable value of finished goods	(2,299,687)	(3,585,300)
	116,267,554	95,028,224
<u>Add</u> Goods in transit	15,894,301	8,323,198
Inventories, net	<u>132,161,855</u>	<u>103,351,422</u>

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10 Other current assets

	2008	2007
	Baht	Baht
Prepaid expenses	1,651,302	1,882,666
Refundable import duty	1,433,241	753,813
Accrued interest income	28,325	52,772
Advance to employees for business	58,386	48,249
Others	1,387,018	941,846
	<u>4,558,272</u>	<u>3,679,346</u>

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11 Property, plant and equipment, net

	Land Baht	Buildings improvement Baht	Buildings Baht	Machinery and equipment Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Fixed assets under construction and installation Baht	Total Baht
At 31 December 2007								
Cost	52,505,398	73,109,639	63,958,408	381,182,246	30,019,366	10,060,769	20,067,197	630,903,023
<u>Less</u> Accumulated depreciation	-	(37,612,768)	(38,344,526)	(242,953,768)	(26,044,100)	(6,994,425)	-	(351,949,587)
Net book amount	<u>52,505,398</u>	<u>35,496,871</u>	<u>25,613,882</u>	<u>138,228,478</u>	<u>3,975,266</u>	<u>3,066,344</u>	<u>20,067,197</u>	<u>278,953,436</u>
For the year ended 31 December 2008								
Opening net book amount	52,505,398	35,496,871	25,613,882	138,228,478	3,975,266	3,066,344	20,067,197	278,953,436
Additions	-	169,500	-	1,170,876	439,637	1,301,929	8,277,212	11,359,154
Transfers	-	1,360,039	-	11,809,949	-	-	(13,169,988)	-
Disposals/write-offs								
- cost	-	(9,000)	(10,000)	(1,207,963)	(305,592)	-	-	(1,532,555)
- accumulated depreciation	-	9,000	10,000	1,176,879	284,088	-	-	1,479,967
Depreciation charge	-	(11,372,767)	(3,197,711)	(26,044,466)	(1,896,997)	(1,296,602)	-	(43,808,543)
Closing net book amount	<u>52,505,398</u>	<u>25,653,643</u>	<u>22,416,171</u>	<u>125,133,753</u>	<u>2,496,402</u>	<u>3,071,671</u>	<u>15,174,421</u>	<u>246,451,459</u>
At 31 December 2008								
Cost	52,505,398	74,630,178	63,948,408	392,955,108	30,153,411	11,362,698	15,174,421	640,729,622
<u>Less</u> Accumulated depreciation	-	(48,976,535)	(41,532,237)	(267,821,355)	(27,657,009)	(8,291,027)	-	(394,278,163)
Net book amount	<u>52,505,398</u>	<u>25,653,643</u>	<u>22,416,171</u>	<u>125,133,753</u>	<u>2,496,402</u>	<u>3,071,671</u>	<u>15,174,421</u>	<u>246,451,459</u>

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11 Property, plant and equipment, net (Cont'd)

As at 31 December 2008, certain of the Company's land, buildings, machinery and equipment had been mortgaged and pledged as collateral for credit facilities obtained from local banks amounting to Baht 113 million (2007 : Baht 113 million).

Depreciation charges for the years were included as part of the following costs and expenses:

	2008 Baht	2007 Baht
As part of cost of production	39,698,242	39,943,258
As part of selling and administrative expenses	4,110,301	4,610,737
	<u>43,808,543</u>	<u>44,553,995</u>

During the year 2008, additions included assets leased under finance leases of Baht 1,301,929 (2007 : nil).

The above assets acquired under finance leases represented motor vehicles as per following details:

	2008 Baht	2007 Baht
Cost - capitalised finance leases	6,566,517	5,264,588
<u>Less</u> Accumulated depreciation	<u>(3,496,507)</u>	<u>(2,358,217)</u>
Net book amount	<u>3,070,010</u>	<u>2,906,371</u>

As at 31 December 2008, the cost of fully depreciated plant and equipment that are still in use totaled Baht 242,530,885 (2007 : Baht 220,007,344).

On 16 January 2006, the Board of Directors passed a resolution to approve an investment of Baht 299 million for plant construction and relocation of certain plant to the Company's land for factory expansion. However, on 27 February 2008, the Board of Directors passed a resolution to suspend the previously approved investment due to the uncertainty of economy.

12 Leasehold right, net

	Baht
At 31 December 2007	
Cost	10,264,265
<u>Less</u> Accumulated amortisation	<u>(4,908,508)</u>
Net book amount	<u>5,355,757</u>
For the year ended 31 December 2008	
Opening net book amount	5,355,757
Amortisation charge	<u>(1,028,438)</u>
Closing net book amount	<u>4,327,319</u>
At 31 December 2008	
Cost	10,264,265
<u>Less</u> Accumulated amortisation	<u>(5,936,946)</u>
Net book amount	<u>4,327,319</u>

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13 Finance lease liabilities

Finance lease liabilities - minimum lease payments:

	2008 Baht	2007 Baht
Not later than 1 year	1,361,154	1,101,179
Later than 1 year but not later than 5 years	2,101,752	2,037,024
	3,462,906	3,138,203
<u>Less</u> Future finance charges on finance leases	(344,302)	(316,844)
Present value of finance lease liabilities	<u>3,118,604</u>	<u>2,821,359</u>
Representing lease liabilities:		
- Current portion	1,184,818	930,181
- Non-current portion	1,933,786	1,891,178
	<u>3,118,604</u>	<u>2,821,359</u>

The present value of finance lease liabilities is as follows:

	2008 Baht	2007 Baht
Not later than 1 year	1,184,818	930,181
Later than 1 year but not later than 5 years	1,933,786	1,891,178
	<u>3,118,604</u>	<u>2,821,359</u>

14 Share capital and premium on share capital

	Number of shares	Ordinary shares Baht	Share premium Baht	Total Baht
At 31 December 2007 and 2008	<u>12,150,000</u>	<u>121,500,000</u>	<u>233,350,000</u>	<u>354,850,000</u>

As at 31 December 2008, the total registered number of ordinary shares is 12,150,000 shares (2007 : 12,150,000 shares) with a par value of Baht 10 per share (2007 : Baht 10 per share). All issued shares are fully paid.

15 Legal reserve

Under the Public Limited Company Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

16 Operating profit

The following expenditures, classified by nature, have been charged in arriving at the operating profit:

	2008 Baht	2007 Baht
Depreciation on property, plant and equipment		
- owned assets	42,670,253	43,501,077
- leased assets under finance lease	1,138,290	1,052,918
	<u>43,808,543</u>	<u>44,553,995</u>
Amortisation of leasehold right	1,028,438	1,025,627
Staff costs	79,879,485	75,518,750

17 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	2008	2007
Net profit attributable to shareholders (Baht)	48,171,996	50,155,774
Weighted average number of ordinary shares in issue (Shares)	<u>12,150,000</u>	<u>12,150,000</u>
Basic earnings per share (Baht)	<u>3.96</u>	<u>4.13</u>

There are no potential dilutive ordinary shares in issue for the years ended 2008 and 2007.

18 Dividends

On 25 April 2008, the shareholders at the Annual General Meeting passed a resolution to declare a dividend for the year 2007 of Baht 6.00 per share, totaling Baht 72.90 million which was paid on 21 May 2008.

On 27 April 2007, the shareholders at the Annual General Meeting passed a resolution to declare a dividend for the year 2006 of Baht 7.00 per share, totaling Baht 85.05 million which was paid on 21 May 2007.

19 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities:

	Notes	2008 Baht	2007 Baht
Profit before income tax		68,301,544	77,380,491
Adjustments for:			
Depreciation and amortisation	11, 12	44,836,981	45,579,622
Gain on disposals of equipment, net		(274,588)	(818,642)
Write-offs of fixed assets	11	8,687	220,000
Allowance for doubtful accounts	8	(1,015,498)	(512,002)
Allowance for inventories obsolescence and net realisable value	9	(1,285,613)	2,581,287
Interest expense		942,174	1,206,297
Obligations under employee reward program	21	-	(3,304,000)
Changes in operating assets and liabilities			
- Trade accounts and notes receivable		45,464,711	(82,115,756)
- Trade accounts receivable - related companies		4,476,278	2,779,795
- Inventories		(27,524,820)	(1,340,847)
- Value added tax receivable		806,981	1,159,659
- Other current assets		(878,926)	927,616
- Trade accounts payable - related companies		76,762,881	1,379,111
- Trade accounts payable - other companies		(132,003,072)	154,720,593
- Other payable - related companies		(1,485,283)	459,521
- Other payable - other companies		(5,803,946)	(309,832)
- Accounts payable - forward contracts, net		1,546,251	-
- Accrued expenses		(6,610,532)	(3,301,605)
- Other current liabilities		328,624	1,679,328
- Obligations under employee reward program	21	-	(2,492,000)
Cash generated from operations		66,592,834	195,878,636
- Interest expense paid		(942,174)	(1,206,297)
- Income tax paid		(26,205,367)	(26,384,761)
Net cash generated from operations		<u>39,445,293</u>	<u>168,287,578</u>

20 Provident fund

The Company established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530. The registered provident fund plan was approved by the Ministry of Finance on 1 June 1999.

Under the plan, the employees must contribute three or five or seven percent of their basic salary. The Company contributes at the rate of three or five or seven percent of employees' salary. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

21 Obligations under employee reward program

During the year 2004, the Company's board of directors approved an issuance of five-year special reward program for management commencing from the years 2004 to 2008. Under this program, the management will receive equally such benefit in term of contractual units in each year. The obligation under this program is subject to the terms and conditions of holding such units and the increase in earnings per share from the base year to the payment year. This obligation is due to be paid in cash from the years 2007 to 2012.

The movement during the year is as follows:

	2008 Baht	2007 Baht
Opening balance	-	5,796,000
Payment during the year	-	(2,492,000)
Reversal during the year	-	(3,304,000)
Ending balance	-	-

The obligations under employee reward program of Baht 3,304,000 were reversed during the year 2007 due to the earnings per share for the year 2007 was less than earnings per share of the base year. No such obligations to be accrued for the year 2008 due to the earnings per share for the year 2008 is less than earnings per share of the base year.

22 Commitments

Lease and Service Agreements

The Company had entered into lease agreements covering land, buildings, storage tank for chemicals, vehicles and other service agreements.

The future minimum payments under non-cancellable agreements are as follows:

	2008 Baht	2007 Baht
Not later than 1 year	3,816,400	3,463,000
Later than 1 year but not later than 5 years	6,213,750	5,760,000
Over than 5 years	-	240,000
	<u>10,030,150</u>	<u>9,463,000</u>

Letters of Guarantees

As at 31 December 2008, the Company had commitments with banks for bank guarantees in respect of customs duties, electricity usage and business agreements amounting to approximately Baht 4.66 million (2007 : Baht 3.96 million).

23 Financial risk management

23.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

23.1.1 Foreign exchange risk

The Company is exposed to foreign exchange risk in relation to the import of raw material and machinery and sales contracts in foreign currencies.

The management strategy to reduce the uncertainty over future cash flows arising from movements in exchange rates is to deposit the revenue collection in foreign currency to swap with the payment for importing of raw material and machinery and uses derivative financial instruments such as forward foreign exchange contracts.

23.1.2 Interest rate risk

The interest rate risk is the risk that future movements in market interest rate will affect the results of the Company's operations and its cash flows. The Company is exposed to the normal interest rate risk related primarily to its deposits at financial institutions. However, the Company considers that it is not necessary to use derivative financial instruments to hedge such risk as the management believes that future movement in market interest rates will not materially affect the Company's operating results.

23.1.3 Credit risk

Concentrations of credit risk with respect to trade receivables are limited due to the Company's large number of customers, who are dispersed, cover the spectrum of manufacturing and distribution and have a variety of end markets in which they sell. The Company's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Company's trade receivables.

The Company places its cash and short-term investments in low risk investment accounts and with banks and high quality financial institutions.

23 Financial risk management (Cont'd)

23.2 Information for derivative financial instruments

As at 31 December 2008, foreign exchange forward contracts have been entered into to cover the receipts of accounts receivable. Receivable/(payable) under these contracts are as follows:

	2008 Baht	2007 Baht
Foreign exchange forward contracts		
Amount due from bank	28,374,168	-
Amount due to bank	(29,920,419)	-
Foreign exchange forward contracts, net	<u>(1,546,251)</u>	<u>-</u>

The premium on forward contracts of Baht 578,713 as at 31 December 2008 was included in other current assets.

The details of the above contracts are as follows:

Currency	Amount	Forward rate (Baht : USD/AUD 1)	Contract date	Maturity
USD	132,705	33.93	20 September 2008	16 February 2009
USD	95,588	33.76	4 October 2008	2 March 2009
USD	84,842	33.81	1 October 2008	27 February 2009
USD	82,438	33.57	24 September 2008	20 February 2009
USD	60,818	34.53	25 October 2008	24 March 2009
USD	4,079	34.16	25 November 2008	23 January 2009
USD	165	33.57	24 September 2008	20 February 2009
USD	125	33.96	18 October 2008	16 March 2009
AUD	542,630	22.52	12 December 2008	7 May 2009
AUD	21,577	22.91	12 October 2008	16 March 2009

The net fair values of the derivative financial instruments at the balance sheet date were:

	2008 Baht	2007 Baht
Favorable (unfavorable) forward foreign exchange contracts	(997,315)	-

The fair values of forward foreign exchange contracts have been calculated (using rates quoted by the Company's banker) assuming the contracts had been terminated at the balance sheet date.

23.3 Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying amounts of the following financial assets and financial liabilities approximate to their fair values: cash and cash equivalents, short-term investments, trade receivables and payables, other receivables and payables.

24 Segment information

The Company engages principally in the business of manufacturing and selling of Acrylic, Acrylonitrile Butadiene Styrene and High Impact Polystyrene sheets. Each of these products is considered part of the same line of business which is regarded as one business segment.

Sales of the Company comprised mainly local sales and export sales to neighbouring countries. In addition, the Company also had export sales to countries in Middle East, Australia and USA.

The geographical segment information for the years ended 31 December 2008 and 2007 is presented below:

For the year ended 31 December 2008					
	Local sales and export sales to neighbouring countries Baht	Export sales to countries in Middle East Baht	Export sales to Australia Baht	Export sales to USA Baht	Total Baht
Sales and service income	1,137,781,157	165,255,683	191,843,932	11,307,847	1,506,188,619
Cost of sales and service					(1,351,220,281)
Segment result					<u>154,968,338</u>

For the year ended 31 December 2007					
	Local sales and export sales to neighbouring countries Baht	Export sales to countries in Middle East Baht	Export sales to Australia Baht	Export sales to USA Baht	Total Baht
Sales and service income	979,685,853	167,528,130	206,124,592	8,984,451	1,362,323,026
Cost of sales and service					(1,195,122,780)
Segment result					<u>167,200,246</u>

Due to the fact that these geographical segments are sharing the same revenue-generated assets and liabilities, the Company does not allocate cost of sales and service and assets and liabilities among these geographical segments.