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:

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

Branch 1 : 134/5 Krungthonburi Road, Klongtonsai, Klongsan, Bangkok.

Branch 2 : 77/20 Moo 12, Raikink, 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 25 February 2011.

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 ("TAS") issued under the Accounting Professions 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.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework

a) Accounting framework

The amendment of accounting framework is effective on 26 May 2010.

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards

The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Company has not early adopted them:

<u>Effective for the periods beginning on or after 1 January 2011</u>

TAS 1	(Revised 2009)	Presentation of Financial Statements
TAS 2	(Revised 2009)	Inventories
TAS 7	(Revised 2009)	Statement of Cash Flows
TAS 8	(Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2009)	Events after the Reporting Period
TAS 11	(Revised 2009)	Construction Contracts
TAS 16	(Revised 2009)	Property, Plant and Equipment
TAS 17	(Revised 2009)	Leases
TAS 18	(Revised 2009)	Revenue
TAS 19		Employee Benefits
TAS 23	(Revised 2009)	Borrowing Costs
TAS 24	(Revised 2009)	Related Party Disclosures
TAS 26		Accounting and Reporting by Retirement Benefit Plans
TAS 27	(Revised 2009)	Consolidated and Separate Financial Statements
TAS 28	(Revised 2009)	Investments in Associates
TAS 29		Financial Reporting in Hyperinflationary Economies
TAS 31	(Revised 2009)	Interests in Joint Ventures
TAS 33	(Revised 2009)	Earnings per Share
TAS 34	(Revised 2009)	Interim Financial Reporting
TAS 36	(Revised 2009)	Impairment of Assets
TAS 37	(Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(Revised 2009)	Intangible Assets
TAS 40	(Revised 2009)	Investment Property
TFRS 2		Share-based Payment
TFRS 3	(Revised 2009)	Business Combinations
TFRS 5	(Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6		Exploration for and Evaluation of Mineral Resources
TFRIC 15		Agreements for the Construction of Real Estate

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (Cont'd)

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Company has not early adopted them: (Cont'd)

Effective for the periods beginning on or after 1 January 2013

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 Rates

The Company's management has determined that the new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards have significant impact to the financial statements being presented as follows:

TAS 1 (Revised 2009), the revised standard will prohibit the presentation of items of income and expenses in the statement of changes in equity. Entities can choose whether to present one statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements which period beginning on or after 1 January 2011 and are the first period applying this standard, an entity can choose to present statement of financial position only two periods without the statement of financial position as at the beginning comparative period. The Company will apply TAS 1 (Revised 2009) from 1 January 2011. It is likely that both income statement and statement of comprehensive income will be presented as one statement.

TAS 12 deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Company will apply this standard from 1 January 2013 retrospectively with expected to have deferred tax accounts in relation to differences arising from depreciation on property, plant and equipment, allowance for doubtful accounts, allowance for inventories obsolescence and finance lease which will affect retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (Cont'd)

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of PPE, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has obligation to do. An entity requires that an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised standard also requires an entity to review useful life, residual value and depreciation method at least at each financial year-end. The Company will apply this standard from 1 January 2011. The management is currently assessing the impact of applying this standard.

TAS 19 deals with accounting for employee benefits. The standard classifies employee benefits into 4 categories: a) short-term employee benefits b) post-employment benefits (including defined contribution plan and defined benefit plan) c) other long-term employee benefits and d) termination benefits. The standard requires the entity to measure the defined benefit plan and other long-term employee benefits by using the Projected Unit Credit method (PUC). An entity can choose to recognise any actuarial gain or loss for defined benefit plan either in other comprehensive income or profit and loss. Actuarial gain or loss for other long-term employee benefits shall be recognised in profit and loss. The Company will apply this standard from 1 January 2011. The management is currently assessing the impact of applying this standard.

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 rates 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 currencies, are recognised in the statement of income.

2.4 Cash and cash equivalents

Cash and cash equivalents comprise 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 Accounting policies (Cont'd)

2.5 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less any 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.

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.

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 cost of finished goods and work in process is 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 purchase of raw materials comprises 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 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.

The Company maintains an allowance for obsolete and defective inventories to reflect impairment of inventories. The allowance is based on the 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 the consideration of committed selling prices and the trend of selling prices in the market.

2 Accounting policies (Cont'd)

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 life 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.

Repairs and maintenance are charged to the statement of income 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 the statement of income.

2.8 Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives, not exceeding a period of 3 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives, not exceeding a period of 3 years.

2 Accounting policies (Cont'd)

2.9 Prepaid rental expenses

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

2.10 Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment 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 fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are 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.

2.11 Leases - where the company is the lessee

Leases of property, plant and 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 (net of any incentives received from the lessor) 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.

2.12 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 employment benefits under the Thai Labour Law" are not recognised in the financial statements.

2 Accounting policies (Cont'd)

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, allowance for inventories obsolescence and finance lease.

2.14 Provisions

Provisions, excluding the provisions for employee benefits, 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, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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 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 statement of income. 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.

2.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and services net of output tax and 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 recognised when services are rendered.

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.

2.17 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders.

2 Accounting policies (Cont'd)

2.18 Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that are subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented by geographical areas of the Company's operations.

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

5 Cash and cash equivalents

	2010 Baht	2009 Baht
Cash on hand	50,000	50,000
Deposits at banks - current deposits	13,196,411	38,844,739
- savings deposits	191,703,207	107,907,660
Bill of exchange	-	70,000,000
	204,949,618	216,802,399

As at 31 December 2010, the interest rates of savings deposits were between 0.25% and 0.50% per annum (2009 : 0.25% and 0.50% per annum).

As at 31 December 2009, bill of exchange with a bank of Baht 70 million bore interest at the rate of 1.13% per annum and was due for redemption in March 2010.

6 Short-term investments

Short-term investments represent time deposit (12 months) with a bank of approximately Baht 1 million (2009 : Baht 1.5 million) which 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 Holdco1 Limited is a subsidiary of Lucite International Group Limited, of which the ultimate parent company is Mitsubishi Rayon Company Limited (incorporated in Japan).

The material related party transactions consist of the transactions carried out with Lucite Group, Mitsubishi Rayon 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.

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

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

	2010 Baht	2009 Baht
Sales of goods:		
Fellow subsidiaries	6,119,287	9,801,905
	6,119,287	9,801,905
Purchases of raw materials:		
Fellow subsidiaries	56,783,835	241,333,041
Subsidiary of ultimate parent	638,958,987	309,518,996
	695,742,822	550,852,037
Service fee:		
Fellow subsidiaries	5,934,079	5,901,236
Subsidiary of ultimate parent	581,048	808,041
	6,515,127	6,709,277
Materials and supplies in transit:		
Fellow subsidiaries	-	99,451
Subsidiary of ultimate parent	1,702,849	2,815,266
	1,702,849	2,914,717

7 Related party transactions (Cont'd)

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

	2010 Baht	2009 Baht
Trade accounts receivable - related companies:		
Fellow subsidiaries	1,086,156	4,514,302
	1,086,156	4,514,302
Trade accounts payable - related companies:		
Fellow subsidiaries	6,813,259	98,806
Subsidiary of ultimate parent	223,849,498	195,547,788
	230,662,757	195,646,594
Other payable - related companies:		
Fellow subsidiaries	4,233,657	5,313,757
Subsidiary of ultimate parent	348,621	579,520
	4,582,278	5,893,277

iii) Directors and management benefit expenses

Management benefit expense represents salaries, retirement benefits and other benefits paid to management. Directors benefit expense represents meeting fees and gratuities as approved by the shareholders in the Annual General Meeting of shareholders.

8 Trade accounts receivable (net)

	2010 Baht	2009 Baht
Trade accounts receivable	387,352,512	331,418,881
Less Allowance for doubtful accounts	(708,430)	(718,430)
Trade accounts receivable (net)	386,644,082	330,700,451

8 Trade accounts receivable (net) (Cont'd)

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

	2010 Baht	2009 Baht
Current	350,426,102	295,182,045
Overdue:		
less than 3 months	33,054,092	35,208,074
3 - 6 months	3,081,969	206,890
6 - 12 months	81,919	611,233
Over 12 months	708,430	210,639
Trade accounts receivable	387,352,512	331,418,881
Less Allowance for doubtful accounts	(708,430)	(718,430)
Trade accounts receivable (net)	386,644,082	330,700,451

9 Inventories (net)

	2010 Baht	2009 Baht
Finished goods	61,817,019	28,422,133
Raw materials	42,243,292	37,931,768
Spare parts and factory supplies	32,582,533	31,978,280
	136,642,844	98,332,181
Less Allowance for obsolescence of finished goods	(4,227,221)	(3,560,249)
	132,415,623	94,771,932
Add Inventories in transit	5,470,565	8,577,147
Inventories (net)	137,886,188	103,349,079

10 Other current assets

	2010 Baht	2009 Baht
Prepaid expenses	963,972	1,293,146
Refundable import duty	1,914,584	972,683
Premium on forward contracts	641,353	805,786
Others	854,036	826,330
	4,373,945	3,897,945

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 2008								
Cost	157,288,393	74,630,178	63,948,408	392,955,108	30,153,411	11,362,698	15,174,421	745,512,617
Less Accumulated depreciation	-	(48,976,535)	(41,532,237)	(267,821,355)	(27,657,009)	(8,291,027)	-	(394,278,163)
Net book amount	157,288,393	25,653,643	22,416,171	125,133,753	2,496,402	3,071,671	15,174,421	351,234,454
For the year ended 31 December 2009								
Opening net book amount	157,288,393	25,653,643	22,416,171	125,133,753	2,496,402	3,071,671	15,174,421	351,234,454
Additions	-	26,500	-	558,832	107,673	-	2,000,866	2,693,871
Transfers	-	729,037	-	9,206,059	118,327	-	(10,053,423)	-
Disposals/write-offs								
- cost	-	-	-	-	-	-	(39,142)	(39,142)
- accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge (Note 17)	-	(10,237,155)	(3,197,421)	(25,377,470)	(1,479,449)	(1,314,404)	-	(41,605,899)
Closing net book amount	157,288,393	16,172,025	19,218,750	109,521,174	1,242,953	1,757,267	7,082,722	312,283,284
At 31 December 2009								
Cost	157,288,393	75,385,715	63,948,408	402,719,999	30,379,411	11,362,698	7,082,722	748,167,346
Less Accumulated depreciation	-	(59,213,690)	(44,729,658)	(293,198,825)	(29,136,458)	(9,605,431)	-	(435,884,062)
Net book amount	157,288,393	16,172,025	19,218,750	109,521,174	1,242,953	1,757,267	7,082,722	312,283,284

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

	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
For the year ended 31 December 2010								
Opening net book amount	157,288,393	16,172,025	19,218,750	109,521,174	1,242,953	1,757,267	7,082,722	312,283,284
Additions	-	23,000	-	2,209,678	1,500,405	-	6,973,966	10,707,049
Transfers	-	529,104	-	1,005,624	-	-	(1,534,728)	-
Disposals/write-offs								
- cost	-	-	-	(32,536)	(200,677)	-	(206,185)	(439,398)
- accumulated depreciation	-	-	-	32,535	199,808	-	-	232,343
Depreciation charge (Note 17)	-	(7,682,312)	(3,197,420)	(22,667,933)	(940,848)	(917,885)	-	(35,406,398)
Closing net book amount	157,288,393	9,041,817	16,021,330	90,068,542	1,801,641	839,382	12,315,775	287,376,880
At 31 December 2010								
Cost	157,288,393	75,937,819	63,948,408	405,902,765	31,679,139	11,362,698	12,315,775	758,434,997
Less Accumulated depreciation	-	(66,896,002)	(47,927,078)	(315,834,223)	(29,877,498)	(10,523,316)	-	(471,058,117)
Net book amount	157,288,393	9,041,817	16,021,330	90,068,542	1,801,641	839,382	12,315,775	287,376,880

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

Property, plant and equipment include land for factory expansion of Baht 104.78 million.

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

	2010 Baht	**2009 Baht**
Cost - capitalised finance leases	2,574,004	6,566,517
Less Accumulated depreciation	(1,734,631)	(4,809,811)
Net book amount	839,373	1,756,706

As at 31 December 2010, the cost of fully depreciated plant and equipment that are still in use totalled Baht 304,012,223 (2009 : Baht 281,779,129).

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 7 May 2010, the Board of Directors passed a resolution to authorise the Company's management to find out land buyers and also find out the location for constructing a new factory. Because the Company is in the process of finding out land buyers, the Company does not classify such land as non-current asset held for sale in accordance with TFRS 5 (Revised 2009).

As at 31 December 2010, the Company's land, buildings, machinery and equipment at cost of Baht 183 million (2009 : Baht 199 million) had been mortgaged and pledged as collateral for credit facilities obtained from local banks amounting to Baht 266 million (2009 : Baht 266 million).

12 Computer software in progress

	Baht
For the year ended 31 December 2010	
Opening net book amount	-
Addition	2,050,000
Amortisation charge	-
Closing net book amount	2,050,000
At 31 December 2010	
Cost	2,050,000
Less Accumulated amortisation	-
Net book amount	2,050,000

13 Prepaid rental expenses (net)

	Baht
At 31 December 2008	
Cost	10,264,265
Less Accumulated amortisation	(5,936,946)
Net book amount	4,327,319
For the year ended 31 December 2009	
Opening net book amount	4,327,319
Amortisation charge	(1,025,627)
Closing net book amount	3,301,692
At 31 December 2009	
Cost	10,264,265
Less Accumulated amortisation	(6,962,573)
Net book amount	3,301,692
For the year ended 31 December 2010	
Opening net book amount	3,301,692
Amortisation charge	(1,025,627)
Closing net book amount	2,276,065
At 31 December 2010	
Cost	10,264,265
Less Accumulated amortisation	(7,988,200)
Net book amount	2,276,065

14 Finance lease liabilities

Finance lease liabilities - minimum lease payments:

	2010 Baht	**2009 Baht**
Not later than 1 year	475,572	1,027,488
Later than 1 year but not later than 5 years	598,692	1,074,264
	1,074,264	2,101,752
Less Future finance charges on finance leases	(72,906)	(167,966)
Present value of finance lease liabilities	1,001,358	1,933,786
Representing lease liabilities:		
- current portion	425,902	932,428
- non-current portion	575,456	1,001,358
	1,001,358	1,933,786

The present value of finance lease liabilities is as follows:

	2010 Baht	**2009 Baht**
Not later than 1 year	425,902	932,428
Later than 1 year but not later than 5 years	575,456	1,001,358
	1,001,358	1,933,786

15 Share capital and premium on share capital

	Number of shares	Ordinary shares Baht	Share premium Baht	Total Baht
At 31 December 2010 and 2009	12,150,000	121,500,000	233,350,000	354,850,000

As at 31 December 2010, the total registered number of ordinary shares is 12,150,000 shares (2009 : 12,150,000 shares) with a par value of Baht 10 per share (2009 : Baht 10 per share). All issued shares are fully paid.

16 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.

17 Expense by nature

The following expenditure items for the years ended 31 December 2010 and 2009, classified by nature, have been charged in arriving at profit before finance costs and income tax:

	2010 (Baht)			
	Cost of sales and services	Selling expenses	Administrative expenses	Total
Raw materials and consumables used	1,254,856,323	-	-	1,254,856,323
Change in inventories of finished goods	(33,394,886)	-	-	(33,394,886)
Depreciation (Note 11)	32,874,341	125,572	2,406,485	35,406,398
Repairs and maintenance expenditure	9,471,985	133,702	832,111	10,437,798
Amortisation of prepaid rental expenses	1,025,627	-	-	1,025,627
Allowance for inventory obsolescence	666,972	-	-	666,972
Staff costs	53,453,375	3,780,856	15,832,814	73,067,045
Fuel and utilities expenses	70,061,574	610,913	3,978,077	74,650,564
Transportation expenses	-	36,494,642	-	36,494,642
Other expenses	13,219,632	17,502,085	20,926,448	51,648,165
Total	1,402,234,943	58,647,770	43,975,935	1,504,858,648

	2009 (Baht)			
	Cost of sales and services	Selling expenses	Administrative expenses	Total
Raw materials and consumables used	909,963,434	-	-	909,963,434
Change in inventories of finished goods	11,940,565	-	-	11,940,565
Depreciation (Note 11)	38,059,667	217,280	3,328,952	41,605,899
Repairs and maintenance expenditure	9,216,115	80,618	630,405	9,927,138
Amortisation of prepaid rental expenses	1,025,627	-	-	1,025,627
Allowance for inventory obsolescence	1,260,562	-	-	1,260,562
Staff costs	47,791,613	3,790,740	24,274,689	75,857,042
Fuel and utilities expenses	57,407,203	642,181	3,762,976	61,812,360
Transportation expenses	-	27,189,178	-	27,189,178
Other expenses	10,469,309	22,630,019	19,355,860	52,455,188
Total	1,087,134,095	54,550,016	51,352,882	1,193,036,993

18 Income tax

The corporate income tax rate applied for income tax calculation for 2010 is 25% (2009 : 25%) which is in accordance with the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code regarding the reduction of corporate income tax rate. This privilege will be effective until the accounting period ending 31 December 2010.

19 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.

	2010	**2009**
Net profit attributable to shareholders (Baht)	51,987,410	61,189,244
Weighted average number of ordinary shares in issue (Shares)	12,150,000	12,150,000
Basic earnings per share (Baht)	4.28	5.04

There are no potential dilutive ordinary shares in issue for the years ended 2010 and 2009.

20 Dividends

On 28 April 2010, the shareholders at the Annual General Meeting passed a resolution to declare a dividend for the year 2009 of Baht 4.50 per share, totaling Baht 54.675 million which was paid on 27 May 2010.

On 27 April 2009, the shareholders at the Annual General Meeting passed a resolution to declare a dividend for the year 2008 of Baht 4.00 per share, totaling Baht 48.60 million which was paid on 27 May 2009.

21 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities:

	Notes	2010 Baht	2009 Baht
Profit before income tax		69,991,163	77,844,172
Adjustments for:			
Depreciation and amortisation	11, 13	36,432,025	42,631,526
Gain on sales of equipment		(21,087)	-
Loss on equipment written-off	11	206,185	39,142
Allowance for doubtful accounts (reversal)	8	(10,000)	718,430
Allowance for obsolescence and net realisable value of finished goods	9	666,972	1,260,562
Interest income		(535,652)	(207,073)
Interest expenses		95,061	311,681
Unrealised (gain) loss on exchange rate		(5,434)	58,397
Changes in operating assets and liabilities			
- Trade accounts receivable		(55,933,631)	(25,344,078)
- Trade accounts receivable - related companies		3,428,146	(2,375,043)
- Inventories		(35,204,081)	27,552,214
- Value added tax receivable		1,139,884	670,902
- Loans to employees		(15,152)	174,668
- Other current assets		(478,750)	706,323
- Trade accounts payable - related companies		35,016,163	(13,666,934)
- Trade accounts payable - other companies		30,096,438	32,842,089
- Other payables - related companies		(1,310,999)	1,710,971
- Other payables - other companies		(463,748)	3,161,872
- Accounts payable - forward contracts (net)		962,742	(763,921)
- Accrued expenses		(13,454,206)	18,314,248
- Other current liabilities		1,535,217	(2,558,458)
Cash generated from operations		72,137,256	163,081,690
Interest paid		-	(135,345)
Income tax paid		(19,866,681)	(10,218,957)
Net cash generated from operating activities		52,270,575	152,727,388

22 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.

23 Commitments

a) 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:

	2010 Baht	2009 Baht
Not later than 1 year	3,675,995	4,244,025
Later than 1 year but not later than 5 years	1,680,000	3,828,750
	5,355,995	8,072,775

b) Letters of Guarantees

As at 31 December 2010, the Company had commitments with banks for bank guarantees in respect of electricity usage and others amounting to approximately Baht 6.68 million (2009 : Baht 5.20 million).

c) Capital expenditure

The capital expenditure contracted at the balance sheet date but not recognised in the financial statements is as follows:

	2010 Baht	2009 Baht
Purchase of machineries and equipment	5,477,500	-

24 Financial risk management

24.1 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.

24 Financial risk management (Cont'd)

24.1 Financial risk factors (Cont'd)

24.1.1 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.

24.1.2 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.

24.1.3 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.

24.2 Information for derivative financial instruments

As at 31 December 2010, foreign exchange forward contracts have been entered into to cover the receipts of accounts receivable. Receivable/(payable) under these contracts are as follows:

	2010 Baht	2009 Baht
Foreign exchange forward contracts		
Amount due from bank	81,376,724	88,342,156
Amount due to bank	(83,121,796)	(89,124,486)
Foreign exchange forward contracts (net)	(1,745,072)	(782,330)

As at 31 December 2010, the premium on forward contracts of Baht 641,353 (2009 : Baht 805,786) was included in other current assets.

24 Financial risk management (Cont'd)

24.2 Information for derivative financial instruments (Cont'd)

As at 31 December 2010, the details of the above contracts are as follows:

Currency	Amount	Forward rate (Baht : USD/AUD 1)	Contract date	Maturity
USD	70,298	31.86	11 August 2010	7 February 2011
USD	522,535	29.91	8 October 2010	5 April 2011
USD	1,092,227	29.62	5 November 2010	4 May 2011
AUD	177,655	29.20	5 November 2010	4 May 2011
USD	685,902	30.07	8 December 2010	6 June 2011
AUD	186,531	28.66	8 December 2010	6 June 2011

As at 31 December 2009, the details of the above contracts are as follows:

Currency	Amount	Forward rate (Baht : USD/AUD 1)	Contract date	Maturity
USD	4,146	33.86	28 July 2009	22 January 2010
USD	17,884	33.90	7 August 2009	3 February 2010
USD	341,946	33.24	8 October 2009	8 March 2010
USD	119,650	33.24	8 October 2009	8 March 2010
USD	57,451	33.24	8 October 2009	8 March 2010
USD	86,358	33.88	14 September 2009	15 March 2010
USD	32,472	33.74	16 September 2009	15 March 2010
USD	41,867	33.62	17 September 2009	16 March 2010
USD	641,570	33.26	9 November 2009	8 April 2010
AUD	291,369	30.09	9 November 2009	8 April 2010
USD	800,553	33.01	8 December 2009	7 May 2010
AUD	283,294	29.60	8 December 2009	7 May 2010

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

	2010 Baht	2009 Baht
Unfavorable forward foreign exchange contracts	(613,175)	(603,078)

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.

24 Financial risk management (Cont'd)

24.3 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.

25 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, Oceania, USA, Europe and Africa.

The geographical segment information for the years ended 31 December 2010 and 2009 is presented below:

	For the year ended 31 December 2010				
	Local sales and export sales to neighbouring countries Baht	Export sales to countries in Middle East Baht	Export sales to countries in Oceania Baht	Export sales to USA, Europe and Africa Baht	Total Baht
Sales and service income	1,224,297,334	88,882,739	163,880,047	74,620,155	1,551,680,275
Cost of sales and service					(1,402,234,943)
Segment result					149,445,332

	For the year ended 31 December 2009				
	Local sales and export sales to neighbouring countries Baht	Export sales to countries in Middle East Baht	Export sales to countries in Oceania Baht	Export sales to USA, Europe and Africa Baht	Total Baht
Sales and service income	902,454,717	99,595,640	183,966,501	67,614,514	1,253,631,372
Cost of sales and service					(1,087,134,095)
Segment result					166,497,277

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.