

**Thai Poly Acrylic Public Company Limited**  
**Notes to financial statements**  
**For the year ended 31 December 2012**

**1. Corporate information**

Thai Poly Acrylic Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are Lucite International UK Overseas Holdco1 Limited, incorporated in England and Asiatic Acrylic Company Limited, incorporated in Thailand, with shareholdings of 42.3 percent and 34.1 percent, respectively. Lucite International UK Overseas Holdco1 Limited is a subsidiary of Lucite International Group Limited, incorporated in England and the ultimate parent company of the Group is Mitsubishi Rayon Company Limited, incorporated in Japan. The Company is principally engaged in the manufacture and distribution of Acrylic, Acrylonitrile Butadiene Styrene and High Impact Polystyrene sheets. The registered office of the Company is at 60-61 Moo 9, 4th Putthamonthon Road, Krathumlom, Sampran, Nakornpathom.

**2. Basis of preparation**

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2012, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

### 3. **New accounting standards not yet effective**

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

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 Rates

Financial Reporting Standard:

TFRS 8                      Operating Segments

Accounting Standard Interpretations:

SIC 10      Government Assistance - No Specific Relation to Operating Activities

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

SIC 25      Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the accounting standard for income taxes, as detailed below.

#### **TAS 12 Income Taxes**

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of increasing the Company brought-forward retained earnings of the year 2013 by approximately Baht 1.7 million.

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29            Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 4          Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12         Service Concession Arrangements	1 January 2014
TFRIC 13         Customer Loyalty Programmes	1 January 2014

The management of the Company believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

###### *Rendering of services*

Service revenue is recognised when services have been rendered taking into account the stage of completion.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

##### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.3 Trade receivables**

Trade receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

#### **4.4 Inventories**

Finished goods are valued at the lower of average cost and net realisable value. Average cost includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of cost (first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

#### **4.5 Property, plant and equipment/Depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their cost, on the straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Building improvements	-	5 years
Machinery and equipment	-	5 - 20 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

#### **4.6 Intangible assets and amortisation - computer software**

Computer software is measured at cost. Following initial recognition, computer software is carried at cost less any accumulated amortisation and allowance for impairment losses (if any).

Computer software with finite life is amortised on a straight-line basis over the useful life of 5 years and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

#### **4.7 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.8 Foreign currencies**

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.9 Impairment of assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### **4.10 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits and other long-term employee benefits***

###### *Defined contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

#### *Defined benefit plans and other long-term employee benefits*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plan. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligations under the defined benefit plan and other long-term employee benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

#### **4.11 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.12 Income tax**

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

#### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### **Reduction of inventory to net realisable value**

In determining a reduction of inventory to net realisable value, the management needs to make judgement and estimates based upon, among other things, slow-moving inventories and net realisable value.

### **Plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

### **Post-employment benefits under defined benefit plans and other long-term employee benefits**

The obligations under the defined benefit plan and other long-term employee benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## **6. Related party transactions**

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	<u>2012</u>	<u>2011</u>	<u>Pricing policies</u>
(Unit: Million Baht)			
<u>Transactions with related parties</u>			
Sales of goods	17	7	With reference to market price
Purchases of raw materials	586	620	As agreed with reference to market price
Service expenses	3	5	Contract price and as agreed

The balances of the accounts between the Company and those related parties as at 31 December 2012 and 2011 are as follows:

	(Unit: Thousand Baht)	
	<u>2012</u>	<u>2011</u>
<b><u>Trade receivables - related parties (Note 7)</u></b>		
Fellow subsidiaries	6,229	1,802
<b><u>Trade and other payables - related parties (Note 10)</u></b>		
Fellow subsidiaries	5,607	3,386
Subsidiaries of ultimate parent		
Thai MMA Company Limited	170,218	148,952
Others	10,427	8,569
<b>Total trade and other payables - related parties</b>	<b>186,252</b>	<b>160,907</b>

**Directors and management's benefits**

During the year ended 31 December 2012 and 2011, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	<u>2012</u>	<u>2011</u>
Short-term employee benefits	23,321	22,639
Post-employment benefits	316	315
Other long-term benefits	8	7
<b>Total</b>	<b>23,645</b>	<b>22,961</b>



## 7. Trade and other receivables

(Unit: Thousand Baht)

	<u>2012</u>	<u>2011</u>
<b>Trade receivables - related parties</b>		
Aged on the basis of due dates		
Not yet due	4,213	1,802
Past due		
Up to 3 months	2,016	-
Total trade receivables - related parties	<u>6,229</u>	<u>1,802</u>
<b>Trade receivables - unrelated parties</b>		
Aged on the basis of due dates		
Not yet due	293,204	262,273
Past due		
Up to 3 months	75,555	44,210
3 - 6 months	948	1,403
6 - 12 months	-	3
Over 12 months	-	708
Total	<u>369,707</u>	<u>308,597</u>
Less: Allowance for doubtful debts	-	(708)
Total trade receivables - unrelated parties, net	<u>369,707</u>	<u>307,889</u>
Total trade receivables - net	<u>375,936</u>	<u>309,691</u>
<b>Other receivables</b>	<u>1,014</u>	<u>561</u>
Total trade and other receivables - net	<u><u>376,950</u></u>	<u><u>310,252</u></u>

## 8. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	Finished goods	63,161	51,451	(6,866)	(5,650)	56,295
Raw materials	40,753	45,890	-	-	40,753	45,890
Spare parts and factory supplies	46,246	40,705	-	-	46,246	40,705
Good in transit	6,719	2,962	-	-	6,719	2,962
Total	<u>156,879</u>	<u>141,008</u>	<u>(6,866)</u>	<u>(5,650)</u>	<u>150,013</u>	<u>135,358</u>

## 9. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>							
1 January 2011	157,288	139,886	405,903	31,678	11,363	12,316	758,434
Additions	83,826	-	1,376	473	-	11,912	97,587
Disposals/Write-off	-	-	-	(10,346)	-	-	(10,346)
Transfer in (out)	-	-	6,747	1,954	-	(8,701)	-
31 December 2011	241,114	139,886	414,026	23,759	11,363	15,527	845,675
Additions	-	46	763	520	-	33,342	34,671
Disposals/Write-off	-	(1,031)	(1,316)	(6,007)	(908)	(482)	(9,744)
Transfer in (out)	-	98	1,810	31	-	(1,939)	-
31 December 2012	241,114	138,999	415,283	18,303	10,455	46,448	870,602
<b>Accumulated depreciation:</b>							
1 January 2011	-	114,823	315,834	29,877	10,523	-	471,057
Depreciation for the year	-	8,861	13,868	934	404	-	24,067
Depreciation on disposals	-	-	-	(10,346)	-	-	(10,346)
31 December 2011	-	123,684	329,702	20,465	10,927	-	484,778
Depreciation for the year	-	5,049	11,764	1,415	261	-	18,489
Depreciation on disposals	-	(1,012)	(1,288)	(6,007)	(908)	-	(9,215)
31 December 2012	-	127,721	340,178	15,873	10,280	-	494,052
<b>Net book value:</b>							
1 January 2011	157,288	25,063	90,069	1,801	840	12,316	287,377
31 December 2011	241,114	16,202	84,324	3,294	436	15,527	360,897
31 December 2012	241,114	11,278	75,105	2,430	175	46,448	376,550
<b>Depreciation for the year</b>							
2011 (Baht 22 million included in manufacturing cost, and the balance in selling and administrative expenses)							24,067
2012 (Baht 16 million included in manufacturing cost, and the balance in selling and administrative expenses)							18,489

The Company had a piece of land with a carrying value of approximately Baht 104 million which is currently not being used in its operation.

As at 31 December 2012, certain plant and equipment items had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 362 million (2011: Baht 333 million).

#### 10. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2012</u>	<u>2011</u>
Trade payables - related parties	183,667	156,669
Trade payables - unrelated parties	163,779	109,065
Amount due to related parties	2,585	4,238
Other payables	38,004	13,222
Accrued expenses	30,148	24,157
<b>Total trade and other payables</b>	<u><u>418,183</u></u>	<u><u>307,351</u></u>

#### 11. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2012 and 2011, which is compensations on employees' retirement and other long-term employee benefits, were as follows:

	(Unit: Thousand Baht)		
	<u>2012</u>		
	Legal severance payment plan	Long service awards	Total
<b>Defined benefit obligation at beginning of year</b>	10,734	1,170	11,904
Current service cost	666	115	781
Interest cost	448	45	493
Benefits paid during the year	-	(292)	(292)
Actuarial losses	437	218	655
<b>Defined benefit obligation at end of year</b>	<u><u>12,285</u></u>	<u><u>1,256</u></u>	<u><u>13,541</u></u>

(Unit: Thousand Baht)

	2011		
	Legal severance	Long service	Total
	payment plan	awards	
<b>Defined benefit obligation at beginning of year</b>	9,769	1,359	11,128
Current service cost	640	133	773
Interest cost	410	50	460
Benefits paid during the year	(85)	(372)	(457)
<b>Defined benefit obligation at end of year</b>	<b>10,734</b>	<b>1,170</b>	<b>11,904</b>

Long-term employee benefit expenses included in the profit or loss were as follows:

(Unit: Thousand Baht)

	<u>2012</u>	<u>2011</u>
Current service cost	781	773
Interest cost	493	460
Actuarial losses recognised during the year	218	-
<b>Total expenses recognised in profit or loss</b>	<b>1,492</b>	<b>1,233</b>
Line items under which such expenses are included in profit or loss		
Cost of sales	346	352
Selling and administrative expenses	1,146	881

Total actuarial gains and losses recognised in the other comprehensive income of the Company as at 31 December 2012 amounted to approximately Baht 0.4 million (2011: Nil).

Principal actuarial assumptions at the valuation date were as follows:

	<u>2012</u>	<u>2011</u>
	(% per annum)	(% per annum)
Discount rate	3.8	4.3
Future salary increase rate	4.0	4.5
Staff turnover rate (depending on age of employee)	0 - 45.3	0 - 45.4

Amounts of defined benefit obligation for the current and previous two periods are as follows:

	(Unit: Thousand Baht)	
	Defined benefit	Experience
	obligation	adjustments arising on the plan liabilities
Year 2012	13,541	(746)
Year 2011	11,904	-
Year 2010	11,128	-

## 12. Credit facilities

The credit facilities of the Company granted by financial institutions amounting to Baht 238 million (2011: Baht 245 million) are secured by the following collaterals:

- a) The pledges/mortgages by land, buildings, machinery and equipment of the Company, with cost totaling Baht 77 million (2011: Baht 183 million)
- b) The pledges/mortgages by twelve-month fixed deposit (for bank overdraft facilities)

## 13. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 14. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2012</u>	<u>2011</u>
Raw materials and consumables used	1,145,702	1,168,787
Changes in inventories of finished goods	(11,710)	10,366
Salaries, wages and other employee benefits	115,100	96,709
Fuel and utility expenses	86,977	78,450
Transportation expenses	34,349	32,307
Depreciation and amortisation	18,945	24,414
Repair and maintenance expenditure	9,749	8,768

## 15. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

	<u>2012</u>	<u>2011</u>
Profit for the year (Thousand Baht)	105,372	66,866
Weighted average number of ordinary shares (Thousand shares)	12,150	12,150
Earnings per share (Baht per share)	8.67	5.50

## 16. 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 and service income by geographic markets of the Company for the years ended 31 December 2012 and 2011 are as follows:

	(Unit: Million Baht)	
	<u>2012</u>	<u>2011</u>
Thailand	1,072	996
Other countries in Asia	248	235
Australia and New Zealand	113	153
Countries in Europe	72	96
Others	28	33
Total	<u>1,533</u>	<u>1,513</u>

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

## 17. Provident fund

The Company and its employees have jointly established a 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. Both employees and the Company contribute to the fund monthly at the rate of 3 or 5 or 7 percent of basic salary. The fund, which is managed by a fund manager, will be paid to employees upon termination in accordance with the fund rules.

## 18. Dividends

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht per share)
<u>For the year ended 31 December 2012</u>			
Final dividend for year 2011	Annual General Meeting of the shareholders on 27 April 2012	55	4.5
Interim dividend for year 2012	Board of Directors Meeting on 10 August 2012	24	2.0
Total dividends		<u>79</u>	<u>6.5</u>
<u>For the year ended 31 December 2011</u>			
Final dividend for year 2010	Annual General Meeting of the shareholders on 27 April 2011	49	4.0

## 19. Commitments and contingent liabilities

### 19.1 Capital commitments

As at 31 December 2012, the Company had capital commitments of approximately Baht 0.3 million (2011: Baht 7 million), relating to the acquisitions of machinery and equipment.

### 19.2 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of buildings. The terms of the agreements are generally within three years.

Future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

	(Unit: Million Baht)	
	As at 31 December	
	<u>2012</u>	<u>2011</u>
Payable within:		
Less than 1 year	1	1
1 to 5 years	-	2

### 19.3 Service agreement commitments

Future minimum lease payments required under these non-cancellable service lease contracts were as follows.

(Unit: Million Baht)

	As at 31 December	
	<u>2012</u>	<u>2011</u>
Payable within:		
Within 1 year	3	2
1 to 5 years	-	1

### 19.4 Bank guarantees

As at 31 December 2012, there were outstanding bank guarantees of approximately Baht 7 million (2011: Baht 7 million) issued by a bank on behalf of the Company in respect of electricity usage and others.

## 20. Financial instruments

### 20.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Company is exposed to credit risk primarily with respect to trade receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables, as stated in the statement of financial position.

#### ***Interest rate risk***

The Company is exposed to the normal interest rate risk related to its deposits at financial institutions. However, since most deposits at financial institutions bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.



Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	As at 31 December 2012				
	Fixed interest rates				Effective interest rate
	Within 1 year	Floating interest rate	Non-interest bearing	Total	
					(% per annum.)
<u>Financial assets</u>					
Cash and cash equivalents	-	143	25	168	0.65 - 0.75
Current investment - fixed deposit	1	-	-	1	2.50
Trade and other receivables	-	-	377	377	-
	1	143	402	546	
<u>Financial liabilities</u>					
Trade and other payables	-	-	418	418	-
	-	-	418	418	

(Unit: Million Baht)

	As at 31 December 2011				
	Fixed interest rates				Effective interest rate
	Within 1 year	Floating interest rate	Non-interest bearing	Total	
					(% per annum.)
<u>Financial assets</u>					
Cash and cash equivalents	-	121	13	134	0.65 - 0.875
Current investment - fixed deposit	1	-	-	1	2.50
Trade and other receivables	-	-	310	310	-
	1	121	323	445	
<u>Financial liabilities</u>					
Trade and other payables	-	-	307	307	-
	-	-	307	307	

### **Foreign currency risk**

The Company's exposure to foreign currency risk arises mainly from the purchases/sales of goods and machinery that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	<u>2012</u> (Million)	<u>2011</u> (Million)	<u>2012</u> (Million)	<u>2011</u> (Million)	<u>2012</u> (Baht per 1 foreign currency unit)	<u>2011</u>
US dollar	2.7	3.6	0.5	0.6	30.6316	31.6912
Australian dollar	0.6	0.6	-	-	31.7757	32.1971
Euro	-	-	0.1	0.1	40.5563	41.0274
Japanese yen	-	-	6.6	4.9	0.3545	0.4084

Forward exchange contracts outstanding are summarised below.

As at 31 December 2012			
Foreign currency	Sold amount (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
US dollar	1.5	30.7125 - 30.7325	11 April 2013 to 10 May 2013

## 20.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

## 21. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

## 22. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2013.