

Alucon Public Company Limited

Annual financial statements
and
Audit report of Certified Public Accountant

For the years ended
31 December 2010 and 2009

Audit Report of Certified Public Accountant

To the Shareholders of Alucon Public Company Limited

I have audited the accompanying balance sheets of Alucon Public Company Limited as at 31 December 2010 and 2009, and the related statements of income, changes in equity and cash flows for the years then ended. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of Alucon Public Company Limited as at 31 December 2010 and 2009, and the results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles.

(Siripen Sukcharoenyingyong)
Certified Public Accountant
Registration No. 3636

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2011

Alucon Public Company Limited

Balance sheets

As at 31 December 2010 and 2009

Assets	Note	2010	2009
		<i>(in Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents	5	248,874,365	292,849,570
Trade accounts receivable	4, 6	618,715,878	507,142,436
Inventories	7	695,964,887	469,599,650
Refundable value added tax		32,663,327	21,185,120
Other current assets		8,183,350	6,124,394
Total current assets		1,604,401,807	1,296,901,170
<i>Non-current assets</i>			
Property, plant and equipment	4, 8, 11	2,803,915,296	2,518,790,226
Intangible assets	9	11,431,268	12,665,955
Deferred tax assets	10	98,795,186	96,091,343
Other non-current assets		238,800	238,800
Total non-current assets		2,914,380,550	2,627,786,324
Total assets		4,518,782,357	3,924,687,494

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited

Balance sheets

As at 31 December 2010 and 2009

Liabilities and equity	Note	2010	2009
		(in Baht)	
Current liabilities			
Bank overdrafts and short-term loans			
from financial institutions	11	158,581,168	160,018,941
Trade accounts payable	4, 12	180,022,974	73,528,120
Current portion of long-term loans			
from financial institutions	11	84,829,640	134,067,200
Other payables to and short-term loans			
from related parties	4, 11	532,904,970	382,324,983
Other payables and accrued expenses	13	116,758,705	82,928,871
Income tax payable		106,999,239	127,722,899
Other current liabilities	14	25,892,629	24,123,775
Total current liabilities		1,205,989,325	984,714,789
Non-current liabilities			
Long-term loans from financial institutions	11	-	93,847,040
Long-term loans from and accrued interest			
payable to related party	4, 11	70,451,233	-
Deferred income	15	52,563,684	57,858,096
Provision for employees' long-term benefits	16	318,097,100	300,043,137
Total non-current liabilities		441,112,017	451,748,273
Total liabilities		1,647,101,342	1,436,463,062
Equity			
Share capital	17		
Authorised share capital		432,000,000	288,000,000
Issued and paid-up share capital		431,999,860	288,000,000
Additional paid-in capital			
Premium on ordinary shares	18	254,000,000	254,000,000
Retained earnings			
Appropriated			
Legal reserve	18	43,200,000	28,800,000
Unappropriated		2,142,481,155	1,917,424,432
Total equity		2,871,681,015	2,488,224,432
Total liabilities and equity		4,518,782,357	3,924,687,494

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited

Statements of income

For the years ended 31 December 2010 and 2009

	<i>Note</i>	2010	2009
		<i>(in Baht)</i>	
<i>Income</i>			
Revenue from sale of goods	4, 19	4,057,556,204	3,504,701,510
Net foreign exchange gain		-	22,543,892
Other income	20	<u>113,457,632</u>	<u>72,481,673</u>
Total income		<u>4,171,013,836</u>	<u>3,599,727,075</u>
<i>Expenses</i>			
Cost of sale of goods	4, 7	3,103,012,970	2,593,334,830
Selling expenses	4, 21, 23	155,519,080	78,915,166
Administrative expenses	22, 23	73,525,804	71,023,590
Management benefit expenses	4, 23	65,734,203	62,860,079
Net foreign exchange loss		<u>3,463,671</u>	<u>-</u>
Total expenses	24	<u>3,401,255,728</u>	<u>2,806,133,665</u>
Profit before finance costs and income tax expense		769,758,108	793,593,410
Finance costs	4, 25	<u>14,504,156</u>	<u>20,972,591</u>
Profit before income tax expense		755,253,952	772,620,819
Income tax expense	26	<u>211,669,369</u>	<u>202,378,556</u>
Profit for the year	19	<u>543,584,583</u>	<u>570,242,263</u>
Basic earnings per share	27	12.58	13.20

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited

Statements of changes in equity

For the years ended 31 December 2010 and 2009

		Issued and paid-up share capital	Additional paid-in capital Premium on ordinary shares	Retained earnings		Total equity
	<i>Note</i>			Legal reserve <i>(in Baht)</i>	Unappropriated	
Balance at 1 January 2009		288,000,000	254,000,000	28,800,000	1,606,382,169	2,177,182,169
Profit for the year		-	-	-	570,242,263	570,242,263
Dividends	29	-	-	-	(259,200,000)	(259,200,000)
Balance at 31 December 2009 and 1 January 2010		288,000,000	254,000,000	28,800,000	1,917,424,432	2,488,224,432
Profit for the year		-	-	-	543,584,583	543,584,583
Appropriated to legal reserve		-	-	14,400,000	(14,400,000)	-
Stock dividends	29	143,999,860	-	-	(143,999,860)	-
Dividends	29	-	-	-	(160,128,000)	(160,128,000)
Balance at 31 December 2010		431,999,860	254,000,000	43,200,000	2,142,481,155	2,871,681,015

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited

Statements of cash flows

For the years ended 31 December 2010 and 2009

	<i>Note</i>	2010	2009
		<i>(in Baht)</i>	
<i>Cash flows from operating activities</i>			
Profit for the year		543,584,583	570,242,263
<i>Adjustments for</i>			
Depreciation and amortisation		333,795,024	286,946,479
Doubtful debts expense		-	5,800
Recognised deferred income		(5,294,412)	-
Interest income		(797,493)	(854,175)
Finance costs		14,504,156	20,972,591
Unrealised gain on exchange		(12,893,030)	(19,861,522)
Loss from devaluation of inventories (reversal of)		1,269,937	(5,573,283)
Provision for employees' long-term benefits		37,207,777	60,017,089
Gain on disposal of plant and equipment		(5,888,382)	(1,106,833)
Income tax expense		211,669,369	202,378,556
		<u>1,117,157,529</u>	<u>1,113,166,965</u>
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable		(109,755,794)	284,849
Inventories		(227,635,174)	59,787,764
Refundable value added tax		(11,478,207)	(2,701,240)
Other current assets		(2,061,158)	4,679,920
Other non-current assets		-	(5,000)
Trade accounts payable		106,295,054	15,567,278
Other payables to related parties		(454,666)	(630,815)
Other payables and accrued expenses		(7,411,604)	(49,485,057)
Other current liabilities		1,768,854	720,001
Deferred income		-	57,858,096
Provision for employees' long-term benefits paid		(19,153,814)	(25,417,720)
Income tax paid		<u>(235,096,872)</u>	<u>(218,348,076)</u>
Net cash provided by operating activities		612,174,148	955,476,965

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited

Statements of cash flows

For the years ended 31 December 2010 and 2009

	<i>Note</i>	2010	2009
		<i>(in Baht)</i>	
<i>Cash flows from investing activities</i>			
Interest received		799,695	974,317
Purchase of plant and equipment		(576,489,436)	(477,698,843)
Interest paid for plant and equipment		-	(1,128,999)
Sale of plant and equipment		8,637,194	2,502,730
Purchase of intangible assets		(225,974)	(542,538)
Net cash used in investing activities		(567,278,521)	(475,893,333)
<i>Cash flows from financing activities</i>			
Finance costs paid		(15,485,908)	(23,864,525)
Dividends paid		(160,128,000)	(259,200,000)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		810,276	(283,195)
Proceeds from short-term loans from related party		150,000,000	50,000,000
Repayment of short-term loans from related party		-	(50,000,000)
Repayment of long-term loans from financial institutions		(134,067,200)	(180,480,080)
Proceeds from long-term loans from related party		70,000,000	-
Net cash used in financing activities		(88,870,832)	(463,827,800)
Net increase (decrease) in cash and cash equivalents		(43,975,205)	15,755,832
Cash and cash equivalents at beginning of year	5	292,849,570	277,093,738
Cash and cash equivalents at end of year	5	248,874,365	292,849,570

Non-cash transaction

During the year ended 31 December 2010, the Company acquired plant and equipment totalling Baht 620 million (2009: Baht 525 million), cash payments of Baht 576 million (2009: Baht 479 million) were made to purchase plant and equipment. Moreover, the Company paid the stock dividends of Baht 144 million.

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited
Notes to the financial statements
For the years ended 31 December 2010 and 2009

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Alucon Public Company Limited
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These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 February 2011.

1 General information

Alucon Public Company Limited, “the Company”, is incorporated in Thailand and has its registered office at 500 Moo 1, Soi Sirikam, Sukhumvit 72 Road, North Samrong, Muang, Samut Prakarn. Another plant at Chonburi is located at 272/5, Moo 3, Bor Win, Sriracha, Chonburi.

The Company was listed on the Stock Exchange of Thailand in November 1989 and converted to a public company in May 1994.

The parent company during the financial year was Takeuchi Press Industries Company Limited, incorporated in Japan, who held 66.41% of the paid up share capital.

The principal businesses of the Company are producing and distributing aluminium containers such as Aluminium Collapsible Tubes, Aluminium Monobloc Aerosol Cans, Aluminium Rigid Wall Containers, Aluminium Bottles, Technical Impact Extrusions, Aluminium Slugs (Blanks), Aluminium Coils, Aluminium Pellets, strips, plates, etc.

2 Basis of preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions (“FAP”); applicable rules and regulations of the Thai Securities and Exchange Commission; and with generally accepted accounting principles in Thailand.

During 2010, the FAP announced the re-numbering of the following TFRS.

Former no.	Revised no.	Topic
TAS 11	TAS 101	Doubtful Account and Bad Debts
TAS 48	TAS 107	Financial Instruments Disclosure and Presentation

The Company has adopted the revised Framework for the Preparation and Presentation of Financial Statements (revised 2009), which was issued by the FAP during 2010 and effective on 26 May 2010. The adoption of the revised framework does not have any material impact on the Company’s financial statements.

The FAP has issued during 2010 a number of revised TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 32.

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The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 15	Measurement of provision for employees' long-term benefits
Note 29	Valuation of financial instruments

3 Significant accounting policies

(a) Foreign currencies transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

(b) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange and commodity price risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. Gains and losses from commodity price swap agreement used to hedge anticipated future commodity purchases are recognised when the forecasted transaction occurs.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value.

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Cost is calculated using the first in first out principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(f) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvement	20 years
Machinery and equipment	5 and 10 years
Office equipment	5 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

(g) Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in the statement of income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Software license	10 years
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(h) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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Reversals of impairment

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of income over the period of the borrowings on an effective interest basis.

(j) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(k) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the statement of income as incurred.

Provision for employees' long-term benefits

The Company's net obligation in respect of long-term employee benefits (Legal Severance Payment) is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds. The calculation is performed using the projected unit credit method.

(l) Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(m) Revenue

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts.

Sale of goods

Revenue is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

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Interest and other income

Interest and other income are recognised in the statement of income as they accrue.

(n) Expenses

Expenses are recognised in the statement of income for the period in which they are incurred.

Finance costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(o) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

4 Related party transactions and balances

Related parties are those parties linked to the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly-controlled by the Company or have transactions with the Company were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Takeuchi Press Industries Company Limited	Japan	Parent, 66.41% shareholding

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The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sale of goods	The market price or the price based on the memorandum of understanding. The selling price structure with the parent company is based on the actual cost incurred plus gross margin rate including the consideration of size, sale volume, country and transportation.
Purchase of raw materials and spare parts	The market price.
Purchase of machinery and equipment	The market price/the invoice price.
Interest expense	1.25-2.25% per annum in 2010 and 1.25% per annum in 2009
Commission expenses	Percentage of sales amount.
Management benefit expenses	Amount approved by the directors and / or the shareholders.

Significant transactions for the years ended 31 December 2010 and 2009 with related parties were as follows:

	2010	2009
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sale of goods	932,333	897,141
Purchase of raw materials and spare parts	10,391	6,078
Purchase of machinery and equipment	14,293	3,104
Interest expense	6,327	7,542
Commission expenses	210	118
Management		
Management benefit expenses	65,734	62,860

Balances as at 31 December 2010 and 2009 with related parties were as follows:

Trade account receivable from related party

	2010	2009
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>69,022</u>	<u>46,986</u>

Trade account payable to related party

	2010	2009
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>1,475</u>	<u>-</u>

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Other payable to and short-term loans from related parties

	Interest rate		2010	2009
	2010	2009		
	(% per annum)		(in thousand Baht)	
Short-term loans				
Parent				
Takeuchi Press Industries Company Limited	1.25 - 2.00	1.25	527,295	377,295
Other payables				
Parent				
Takeuchi Press Industries Company Limited			-	489
Accrued commission payable				
Parent				
Takeuchi Press Industries Company Limited			50	31
Accrued interest expense				
Parent				
Takeuchi Press Industries Company Limited			2,026	991
Accrued management's remuneration and other benefits				
Management			3,534	3,519
Total			532,905	382,325

Movements during the years ended 31 December 2010 and 2009 of short-term loans from related party were as follows:

	2010	2009
	(in thousand Baht)	
Short-term loans		
Parent		
At 1 January	377,295	377,295
Increase	150,000	50,000
Decrease	-	(50,000)
At 31 December	527,295	377,295

Long-term loans from and accrued interest payable to related party

	Interest rate			
	2010	2009	2010	2009
	(% per annum)		(in thousand Baht)	
Long-term loans				
Parent				
Takeuchi Press Industries Company Limited	1.75 - 2.25	-	70.000	-

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	2010	2009
	<i>(in thousand Baht)</i>	
Accrued interest payable		
Parent		
Takeuchi Press Industries Company Limited	451	-
Total	70,451	-

Movements during the years ended 31 December 2010 and 2009 of long-term loans from related party were as follows:

	2010	2009
	<i>(in thousand Baht)</i>	
Long-term loans		
Parent		
At 1 January	-	-
Increase	70,000	-
At 31 December	70,000	-

On 1 September 2010, the Company has issued promissory notes to related party totalling Baht 70 million which bear interests at the rates ranging from 1.75% - 2.25% per annum. These long-term loans will be repayable together with interest expenses on various dates from March 2012 to March 2013.

Commitments for purchase of raw materials and spare parts

	2010	2009
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	25,384	5,433

Significant memorandum of understanding

On 4 February 2009, the Company entered into a memorandum of understanding with Takeuchi Press Industries Company Limited to supply aluminium slugs in quantity of about 5,200 MT for the production of aluminium monobloc aerosol cans and collapsible tubes for a period from April 2009 to March 2010.

Subsequently, on 2 February 2010, the Company entered into another memorandum of understanding to supply aluminium slugs in quantity about of 5,000 MT for a period from April 2010 to March 2011.

5 Cash and cash equivalents

	2010	2009
	<i>(in thousand Baht)</i>	
Cash on hand	118	52
Cash at banks - current accounts	3,335	1,387
Cash at banks - saving accounts	217,651	285,783
Cash at banks - fixed accounts	23	23
Cheques in transit	27,747	5,605
Total	248,874	292,850

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Cheques in transit

As at 31 December 2010, cheques in transit have been able to subsequently collect all amounts within 5 January 2011 (2009: 4 January 2010).

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	2010	2009
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	121,669	130,862
United States Dollars (USD)	87,224	123,824
Japanese Yen (YEN)	39,981	38,164
Total	248,874	292,850

6 Trade accounts receivable

	<i>Note</i>	2010	2009
		<i>(in thousand Baht)</i>	
Related party	4	69,022	46,986
Other parties		555,639	466,101
		624,661	513,087
Less allowance for doubtful accounts		(5,945)	(5,945)
Net		618,716	507,142
Doubtful debts expense for the year		-	6

Aging analyses for trade accounts receivable were as follows:

	2010	2009
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	69,022	46,986
	69,022	46,986
Other parties		
Within credit terms	440,763	358,413
Overdue:		
Less than 3 months	108,898	101,743
3 - 6 months	33	-
Over 12 months	5,945	5,945
	555,639	466,101
Less allowance for doubtful accounts	(5,945)	(5,945)
Net	549,694	460,156
Total	618,716	507,142

The normal credit term granted by the Company ranges from 7 days to 90 days.

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The currency denomination of trade accounts receivable as at 31 December was as follows:

	2010	2009
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	223,269	244,056
United States Dollars (USD)	247,120	201,962
Japanese Yen (YEN)	69,022	44,653
Pound Sterling (GBP)	62,428	-
Australian Dollars (AUD)	20,553	17,953
Others (HKD and SGD)	2,269	4,463
Total	624,661	513,087

7 Inventories

	2010	2009
	<i>(in thousand Baht)</i>	
Finished goods	99,925	115,735
Work in progress	97,199	99,687
Raw materials	275,753	135,484
Packing materials	7,318	1,284
Spare parts	108,805	112,992
Goods in transit	109,319	5,502
	698,319	470,684
<i>Less allowance for decline in value</i>	<i>(2,354)</i>	<i>(1,084)</i>
Net	695,965	469,600
Inventories recognised as an expense in “cost of sales of goods”:		
- Cost	3,102,801	2,593,756
- Write-down to net realisable value (reversal of)	212	(421)
Total	3,103,013	2,593,335

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8 Property, plant and equipment

	Land	Buildings and building improvement	Machinery and equipment	Office equipment <i>(in thousand Baht)</i>	Vehicles	Asstes under construction	Total
<i>Cost</i>							
At 1 January 2009	176,704	959,934	2,595,955	16,046	30,048	289,747	4,068,434
Additions	-	5,141	30,396	1,016	5,351	483,303	525,207
Transfers	-	12,465	243,737	17	-	(256,219)	-
Disposals	-	(332)	(9,159)	(237)	(4,905)	-	(14,633)
At 31 December 2009 and 1 January 2010	176,704	977,208	2,860,929	16,842	30,494	516,831	4,579,008
Additions	-	7,633	25,720	1,591	4,823	580,441	620,208
Transfers	-	32,973	719,565	-	-	(752,538)	-
Disposals	-	(9,986)	(15,605)	(253)	(2,910)	-	(28,754)
At 31 December 2010	176,704	1,007,828	3,590,609	18,180	32,407	344,734	5,170,462
<i>Depreciation</i>							
At 1 January 2009	-	369,747	1,387,050	10,786	20,306	-	1,787,889
Depreciation charge for the year	-	45,329	234,083	2,095	4,059	-	285,566
Disposals	-	(149)	(7,952)	(231)	(4,905)	-	(13,237)
At 31 December 2009 and 1 January 2010	-	414,927	1,613,181	12,650	19,460	-	2,060,218
Depreciation charge for the year	-	45,760	281,124	1,804	3,646	-	332,334
Disposals	-	(7,634)	(15,208)	(253)	(2,910)	-	(26,005)
At 31 December 2010	-	453,053	1,879,097	14,201	20,196	-	2,366,547
<i>Net book value</i>							
At 1 January 2009	176,704	590,187	1,208,905	5,260	9,742	289,747	2,280,545
At 31 December 2009 and 1 January 2010	176,704	562,281	1,247,748	4,192	11,034	516,831	2,518,790
At 31 December 2010	176,704	554,775	1,711,512	3,979	12,211	344,734	2,803,915

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The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2010 amounted to Baht 516 million (2009: Baht 465 million).

Security

At 31 December 2010, the Company's land and structures thereon with a net book value of Baht 37.7 million (2009: Baht 42.8 million) are mortgaged as collateral for credit facilities from financial institutions of Baht 27 million (2009: Baht 27 million) (see note 11).

Assets under construction

As at 31 December 2010, the Company is in process of constructing a new factory which has an estimated cost of approximately Baht 752 million. The cost incurred up to 31 December 2010 amounted to approximately Baht 290 million.

Capitalised borrowing costs relating to the construction of a new factory amounted to Baht 1.3 million (2009: Baht 1.1 million), with a capitalization rate of 1.25% - 2.25% (2009: 2.8% - 2.9%).

9 Intangible assets

	Software licence (in thousand Baht)
Cost	
At 1 January 2009	15,097
Additions	543
At 31 December 2009 and 1 January 2010	15,640
Additions	226
At 31 December 2010	15,866
Amortisation	
At 1 January 2009	1,594
Amortisation charge for the year	1,380
At 31 December 2009 and 1 January 2010	2,974
Amortisation charge for the year	1,461
At 31 December 2010	4,435
Net book value	
At 1 January 2009	13,503
At 31 December 2009 and 1 January 2010	12,666
At 31 December 2010	11,431

10 Deferred tax

Deferred tax assets and liability determined after appropriate offsetting are included in the balance sheets as follows:

	2010	2009
	(in thousand Baht)	
Deferred tax assets	107,294	103,618
Deferred tax liability	(8,499)	(7,527)
Net	98,795	96,091

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Movements in deferred tax assets and liability during the year were as follows:

	At 1 January 2010	(Charged) / credited to Statement of income (Note 26) (in thousand Baht)	At 31 December 2010
<i>Deferred tax assets</i>			
Accounts receivable (doubtful accounts)	1,784	-	1,784
Inventories (allowance for decline in value)	325	381	706
Provision for employees' long-term benefits	84,152	4,883	89,035
Deferred income	17,357	(1,588)	15,769
Total	103,618	3,676	107,294
<i>Deferred tax liability</i>			
Property, plant and equipment (depreciation gap)	(7,527)	(972)	(8,499)
Total	(7,527)	(972)	(8,499)
Net	96,091	2,704	98,795
	At 1 January 2009	(Charged) / credited to Statement of income (Note 26) (in thousand Baht)	At 31 December 2009
<i>Deferred tax assets</i>			
Accounts receivable (doubtful accounts)	1,782	2	1,784
Inventories (allowance for decline in value)	1,997	(1,672)	325
Provision for employees' long-term benefits	74,176	9,976	84,152
Deferred income	-	17,357	17,357
Total	77,955	25,663	103,618
<i>Deferred tax liability</i>			
Property, plant and equipment (depreciation gap)	(7,243)	(284)	(7,527)
Total	(7,243)	(284)	(7,527)
Net	70,712	25,379	96,091

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11 Interest-bearing liabilities

	<i>Note</i>	2010 <i>(in thousand Baht)</i>	2009
<i>Current</i>			
Bank overdrafts			
unsecured		871	61
Short-term loans from financial institutions			
unsecured		157,710	159,958
Bank overdrafts and short-term loans from financial institutions		158,581	160,019
Current portion of long-term loans from financial institutions			
secured		36,356	80,440
unsecured		48,474	53,627
		84,830	134,067
Short-term loans from related parties			
unsecured	4	527,295	377,295
		770,706	671,381
<i>Non-current</i>			
Long-term loans from financial institutions			
secured		-	40,220
unsecured		-	53,627
		-	93,847
Long-term loans from related party			
unsecured	4	70,000	-
Total		840,706	765,228

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	2010 <i>(in thousand Baht)</i>	2009
Within one year	770,706	671,381
After one year but within five years	70,000	93,847
Total	840,706	765,228

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	2010 <i>(in thousand Baht)</i>	2009
Property and plant	27,000	27,000

As at 31 December 2010, three title deeds of land including structures, which are presently and/or will be subsequently constructed in the future were pledged as collateral for bank overdrafts and short-term loans from financial institutions totaling Baht 27 million (2009: Baht 27 million).

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On 19 March 2008, the Company entered into an unsecured long-term loan agreement from a foreign commercial bank-domestic branch to be used to finance the purchase of machinery in the amount of USD 4 million. Principal is repayable in five equal semi-annual installments of USD 0.8 million each within 3.5 years. The first repayment was on 21 September 2009 and the final repayment is due on 19 September 2011. Interest is charged semi-annually at the rate of 2.90% per annum. The first interest period commenced on 19 September 2008.

On 24 March 2008, the Company entered into a secured long-term loan agreement from a foreign commercial bank-domestic branch to be used to finance the purchase of machinery in the amount of USD 6 million. Principal is repayable in five equal semi-annual installments of USD 1.2 million each within 3 years. The first repayment was on 24 March 2009 and the final repayment is due on 24 March 2011. Interest is charged semi-annually at the rate of 2.80% per annum. The first interest period commenced on 24 September 2008.

Such agreements contain certain restrictions, among other things, status of Company, failure to perform under the term of agreement, litigation and maintaining financial ratio covenants. Further, the agreements contain certain events of default if, among other events, the Company fails to make payment on the due dates, fails to perform other obligations, or there is a material adverse change that, in the opinion of the lender, is likely to affect the Company's ability to comply with the terms of the agreement. In case of the occurrence of an event of default, the lender is entitled to declare the loan immediately due.

As at 31 December 2010, the Company had unutilised credit facilities of approximately Baht 2,580 million (2009: 2,609 million).

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	2010	2009
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	598,166	377,356
United States Dollars (USD)	130,274	278,189
Japanese Yen (YEN)	112,266	109,683
Total	840,706	765,228

12 Trade accounts payable

	Note	2010	2009
		<i>(in thousand Baht)</i>	
Related party	4	1,475	-
Other parties		178,548	73,528
Total		180,023	73,528

The currency denomination of trade accounts payable as at 31 December was as follows:

	2010	2009
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	68,816	62,522
United States Dollars (USD)	93,964	2,609
Japanese Yen (YEN)	15,829	3,247
Others (CHF and EUR)	1,414	5,150
Total	180,023	73,528

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13 Other payables and accrued expenses

	2010	2009
	<i>(in thousand Baht)</i>	
Other payables	51,802	12,860
Construction payable	42,433	46,380
Accrued operating expenses	22,524	23,689
Total	116,759	82,929

14 Other current liabilities

	2010	2009
	<i>(in thousand Baht)</i>	
Advances received from customers	13,211	14,266
Accrued withholding tax payable	11,160	8,926
Accrued social fund	1,522	932
Total	25,893	24,124

15 Deferred income

Deferred income represents a contribution of approximately Baht 57.8 million received by the Company from a major customer as an unconditional subsidy in respect of the cost of a new production line that the Company is required to undertake in order to facilitate the management of incoming purchase orders from this customer and to meet the customer's specific production requirements. This contribution is presented as "deferred income" under non-current liabilities in the balance sheet and will be recognised as income in the statement of income on the straight-line method over the asset's estimated useful life of 10 years from the date that the line is ready for use.

16 Provision for employees' long-term benefits

	2010	2009
	<i>(in thousand Baht)</i>	
Retirement benefits	273,823	261,730
Provident fund	44,274	38,313
Total	318,097	300,043

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits as follows:

	2010	2009
	<i>(in thousand Baht)</i>	
Present value of unfunded obligation	273,823	261,730
Expense recognised in profit or loss		
Current service cost	20,901	20,281
Interest on obligation	13,087	11,498
Actuarial (gain) loss	(6,680)	18,810
	27,308	50,589

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Principal actuarial assumptions at the reporting date:

	2010	2009
Discount rate 31 December (%)	4.25	5
Future salary increase (%)	4	4
Retirement age (years old)	55	55

17 Share capital

	Par value per share (in Baht)	2010 Number (thousand shares)	2010 Amount (thousand Baht)	2009 Number (thousand shares)	2009 Amount (thousand Baht)
<i>Authorised</i>					
At 1 January					
- ordinary shares	10	28,800	288,000	28,800	288,000
Increase of new shares	10	14,400	144,000	-	-
At 31 December					
- ordinary shares	10	43,200	432,000	28,800	288,000
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	28,800	288,000	28,800	288,000
Increase of new shares	10	14,400	144,000	-	-
At 31 December					
- ordinary shares	10	43,200	432,000	28,800	288,000

At the annual general meeting of the shareholders of the Company held on 27 April 2010, the shareholders passed the resolution to approve an increase in the Company's authorised share capital from Baht 288 million (28,800,000 shares at Baht 10 par value) to Baht 432 million (43,200,000 shares at Baht 10 par value) by issuing new shares for the stock dividend. The increase in share capital and change in paid-up share capital were registered with the Ministry of Commerce on 27 May 2010.

18 Additional paid-in capital and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

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19 Segment information

Segment information is presented in respect of the Company's geographical segments. The primary format, geographic segments, is based on the Company's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise cash and cash equivalents, inventories, property, plant and equipment, interest-bearing liabilities, other payables and accrued expenses and provisions.

Business segments

Management considers that the Company operates in a single line of business, and has, therefore, only one major business segment.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The following are the main geographical locations:

Segment 1	Domestic
Segment 2	Export

Geographical segment results

	Segment 1		Segment 2		Total	
	2010	2009	2010	2009	2010	2009
	(in thousand Baht)					
<i>Revenues</i>						
Revenue from sale of goods	950,535	938,730	3,107,021	2,565,972	4,057,556	3,504,702
Net foreign exchange gain	-	-	-	22,544	-	22,544
Other income	113,458	72,481	-	-	113,458	72,481
Total revenues	1,063,993	1,011,211	3,107,021	2,588,516	4,171,014	3,599,727
<i>Expenses</i>						
Cost of sale of goods	668,572	650,806	2,434,441	1,942,529	3,103,013	2,593,335
Selling expenses	10,188	8,365	145,331	70,550	155,519	78,915
Administrative expenses	23,149	34,773	50,377	36,251	73,526	71,024
Management benefit expenses	16,851	25,397	48,883	37,463	65,734	62,860
Net foreign exchange loss	-	-	3,464	-	3,464	-
Total expenses	718,760	719,341	2,682,496	2,086,793	3,401,256	2,806,134
Profit before finance costs and income tax expense	345,233	291,870	424,525	501,723	769,758	793,593
Finance costs	3,079	5,539	11,425	15,434	14,504	20,973
Profit before income tax expense	342,154	286,331	413,100	486,289	755,254	772,620
Income tax expense	57,489	59,783	154,180	142,595	211,669	202,378
Profit for the year	284,665	226,548	258,920	343,694	543,585	570,242

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Geographical segment financial position

	Segment 1		Segment 2		Total	
	2010	2009	2010	2009	2010	2009
	<i>(in thousand Baht)</i>					
Trade accounts receivable	200,505	209,230	418,211	297,912	618,716	507,142
Unallocated other assets					<u>3,900,066</u>	<u>3,417,545</u>
Total assets					<u>4,518,782</u>	<u>3,924,687</u>
Trade accounts payables	68,816	62,522	111,207	11,006	180,023	73,528
Unallocated liabilities					<u>1,467,078</u>	<u>1,362,935</u>
Total liabilities					<u>1,647,101</u>	<u>1,436,463</u>

20 Other income

	2010	2009
	<i>(in thousand Baht)</i>	
Sale of scrap	92,377	61,744
Gain on disposal of assets	5,888	1,107
Others	15,193	9,631
Total	<u>113,458</u>	<u>72,482</u>

21 Selling expenses

	2010	2009
	<i>(in thousand Baht)</i>	
Freight expenses	125,902	54,834
Employee benefit expenses	19,659	16,676
Others	9,958	7,405
Total	<u>155,519</u>	<u>78,915</u>

22 Administrative expenses

	2010	2009
	<i>(in thousand Baht)</i>	
Employee benefit expenses	48,885	55,341
Depreciation and amortisation	4,564	3,317
Transportation expenses	3,979	3,300
Repair and maintenance	2,540	2,312
Loss from devaluation of inventories (reversal of)	1,058	(5,152)
Others	12,500	11,906
Total	<u>73,526</u>	<u>71,024</u>

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23 Employee benefit expenses

	2010	2009
	<i>(in thousand Baht)</i>	
Wages and salaries	465,635	426,638
Retirement benefit	28,303	43,753
Contribution to defined benefit plans	5,656	9,234
Director's remuneration	4,160	4,122
Others	29,772	35,799
Total	533,526	519,546

The Company has established a contributory provident fund for its employees. Membership to the fund is on a voluntary basis. The Company contributes 50% of the amount paid in by each employee who has been a member of the provident fund scheme for five years and an additional 10% of the balance on the employee's provident fund in each subsequent year. The Company is the fund management.

24 Expenses by nature

	2010	2009
	<i>(in thousand Baht)</i>	
Changes in inventories of finished goods and work in progress	18,298	69,614
Raw materials and consumables used	1,825,271	1,313,931
Employee benefit expenses	467,792	456,686
Depreciation and amortisation	333,795	286,946
Utilities expenses	265,694	214,707
Freight expenses	125,902	54,834
Repair and maintenance	115,732	112,832
Management benefit expenses	65,734	62,860
Others	183,038	233,724
Total cost of sales of goods, selling expenses and administrative expenses	3,401,256	2,806,134

25 Finance costs

	Note	2010	2009
		<i>(in thousand Baht)</i>	
Interest expense:			
Related party	4	6,327	7,542
Financial institutions		9,462	14,559
		15,789	22,101
Less amounts included in the cost of assets under construction	8	(1,285)	(1,128)
Net		14,504	20,973

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26 Income tax expense

	<i>Note</i>	2010 <i>(in thousand Baht)</i>	2009
<i>Current tax expense</i>			
Current year		214,373	227,757
<i>Deferred tax expense</i>			
Movements in temporary differences	10	<u>(2,704)</u>	<u>(25,379)</u>
Total		<u>211,669</u>	<u>202,378</u>

Reconciliation of effective tax rate

		2010 <i>(in thousand Baht)</i>		2009 <i>(in thousand Baht)</i>
	<i>Rate (%)</i>		<i>Rate (%)</i>	
Profit before income tax expense		<u>755,254</u>		<u>772,621</u>
Income tax using the Thai corporation tax rate	25, 30	211,576	30	231,786
Income tax reduction	-	-	(4)	(29,501)
Expenses not deductible for tax purposes	-	23	-	169
Others	-	70	-	(76)
Total	<u>28</u>	<u>211,669</u>	<u>26</u>	<u>202,378</u>

Income tax reduction

Royal Decree No. 475 B.E. 2551 dated 6 August 2008 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the three consecutive accounting periods beginning on or after 1 January 2008.

27 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2010 and 2009 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	2010 <i>(in thousand Baht / thousand shares)</i>	2009
Profit attributable to equity holders of the Company	<u>543,585</u>	<u>570,242</u>
Number of ordinary shares outstanding at beginning of year	28,800	28,800
Effect from issue for stock dividends	<u>14,400</u>	<u>14,400</u>
Weighted average number of ordinary shares outstanding	<u>43,200</u>	<u>43,200</u>
Basic earnings per share <i>(in Baht)</i>	<u>12.58</u>	<u>13.20</u>

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28 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company has been granted privileges by the Board of Investment relating to the production of aluminium containers. The privileges granted include:

- (a) own land in the amount the Board deems it appropriate;
- (b) exemption from payment of import duty on machinery and equipment approved by the Board;
- (c) exemption from payment of income tax for certain operations for a period of three years from the date on which the income is first derived from such operation

As a promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificate.

The Company's revenue from sale of goods for years ended 31 December 2010 and 2009 are derived from non-promoted business.

29 Dividends

At the annual general meeting of the shareholders of the Company held on 27 April 2010, the shareholders approved the appropriation of cash dividends of Baht 5.56 per share and stock dividend of Baht 5 per share comprising new common shares of Baht 10 par value in the ratio of 1 new common share for every 2 common shares hold (2:1). The total dividend is Baht 10.56 per share, amounting to Baht 304.1 million. The dividend was paid to shareholders during 2010.

At the annual general meeting of the shareholders of the Company held on 27 April 2009, the shareholders approved the appropriation of dividends of Baht 9.00 per share, amounting to Baht 259.20 million. The dividend was paid to shareholders during 2009.

30 Financial instruments

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows.

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With total debt to equity ratio of 0.57:1 in 2010 and 0.58:1 in 2009, the Company has low borrowings and therefore minimal and immaterial exposure to changes of interest rates. To be flexible and able to obtain favorable interest rates, the Company mostly takes short term and on call loans from different financial institutions and a related company who offer the best interest rates.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2010				
Current				
Loans payable - Financial institutions	0.53 - 2.9	243,411	-	243,411
Loans payable - Related party	1.25 - 2.0	527,295	-	527,295
Non-current				
Loans payable - Related party	1.75 - 2.25	-	70,000	70,000
Total		770,706	70,000	840,706
2009				
Current				
Loans payable - Financial institutions	0.62 - 2.9	294,086	-	294,086
Loans payable - Related party	1.25	377,295	-	377,295
Non-current				
Loans payable - Financial institutions	2.8 - 2.9	-	93,847	93,847
Total		671,381	93,847	765,228

Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases and sales, short-term and long-term loans which are denominated in foreign currencies. The Company primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies.

Most receipts in foreign currencies are credited into foreign currency accounts such as US Dollar, Japanese YEN, etc. with banks in Thailand. The Company foregoes interest earnings on such foreign currency accounts. Foreign currencies obtained from exports are used for payment of raw material purchased, spare parts and machinery and equipment imported, thus the Company saves foreign currency conversion charges.

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At 31 December, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	<i>Note</i>	2010 <i>(in thousand Baht)</i>	2009
<i>United States Dollars (USD)</i>			
Cash and cash equivalents	5	87,224	123,824
Trade accounts receivable	6	247,120	201,962
Interest-bearing liabilities	11	(130,274)	(278,189)
Trade accounts payable	12	(93,964)	(2,609)
		<u>110,106</u>	<u>44,988</u>
<i>Japanese Yen (YEN)</i>			
Cash and cash equivalents	5	39,981	38,164
Trade accounts receivable	6	69,022	44,653
Interest-bearing liabilities	11	(112,266)	(109,683)
Trade accounts payable	12	(15,829)	(3,247)
		<u>(19,092)</u>	<u>(30,113)</u>
<i>Australian Dollar (AUD)</i>			
Trade accounts receivable	6	<u>20,553</u>	<u>17,953</u>
<i>Pound Sterling (GBP)</i>			
Trade accounts receivable	6	<u>62,428</u>	<u>-</u>
<i>Others (HKD, SGD, EUR and CHF)</i>			
Trade accounts receivable	6	2,269	4,463
Trade accounts payable	12	(1,414)	(5,150)
		<u>855</u>	<u>(687)</u>
Gross balance sheet exposure		174,850	32,141
Currency forwards		(29,510)	-
Net exposure		<u>145,340</u>	<u>32,141</u>

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

The Company has a policy of selling to customers who are granted credit lines based on good financial status and debt service capacity. Therefore, the Company expects that losses from these receivables will not exceed the allowance for doubtful accounts.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The 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. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the

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assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Mostly, the Company's financial assets and liabilities are short-term loans and loans with market's interest rate. The Management believes that fair values of such financial assets and liabilities as at 31 December 2010 and 2009 do not materially different from the carrying amounts.

Fair value of outstanding Commodity Price Swap agreement, together with the carrying values, as of 31 December 2010 and 2009 were as follows:

Type of agreement	Contract amount		Contract value		Fair value	
	2010	2009	2010	2009	2010	2009
	(Ton)		(YEN per ton)		(YEN per ton)	
Commodity Price Swap agreement	1,500	1,800	188,000	188,000	197,344	211,163

31 Commitments with non-related parties

	2010	2009
	<i>(in thousand Baht)</i>	
Capital commitments		
Contracted but not provided for:		
Machinery and equipment	517,299	208,852
Other commitments		
Unused letters of credits	71,012	29,148
Purchase orders accepted by suppliers		
Within one year	1,570,684	1,397,910
After one year but within five years	1,926,352	822,086
After five years but within ten years	221,567	333,435
	3,718,603	2,553,431
Commodity Price Swap agreement	105,529	123,722
Forward exchange contracts	29,510	-
Bank guarantees	20,414	24,634
Total	3,945,068	2,730,935

Purchase orders accepted by suppliers

As at 31 December 2010, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot in total quantity of 56,600 MT (2009: 42,164 MT), at the prices in the range of YEN 123,000 – 141,600 per MT, and at the price as determined in purchase orders (2009: at the prices in the range of YEN 123,000 - 151,500 per MT and USD 1,600 - USD 1,638 per MT) that will be delivered during 2011 to 2016 (2009: 2010 to 2016).

Commodity Price Swap agreement

As at 31 December 2010 and 2009, the Company had a Commodity Price Swap agreement to hedge the risk of aluminium price fluctuation with a foreign financial institution in quantity of 25 MT per month, maximum totaling 1,800 MT, at a price of YEN 188,000 per MT. This agreement is for 6 years from 1 January 2010 to 31 December 2015.

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Forward exchange contract

As at 31 December 2010, the Company had utilised forward exchange contracts to hedge sale orders denominated in foreign currencies with a branch of financial institution approximately GBP 0.6 million.

32 Thai Financial Reporting Standards (TFRS) not yet adopted

The Company has not adopted the following revised TFRS that have been issued as of the reporting date but are not yet effective. These revised TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 1 (revised 2009)	Presentation of Financial Statements	2011
TAS 2 (revised 2009)	Inventories	2011
TAS 7 (revised 2009)	Statement of Cash Flows	2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	2011
TAS 10 (revised 2009)	Events after the Reporting Period	2011
TAS 16 (revised 2009)	Property, Plant and Equipment	2011
TAS 18 (revised 2009)	Revenue	2011
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TAS 23 (revised 2009)	Borrowing Costs	2011
TAS 24 (revised 2009)	Related Party Disclosures	2011
TAS 33 (revised 2009)	Earnings per Share	2011
TAS 34 (revised 2009)	Interim Financial Reporting	2011
TAS 36 (revised 2009)	Impairment of Assets	2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	2011
TAS 38 (revised 2009)	Intangible Assets	2011

Management expects to apply these revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Company's financial statements of those revised standards assessed to have the potential impact on the financial statements in the period of initial application. This standard is as follows:

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TAS 16 (revised 2009) – Property, plant and equipment

The principal changes introduced by the revised TAS 16 and affecting the Company are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

TAS 16 (revised 2009) permits as a transitional provision that these changes may be introduced prospectively from the year of introduction. Management intends to adopt this transitional provision and accordingly the introduction of the revised TAS 16 from 1 January 2011 has no impact on the financial statements of 2010 or prior years. Management is currently reviewing the impact on the financial statements of introducing the revised TAS 16 from 1 January 2011.