

Thai Plaspac Public Company Limited
Notes to interim financial statements
For the three month periods ended 31 March 2010 and 2009

1. Corporate information

Thai Plaspac Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. The major shareholder is Modernform Group Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of plastic packaging and its registered address is located at 68/46 Moo 8, Thakam, Bang Khun Thian, Bangkok.

2. Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with accounting standard No. 34 (revised 2007) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements

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

3. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2009.

4. Related party transactions

During the periods, 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.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March		Pricing policy
	<u>2010</u>	<u>2009</u>	
	Sales of goods	252	
Purchases of goods	31	143	Close to market price
Consultant fee	300	300	Baht 1.2 million per year

As at 31 March 2010 and 31 December 2009, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

		<u>31 March 2010</u>	<u>31 December 2009</u>
<u>Relationship</u>			
<u>Trade account receivable - related company</u>			
Modernform Group Public	Common shareholders		
Company Limited	and common directors	242	274
		<u> </u>	<u> </u>
<u>Trade account payable - related company</u>			
Modernform Group Public	Common shareholders		
Company Limited	and common directors	105	43
		<u> </u>	<u> </u>

On 29 March 2010, the Company has entered into short-term loan agreement from Modernform Group (related company) of the credit facilities of Baht 50 million which will be due within 1 year. As at the balance sheet date, the Company has not yet drawdown from this facility.

5. Trade accounts and notes receivable

The balances of trade accounts receivable as at 31 March 2010 and 31 December 2009, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)	
	<u>31 March 2010</u>	<u>31 December 2009</u>
<u>Age of receivables</u>		
Not yet due	195,054	187,520
Past due		
Up to 3 months	77,773	74,319
Up to 6 months	614	2,200
Total	<u>273,441</u>	<u>264,039</u>
Less: Allowance for doubtful accounts	-	-
Trade accounts receivable	<u><u>273,441</u></u>	<u><u>264,039</u></u>

6. Allowance of diminution in value of inventory

Movements in the allowance of diminution in value of inventory during the three-month period ended 31 March 2010 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2010	1,641
Add: Allowance for stock obsolescence	<u>472</u>
Balance as at 31 March 2010	<u><u>2,113</u></u>

7. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2010 are summarized below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2010	339,769
Acquisitions during period - at cost	15,574
Depreciation for period	(13,002)
Allowance for impairment loss during period (reversal)	<u>605</u>
Net book value as at 31 March 2010	<u><u>342,946</u></u>

The Company has pledged its land and construction thereon and part of its machinery amounting to approximately Baht 114.8 million (31 December 2009: Baht 117.9 million) as collateral against bank overdrafts, short-term loans, long-term loans and credit facilities received from financial institutions.

8. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	31 March 2010	31 December 2009
Bank overdrafts	-	-
Short-term loans from financial institutions	86,175	68,024
Total	86,175	68,024

Bank overdrafts are secured by the mortgage of the Company's land and construction thereon, and short-term loans from financial institutions are guaranteed by the Company's directors and secured by the mortgage of the Company's land and construction there on as well as the pledge of part of its machinery.

As at 31 March 2010, short-term loans of the Company carried interest at the rate of 2.40 percent and 4.00 percent per annum (31 December 2009: 2.40 percent and 4.00 percent per annum). These loans mature within June 2010.

9. Long-term loans

(Unit: Thousand Baht)

	31 March 2010	31 December 2009
Long-term loans	92,672	102,765
Less: Current portion	(38,365)	(39,497)
Long-term loans - net	54,307	63,268

Movements in the long-term loans account during the three-month period ended 31 March 2010 are summarized below.

(Unit: Thousand Baht)

Balance as at 1 January 2010	102,765
Less: Repayment	10,093
Balance as at 31 March 2010	92,672

The loans are secured by land and construction thereon and certain machinery of the Company.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity and debt service coverage ratios according to the agreements.

As at 31 March 2010, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 53.8 million.

10. Corporate income tax

Corporate income tax has been calculated at the rate of 20 percent of net taxable income, after adding back expenses and deducting income which are disallowable for tax computation purpose.

11. Segment information

The Company's business operations involve a single industry segment, the manufacture and distribution of plastic packaging, and are carried on in the single geographic area of Thailand. As a result, all of the revenues, operating income and assets reflected in these financial statements pertain to the aforementioned industry segment and geographic area. Export sales during the three-month period ended 31 March 2010 are amounted to Baht 21.9 million (2009: Baht 9.7 million).

12. Commitments and contingent liabilities

12.1 Capital commitments

As at 31 March 2010, the Company had capital commitments of approximately Baht 29.2 million (31 December 2009: Baht 13.7 million), related to acquisition of molds, machinery and new plants construction.

12.2 Service commitments

As at 31 March 2010, the Company had commitments of Baht 1.7 million in respect of service contracts (31 December 2009: Baht 1.2 million).

12.3 Guarantees

As at 31 March 2010, there were outstanding bank guarantees of approximately Baht 9.2 million (31 December 2009: Baht 8.6 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 0.6 million to guarantee payments due to creditors and Baht 8.6 million to guarantee electricity use.

13. Foreign currency risk

The balances of financial assets denominated in foreign currencies as at 31 March 2010 which were unhedged are summarised below.

Foreign currency	Financial assets	Average exchange rate as at 31 March 2010
<hr/>	<hr/>	<hr/>
	(Thousand)	(Baht per 1 foreign currency unit)
US dollar	257	32.2197

14. Subsequent event

On 28 April 2010, the Annual General Meeting of the Company's shareholders approved the dividend payment from the operating results of 2009 to the Company's shareholders of Baht 0.56 per share which will be paid in May 2010.

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2010.