

## STEEL INTERTECH PUBLIC COMPANY LIMITED

## BALANCE SHEETS

AS OF DECEMBER 31, 2010 AND 2009

		<b>2010</b>	<b>2009</b>
		<b>BAHT</b>	<b>BAHT</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	(Note 5)	10,870,603.48	4,800,715.85
Accounts Receivable and Notes Receivable - Net	(Note 6)	31,803,022.94	37,685,485.47
Unbilled on Completed Works - Net	(Note 7)	10,625,245.03	20,009,938.34
Inventories - Net	(Note 8)	20,270,401.46	41,044,277.52
Others Current Assets		3,333,681.96	3,875,039.19
<b>TOTAL CURRENT ASSETS</b>		<b>76,902,954.87</b>	<b>107,415,456.37</b>
<b>NON - CURRENT ASSETS</b>			
Property, Plant and Equipment - Net	(Note 9)	81,057,195.02	80,811,263.73
Intangible Assets - Net	(Note 10)	349,555.33	479,747.33
Retention Account Receivable -Net	(Note 11)	4,830,638.44	3,335,581.43
<b>TOTAL NON - CURRENT ASSETS</b>		<b>86,237,388.79</b>	<b>84,626,592.49</b>
<b>TOTAL ASSETS</b>		<b>163,140,343.66</b>	<b>192,042,048.86</b>

Notes to financial statements are an integral part of these statements.

**STEEL INTERTECH PUBLIC COMPANY LIMITED**  
**BALANCE SHEETS**  
**AS OF DECEMBER 31, 2010 AND 2009**

	<b>2010</b>	<b>2009</b>
	<b>BAHT</b>	<b>BAHT</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Short Term Loan from Financial Institution (Note 12 , 13)	-	10,000,000.00
Trade Accounts Payable	37,434,298.26	50,487,955.42
Current Portion of Long Term Loans (Note 12 , 14)	2,316,000.00	3,036,000.00
Current Portion of Liabilities Under Financial Lease Agreement (Note 15)	1,834,541.21	1,592,990.81
Other Current Liabilities		
Accrued Expenses	3,651,947.04	4,040,879.67
Dividend Payable	32,953.17	10,003,170.00
Over Collection by Completed Works (Note 7)	3,938,194.05	8,140,148.25
Cash Deposit for Goods	6,728,696.92	2,294,039.60
Others	4,435,029.67	3,342,963.79
<b>TOTAL CURRENT LIABILITIES</b>	<b>60,371,660.32</b>	<b>92,938,147.54</b>
<b>NON - CURRENT LIABILITIES</b>		
Long Term Loan from Financial Institution (Note 12 , 14)	5,287,681.35	10,803,681.35
Liabilities under Financial Lease Agreement - Net (Note 15)	4,339,638.95	1,632,271.23
<b>TOTAL NON - CURRENT LIABILITIES</b>	<b>9,627,320.30</b>	<b>12,435,952.58</b>
<b>TOTAL LIABILITIES</b>	<b>69,998,980.62</b>	<b>105,374,100.12</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital		
Authorized Share Capital: (Note 19)		
50,000,000 Ordinary Shares @ Baht 1.00	50,000,000.00	50,000,000.00
Issued and Paid-up Share Capital:		
50,000,000 Ordinary Shares @ Baht 1.00	50,000,000.00	50,000,000.00
Premium on Share Capital	25,870,200.00	25,870,200.00
Retained Earnings		
Appropriated		
Legal Reserve	5,415,157.44	5,415,157.44
Unappropriated	11,856,005.60	5,382,591.30
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>93,141,363.04</b>	<b>86,667,948.74</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>163,140,343.66</b>	<b>192,042,048.86</b>

Notes to financial statements are an integral part of these statements.

**STEEL INTERTECH PUBLIC COMPANY LIMITED**  
**STATEMENTS OF INCOME**  
**AS OF DECEMBER 31, 2010 AND 2009**

	<b>2010</b>	<b>2009</b>
	<b>BAHT</b>	<b>BAHT</b>
Revenue from Sales	145,105,141.58	148,316,246.21
Revenue from Sales and Installation	166,330,223.54	144,810,431.97
<b>TOTAL REVENUES</b>	<b>311,435,365.12</b>	<b>293,126,678.18</b>
Cost of Sales	(123,236,934.49)	(127,420,573.05)
Cost of Sales and Installation	(132,007,572.53)	(121,354,008.23)
<b>TOTAL COST</b>	<b>(255,244,507.02)</b>	<b>(248,774,581.28)</b>
<b>GROSS PROFIT</b>	<b>56,190,858.10</b>	<b>44,352,096.90</b>
Other Income	4,819,074.37	2,649,223.08
<b>PROFIT (LOSS) BEFORE EXPENSE</b>	<b>61,009,932.47</b>	<b>47,001,319.98</b>
Selling Expenses	(9,545,430.39)	(7,086,650.94)
Administrative Expenses	(26,750,736.27)	(22,042,636.66)
Management Remuneration (Note 16)	(10,727,100.61)	(10,858,978.20)
<b>TOTAL EXPENSES</b>	<b>(47,023,267.27)</b>	<b>(39,988,265.80)</b>
<b>PROFIT (LOSS) BEFORE COST OF FINANCIAL AND INCOME TAX</b>	<b>13,986,665.20</b>	<b>7,013,054.18</b>
Cost of Financial	(1,477,356.47)	(1,728,012.71)
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>	<b>12,509,308.73</b>	<b>5,285,041.47</b>
Income Tax (Note 17)	(3,535,894.43)	(1,581,289.42)
<b>NET PROFIT (LOSS)</b>	<b>8,973,414.30</b>	<b>3,703,752.05</b>
BASIC EARNINGS(LOSS) PER SHARE (BAHT)	0.18	0.07
NUMBER OF ORDINARY SHARES (SHARES)	50,000,000.00	50,000,000.00

Notes to financial statements are an integral part of these statements.

**STEEL INTERTECH PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED ON DECEMBER 31, 2010 AND 2009**

		Issued and Paid - up Share Capital	Premium on Share Capital	Retained Earnings		Total
				Appropriated	Unappropriated	
		BAHT	BAHT	BAHT	BAHT	BAHT
<b>Balance as of December 31, 2009</b>		<b>50,000,000.00</b>	<b>25,870,200.00</b>	<b>5,415,157.44</b>	<b>5,382,591.30</b>	<b>86,667,948.74</b>
Dividend Payment	(Note 20)	-	-	-	(2,500,000.00)	(2,500,000.00)
Net Profit (Loss)		-	-	-	8,973,414.30	8,973,414.30
<b>Balance as of December 31, 2010</b>		<b>50,000,000.00</b>	<b>25,870,200.00</b>	<b>5,415,157.44</b>	<b>11,856,005.60</b>	<b>93,141,363.04</b>
<b>Balance as of December 31, 2008</b>		<b>50,000,000.00</b>	<b>25,870,200.00</b>	<b>5,415,157.44</b>	<b>20,176,619.25</b>	<b>101,461,976.69</b>
Dividend Payment	(Note 20)	-	-	-	(18,497,780.00)	(18,497,780.00)
Net Profit (Loss)		-	-	-	3,703,752.05	3,703,752.05
<b>Balance as of December 31, 2009</b>		<b>50,000,000.00</b>	<b>25,870,200.00</b>	<b>5,415,157.44</b>	<b>5,382,591.30</b>	<b>86,667,948.74</b>

Notes to financial statements are an integral part of these statements.

**STEEL INTERTECH PUBLIC COMPANY LIMITED**  
**CASH FLOW STATEMENTS**  
**FOR THE YEAR ENDED ON DECEMBER 31, 2010 AND 2009**

	2010	2009
	BAHT	BAHT
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit (Loss) Before Income Tax	12,509,308.73	5,285,041.47
Adjustment to net profit (loss) before corporate income tax for cash received (paid) from operations		
Doubtful Debts - Accounts Receivable and Notes Receivable	1,379,602.88	1,544,162.80
Doubtful Debts - Unbilled on Completed Works	926,242.88	-
Doubtful Debts - Other Accounts Receivable	-	150,181.91
Loss from Declining in Value of Inventories	-	101,484.89
Loss from Withholding Tax Unclaim	1,733,276.24	-
Depreciation	8,137,425.65	8,290,194.93
(Profit) Loss from Sales of Property, Plant and Equipment	(1,579,434.26)	(27,469.90)
Unrealized (Gain) Loss on Exchange Rate	-	(216,962.62)
Loss from Written off Assets	14,734.06	23,191.18
Amortized Expense of Intangible Assets	130,192.00	118,415.78
Interest Expenses	1,018,265.29	1,064,912.49
Amortized Interest Expenses of Financial Lease Agreement	362,303.54	298,750.24
Net Profit(Loss) from Operation before Changes in Operating Assets and Liabilities	24,631,917.01	16,631,903.17
(Increase)Decrease in Accounts Receivable and Notes Receivable	4,288,736.21	1,540,554.74
(Increase)Decrease in Unbilled on Completed Works	8,458,450.43	(12,850,947.28)
(Increase)Decrease in Inventories	20,773,876.06	6,181,604.85
(Increase)Decrease in Retention Account Receivable	(1,495,057.01)	(1,760,018.40)
(Increase)Decrease in Other Current Assets	(267,320.72)	1,858,549.35
Increase(Decrease) in Accounts Payable	(13,053,657.16)	(3,929,614.27)
Increase(Decrease) in Accrued Expenses	(388,932.63)	(467,833.63)
Increase(Decrease) in Over Collection by Completed Works	(4,201,954.20)	3,797,603.43
Increase(Decrease) in Other Current Liabilities	5,740,846.64	(2,239,893.06)
Cash Received (Paid) from Operating Activities	44,486,904.63	8,761,908.90
Cash Payment Corporate Income Tax and Withholding Tax	(4,460,492.72)	(4,161,135.27)
<b>NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES</b>	<b>40,026,411.91</b>	<b>4,600,773.63</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash Received from Sales of Property, Plant and Equipment	1,579,439.26	27,529.40
Cash Payment for Purchase of Property, Plant and Equipment	(2,007,096.00)	(737,566.25)
Cash Payment for Intangible Assets	-	(85,700.00)
<b>NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES</b>	<b>(427,656.74)</b>	<b>(795,736.85)</b>

Notes to financial statements are an integral part of these statements.

**STEEL INTERTECH PUBLIC COMPANY LIMITED**  
**CASH FLOW STATEMENTS**  
**FOR THE YEAR ENDED ON DECEMBER 31, 2010 AND 2009**

	2010	2009
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase(Decrease) in Short - Term Loans from Financial Institute	(10,000,000.00)	2,000,000.00
Cash Payment for Long - Term Loans	(6,236,000.00)	(3,036,000.00)
Cash Payment for Liabilities Under Financial Lease Agreement	(3,804,385.42)	(1,673,643.83)
Cash Payment for Interest	(1,018,265.29)	(1,064,912.49)
Cash Payment for Dividends	(12,470,216.83)	(8,499,617.50)
<b>NET CASH PROVIDED (USED) FROM FINANCING ACTIVITIES</b>	<b>(33,528,867.54)</b>	<b>(12,274,173.82)</b>
<b>Cash and Cash Equivalent Items Increase(Decrease) - Net</b>	<b>6,069,887.63</b>	<b>(8,469,137.04)</b>
<b>Cash and Cash Equivalent Items at the Beginning of the Period</b>	<b>(Note 5) 4,800,715.85</b>	<b>13,269,852.89</b>
<b>Cash and Cash Equivalent Items at the Ending of the Period</b>	<b>(Note 5) 10,870,603.48</b>	<b>4,800,715.85</b>
<b>Additional Disclosure of Cash Flow:</b>		
1. Non-cash Transactions		
1.1 The Company Purchased Vehicle under Financial Lease Agreement	6,391,000.00	-
1.2 Allowance for Doubtful Accounts (Increase) Decrease from Output Tax Suspense	(214,123.44)	55,944.86
1.3 Property, Plant and Equipment Increase by transfer from Inventories	-	18,224.20

Notes to financial statements are an integral part of these statements.

**STEEL INTERTECH PUBLIC COMPANY LIMITED**

**NOTE TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2010 AND 2009**

**1. General Information**

The Company was registered on August 6,1993, registration number (3)215/2536 and later registered as a public company on March 16,2005, registration number 0107574800137 with its registered head office located at 8/88 Moo 12, Rachathewa, Bangplee, Samutprakran and branch office is located at 8 Moo 15, Bangpleeyhai, Bangplee, Samutprakarn. The Company has Aunwarawong's Family by the major shareholder in the rate shareholder of 46% of share capital.

The Company operates main business in relation to sales of construction material, production of roof sheet and service rendered of installation of roof sheets.

**2. The Basis of Preparation of the Financial Statements**

- 2.1 The Company had prepared the financial statements have been prepared in accordance with the accounting standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in accordance with Accounting Standards TAS 1 (Revised 2007) "Presentation of financial statements" and in accordance with the determination of the office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.
- 2.2 The financial statements are prepared on the historical cost basis except as disclosed in the accounting policies.
- 2.3 In order to prepare the financial statements to comply with generally accepted accounting standards, the company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenue, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ the estimated amount.
- 2.4 For the convenience of the user, and English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

2.5 For the year ended on December 31, 2009, the financial statements as presented herein for comparative purpose have been reclassified to conform with the current period's classifications with no effect on the net profit (loss) or shareholder's equity as previously reported as follow :

		Amount <u>'000 Baht</u>
Current Liabilities	Decrease	(1,493)
Non - Current Assets	Increase	1,493

### 3. Announcement for Adoption of Accounting Standards, Financial Reporting Standard and New International Financial Reporting Interpretations.

The Federation of Accounting Professions has issued Notification No. 17/2553 and No. 50- 54/2553, regarding to accounting standards, financial reporting standards and international financial reporting interpretations. These are not effective for the current year, except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective.

		<u>Effective date</u>
Framework (revised 2009)		Immediately
TAS 1 (revised 2009)	Presentation of Financial Statements	1 January 2011
TAS 2 (revised 2009)	Inventories	1 January 2011
TAS 7 (revised 2009)	Statement of Cash Flows	1 January 2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2011
TAS 10 (revised 2009)	Events After the Reporting Period	1 January 2011
TAS 11 (revised 2009)	Construction Contracts	1 January 2011
TAS 12	Income Taxes	1 January 2013
TAS 16 (revised 2009)	Property Plant and Equipment	1 January 2011
TAS 17 (revised 2009)	Leases	1 January 2011
TAS 18 (revised 2009)	Revenue	1 January 2011
TAS 19	Employee Benefits	1 January 2011
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate	1 January 2013
TAS 23 (revised 2009)	Borrowing Costs	1 January 2011
TAS 24 (revised 2009)	Related Party Disclosures	1 January 2011
TAS 26	Accounting and Reporting by Retirement Benefit Plans	1 January 2011
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements	1 January 2011
TAS 28 (revised 2009)	Investments in Associates	1 January 2011
TAS 29	Financial Reporting in Hyperinflationary Economies	1 January 2011

		<u>Effective date</u>
TAS 31 (revised 2009)	Interests in Joint Venture	1 January 2011
TAS 33 (revised 2009)	Earnings per Share	1 January 2011
TAS 34 (revised 2009)	Interim Financial Reporting	1 January 2011
TAS 36 (revised 2009)	Impairment of Assets	1 January 2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	1 January 2011
TAS 38 (revised 2009)	Intangible Assets	1 January 2011
TAS 40 (revised 2009)	Investment Property	1 January 2011
TFRS 2	Share - Based Payment	1 January 2011
TFRS 3 (revised 2009)	Business Combination	1 January 2011
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2011
TFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2011
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2011

The management of the Company has assessed the effect of the accounting standards and the financial reporting standard believes that these standards will not have any significant impact on the financial statements for the year in which they are initially applied. Except, the TAS 19 Employee Benefits, the management of the Company has been evaluating for the contingent liabilities from Retirement Benefit Plans.

#### **4. Summary of Significant Accounting Policy**

##### **4.1 Revenues Recognition**

- Sales revenue is recognized when goods have been delivered to customer.
- Revenue from sales and installation is recognized in accordance with the percentage of completion method which is computed in accordance with the ratio of actual cost of sale and installation services rendered over the entire cost which is estimated to use in the sale and installation services rendered.
- Revenue of interest receivable is recognized in accordance with the portion of period which is computed from outstanding principle.

##### **4.2 Expenses Recognition**

- Expenses are recognized on accrual basis.

##### **4.3 Cash and Cash Equivalent**

Cash and equivalent items are included cash at bank in saving accounts, current accounts and fixed accounts not over than 3 months and free from any guarantees.

#### 4.4 Trade Account Receivable, Other Account Receivable and Allowance for Doubtful Debt

Trade account receivable and other account receivable are reflected by net realizable value. The Company records allowance for doubtful debt for loss result by estimating the contingent amount from non-collection from accounts receivable while it is generally considered from experience of collection, aging analysis and status review of accrued accounts receivable as of the date in the balance sheet.

#### 4.5 Inventories

Inventories are valued at cost under FIFO method or net realizable value whichever is lower.

#### 4.6 Borrowing Costs

Interest expense which incurred from loan so as for use in the construction of building, procurement of machinery and equipment is recorded as part of asset cost and will cease the record of interest to be asset cost when the construction or installation is completed.

#### 4.7 Property, Plant and Equipment

Property, plant and equipment are recorded at cost on the transaction date after deduction of depreciation expenses which are calculated on a straight-line method over their approximate useful-life as follows:

Building	20 Years
Machinery	5 , 10 Years
Mould	5 Years
Tools and Equipment	5 Years
Furniture and Fixture	5 Years
Office Equipment	5 Years
Computer and Computer Equipment	5 Years

No depreciation is provided to land and assets under construction.

Expenditure in respect of improvement, life renewal or asset improvement which causes the present replacement cost of asset increased materially will be included as cost of asset. For repairable and maintenance is recognized as expense in the incurred accounting period.

Gain or loss from disposal of property, plant and equipment is computed from discrepancy between net cash received and book value and recognized as other revenue or other expense in the statement of income.

#### 4.8 Intangible Asset

Intangible Asset, type of computer software is valued at cost on the transaction date deducted accumulated amortization; amortization is calculated by reference to its cost on a straight line method over the 5 years useful life.

#### 4.9 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment with cost, if assets exceed its recoverable amount, the Company will recognize an impairment loss in the statement of income.

##### Calculation of recoverable amount

- The recoverable amount is the greater of the asset's net selling price and value in use. 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 largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### Reversals of impairment

- 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 amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized in the statement of income.

#### 4.10 Provisions

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

#### 4.11 Financial Leased Contract

Where the Company is the lessee

The contract of leased asset carried the risk and owner remuneration is mainly transferred to lessee will be classified as financial leased contract. The contract of financial lease is recorded as capital expenditure by fair value of leased asset or present value of minimum amount which has to repay in accordance with the leased contract whichever amount is lower. The amount which has to repay in each time will be divided as liability portion and financial expense so that fixed interest rate over outstanding accrued liability of obligation commitment according to the financial lease contract will be recorded as long term liability. Interest payable will be recorded in the statement of income throughout the leased contract life. Asset which acquired by financial leased contract will be depreciated in accordance with the estimated useful life of those assets.

#### 4.12 Employees benefit

The company is recognized salary, wage, bonus, social security fund, staff provident fund and other staff welfare are expense on date the transactions occur.

#### 4.13 Items Denominated in Foreign Currencies

Items denominated in foreign currencies are recorded in Baht at the prevailing exchange rate when the transactions occur, and their balances of assets and liabilities at the ended of period are converted into Baht at the prevailing exchange rate on that date. Profit or loss arising from such conversion is shown as revenues or expenses in the income statements.

#### 4.14 Financial Instruments

Financial instruments, financial assets were shown in balance sheets composed of cash and cash at banks, accounts receivable. Financial liabilities were shown in balance sheets composed of accounts payable and borrowings. The accounting policy of each item would be disclosed in separated items.

#### 4.15 Basic Earning (Loss) per Share

Basic earning (loss) per share is calculated by dividing net profit (loss) with the number of issued and paid-up shares at the end of the period. The company did not calculate the fully diluted earnings (loss) per share since it has no ordinary share equivalent.

**5. Cash and Its Equivalent Item**

Consists of:

	As of December 31, 2010 Baht	As of December 31, 2009 Baht
Cash	40,000.00	40,000.00
Bank Deposit – Current Accounts	5,680,381.09	3,306,036.35
Bank Deposit – Saving Accounts	5,150,222.39	1,454,679.50
Total	<u>10,870,603.48</u>	<u>4,800,715.85</u>

**6. Accounts Receivable and Notes Receivable - Net**

Consists of:

	As of December 31, 2010 Baht	As of December 31, 2009 Baht
Post Date Cheque	7,166,465.36	4,826,822.00
Return Cheque	7,707,697.16	11,555,437.36
Accounts Receivable		
Within due period	9,495,913.15	7,391,590.63
Over 1 – 30 Days	11,338,630.75	13,788,818.30
Over 31 – 60 Days	691,448.20	1,587,384.52
Over 61 – 120 Days	423,410.93	3,259,437.44
Over 121 – 180 Days	158,935.65	844,524.30
Over 180 Days	9,524,256.85	7,541,479.71
Total	<u>46,506,758.05</u>	<u>50,795,494.26</u>
<u>Less</u> Allowance for Doubtful Debt	<u>(14,703,735.11)</u>	<u>(13,110,008.79)</u>
Net	<u>31,803,022.94</u>	<u>37,685,485.47</u>

For the year end on December 31, 2010 and 2009, the movement of allowance for doubtful accounts was as follows:

	For the year end on	
	December 31, 2010	December 31, 2009
	Baht	Baht
Allowance for Doubtful Debt was movement transaction		
Beginning	(13,110,008.79)	(11,621,790.85)
<u>Add</u> Increase during periods	(2,350,623.88)	(2,047,385.24)
<u>Less</u> Reversed From Cash Receiving	756,897.56	559,167.30
Ending	<u>(14,703,735.11)</u>	<u>(13,110,008.79)</u>

#### 7. Unbilled on Completed Works and Over Collection by Completed Works

Consists of:

	As of December 31,	As of December 31,
	2010	2009
	Baht	Baht
Contract Value	<u>296,292,986.02</u>	<u>271,691,681.18</u>
Cost of Sales and Installation until Current Period	221,627,348.81	180,279,434.56
Recognition of Profit(Loss) until Current Period	<u>47,784,828.29</u>	<u>17,514,183.98</u>
Cost of Sales and Installation and Recognition of Profit(Loss)	269,412,177.10	197,793,618.54
<u>Less</u> Progress billings	<u>(261,798,883.24)</u>	<u>(185,923,828.45)</u>
Net	<u>7,613,293.86</u>	<u>11,869,790.09</u>
Unbilled on Completed Works	11,551,487.91	20,009,938.34
Over Collection by Completed Works	(3,938,194.05)	(8,140,148.25)

As of December 31, 2010 and 2009, unbilled on completed works and over collection by completed works, consists of:

	As of December 31,	As of December 31,
	2010	2009
	Baht	Baht
Unbilled on Completed Works and Over Collection	11,551,487.91	20,009,938.34

<u>Less</u> Allowance for Doubtful Debt	(926,242.88)	-
Net	<u>10,625,245.03</u>	<u>20,009,938.34</u>

For the year end on December 31, 2010 and 2009, the movement of allowance for doubtful accounts was as follows:

	For the year end on	
	December 31, 2010	December 31, 2009
	Baht	Baht
Allowance for Doubtful Debt was movement transaction		
Beginning	-	-
<u>Add</u> Increase during periods	(926,242.88)	-
<u>Less</u> Reversed From Cash Receiving	-	-
Ending	<u>(926,242.88)</u>	<u>-</u>

## 8. Inventories - Net

Consists of:

	As of	As of
	December 31, 2010	December 31, 2009
	Baht	Baht
Finished Goods	1,786,777.54	3,721,354.93
Works in Process	2,312,638.88	3,202,449.00
Raw Materials	16,745,012.63	32,629,746.67
Supplies	580,886.42	408,925.06
Goods in transit	-	2,236,715.87
Total	<u>21,425,315.47</u>	<u>42,199,191.53</u>
<u>Less</u> Allowance for Declining in Value of Inventories	<u>(1,154,914.01)</u>	<u>(1,154,914.01)</u>
Total	<u>20,270,401.46</u>	<u>41,044,277.52</u>

For the year end on December 31, 2010 and 2009, Allowance for declining in value of inventories was movement transaction as follow:

	For the year end on	
	December 31, 2010	December 31, 2010
	Baht	Baht
Beginning	(1,154,914.01)	(1,053,429.12)
<u>Add</u> Increase during periods	-	(101,484.89)
<u>Less</u> Transfer out/Sales	-	-
Ending	<u>(1,154,914.01)</u>	<u>(1,154,914.01)</u>

As of December 31, 2010 and 2009, the Company has insured against fire insurance of finished goods, raw material and supplies carried insurance amount of Baht 6.80 million whereby beneficiaries from insurance is granted to one merchant bank in accordance with note no. 12.

## 9. Property, Plant and Equipment – Net

Consists of:

	Balance As of January 1,2010 Baht	Increase/ Transfer in Baht	Sale/ Transfer out Baht	Balance As of December 31,2010 Baht
<b>Cost :</b>				
Land and Land Improvements	36,103,655.79	-	-	36,103,655.79
Factory Building	34,765,709.53	-	-	34,765,709.53
Building Improvements – Factory	4,353,738.78	21,200.00	-	4,374,938.78
Machineries	17,069,238.14	492,000.00	(200,000.00)	17,361,238.14
Mould	4,898,820.84	60,000.00	-	4,958,820.84
Tools and Equipment	3,950,415.57	88,620.00	(4,620.00)	4,034,415.57
Vehicles	11,432,769.69	7,417,168.22	(3,626,873.81)	15,223,064.10
Office Equipment	4,094,430.39	122,053.27	(56,111.22)	4,160,372.44
Furniture and Fixtures	948,822.16	-	-	948,822.16
Computer and Computer Equipment	1,916,446.16	171,415.51	(69,914.49)	2,017,947.18
Work in Installation	-	25,639.00	-	25,639.00
<b>Total Cost</b>	<b>119,534,047.05</b>	<b>8,398,096.00</b>	<b>(3,957,519.52)</b>	<b>123,974,623.53</b>
<b>Accumulated Depreciation :</b>				
Factory Building	(7,477,085.21)	(1,738,285.44)	-	(9,215,370.65)
Building Improvements – Factory	(2,351,084.18)	(679,349.66)	-	(3,030,433.84)
Machineries	(11,097,402.73)	(888,653.95)	199,999.00	(11,786,057.68)
Mould	(3,218,545.27)	(875,975.01)	-	(4,094,520.28)
Tools and Equipment	(2,835,482.89)	(487,456.89)	2,594.14	(3,320,345.64)
Vehicles	(7,511,718.32)	(2,443,324.52)	3,626,869.81	(6,328,173.03)

Office Equipment	(2,397,104.69)	(645,476.38)	44,067.39	(2,998,513.68)
Furniture and Fixtures	(504,794.07)	(150,238.89)	-	(655,032.96)
Computer and Computer Equipment	(1,329,565.96)	(228,664.91)	69,250.12	(1,488,980.75)
<b>Total Accumulated Depreciation</b>	<b>(38,722,783.32)</b>	<b>(8,137,425.65)</b>	<b>3,942,780.46</b>	<b>(42,917,428.51)</b>
<b>Net</b>	<b>80,811,263.73</b>			<b>81,057,195.02</b>

## Depreciation for the year

Ended on December 31,

2010	8,137,425.65
2009	8,290,194.93

As of December 31, 2010, a part of vehicles in book value amount of Baht 6.59 million (As of December 31, 2009, in amount of Baht 3.02 million), occurrence from financial lease agreement in accordance with note no. 15.

As of December 31, 2010, the Company pledged land, property plus existing and contingent construction was mortgaged in book value amount of Baht 61.53 million (As of December 31, 2009 in amount of Baht 63.27 million), guaranteed against loan due to one merchant bank. In addition, the beneficiary from insurance for the property in the amount according to the insurance contract in amount of Baht 34.20 million is granted to such commercial bank according with note no. 12.

As of December 31, 2010, the Company had assets with the depreciation fully calculated but still in use which had a cost value of Baht 14.87 million which have book value in amount of Baht 438. (As of December 31, 2009: cost value of Baht 12.92 million which have book value in amount of Baht 285).

**10. Intangible Assets -Net**

Consists of:

	Balance As of January 1,2010 Baht	Increase/ Transfer in Baht	Sale/ Transfer out Baht	Balance As of December 31,2010 Baht
<b>Cost :</b>				
Computer Software	650,960.00	-	-	650,960.00
<b>Total Cost</b>	<b>650,960.00</b>	-	-	<b>650,960.00</b>
<b>Accumulated Amortization</b>				
Computer Software	(171,212.67)	(130,192.00)	-	(301,404.67)
<b>Total Accumulated Amortization</b>	<b>(171,212.67)</b>	<b>(130,192.00)</b>	-	<b>(301,404.67)</b>
<b>Net</b>	<b>479,747.33</b>			<b>349,555.33</b>
Amortization for the year				
Ended on December 31,				
2010				130,192.00
2009				118,415.78

**11. Retention Account Receivable - Net**

Consists of :

	As of December 31, 2010 Baht	As of December 31, 2009 Baht
Retention Account Receivable	5,017,756.84	3,522,699.83
<u>Less</u> Allowance for Doubtful Accounts	(187,118.40)	(187,118.40)
Retention Account Receivable - Net	<u>4,830,638.44</u>	<u>3,335,581.43</u>

**12. Credit Facility which Received from Merchant Bank**

As of December 31, 2010, the Company received credit facility from merchant bank in form of bank overdrawn account, short term loan, letter of guarantee, long term loan and letter of credit in amount of Baht 101.00 million (December 31, 2009: in amount of Baht 101.00 million) while land plus property, beneficiaries from fired insurance in building, machinery and inventory are collateral.

**13. Short-term Loans from Financial Institutions**

As of December 31, 2009, the whole amount of short term loan from a commercial bank is derived from taking promissory note for 90 days, interest rate MLR-1.50% equivalent to 4.35% per annum and have pledged as according with note no. 12.

**14. Long Term Loan from Financial Institution - Net**

Consists of:

	As of December 31, 2010 Baht	As of December 31, 2009 Baht
Long Term Loans	7,603,681.35	13,839,681.35
<u>Less</u> Current Portion of Long Term Loans	<u>(2,316,000.00)</u>	<u>(3,036,000.00)</u>
Net	<u>5,287,681.35</u>	<u>10,803,681.35</u>

As of December 31, 2010 and 2009, the whole amount is long term loan due to one merchant bank to construct and decorate the office building in the loan total credit line of Baht 20 million. It is reimbursed as installment and had been repay balance by amount of Baht 7.60 million and Baht 13.84 million, respectively. Interest is carried by the year 1<sup>st</sup>-2<sup>nd</sup> equivalent MLR-1.25% per annum and from year 3<sup>rd</sup> until debt will be completely repayable equivalent MLR per annum. The Company pledged land, building plus property existed and contingent in the future, and inventory including given the beneficiary from insurance for collateral, are determined to be repayable as follow;

- For the loan credit line of Baht 15 million, the principle is determined to be repayable in 78 months by Baht 0.19 million per month. The first installment will commence to repay on January 31, 2008 and following installments are repayable on the final business day of the month.
- For the loan credit line of Baht 5 million, the principle is determined to be repayable in 78 months by Baht 0.06 million per month. The first installment will commence to repay on July 31, 2008 and following installments are repayable on the final business day of the month. For the September 2010, the Company had been repaying in the whole amount of the loan credit line of Baht 5 million.

**15. Liabilities under Financial Lease Agreement - Net**

Consists of :

	As of December 31, 2010 Baht	As of December 31, 2009 Baht
Liabilities under financial lease agreement	6,726,034.03	3,549,352.09
<u>Less</u> Deferred interest	(551,853.87)	(324,090.05)
Net	6,174,180.16	3,225,262.04
Due for Payment of financial lease agreement as follow :		
Portion to Payment within 1 year	1,834,541.21	1,592,990.81
Portion to Payment after 1 year but within 4 years	4,339,638.95	1,632,271.23
Net	6,174,180.16	3,225,262.04

As of December 31, 2010 and 2009, the Company performs the contract of long term financial leased with several leasing companies so as to lease motor vehicle. The leased contracts determine leased fee repayment as monthly installment from Baht 17,227.00 per month to Baht 51,149.00 per month. The leased period is carried from 2-4 years. In addition, ownership of such motor vehicle will transfer to ownership of the Company when pays the final installment in accordance with the leased contract or pays for bargain purchase option when the end of the leased contract.

**16. Management Remuneration**

This management remuneration is contributed to the management of the Company and directors of the Company. It is composed of remuneration that is monetary, i.e. salaries, related fringe benefit and director's remuneration including remuneration in other form. The Company's management is the persons who are defined under the Securities and Exchange Act.

**17. Corporate Income Tax**

For the year ended of December 31, 2010 and 2009, the company calculated the income tax at the rate of 20% which is complied which the basis in the Act in accordance with the Decree no.387, which amended the rate of the corporate income tax expense from 30% to 20% for the five consecutive accounting periods from the initial accounting period or after the date a public company is listed on the Stock Exchange MAI (Market for Alternative Investment) (as of November 30, 2005) in accordance with the law on Securities and Stock Market. The company computed corporate income tax of accounting net

profit after adding adjusted transaction in accordance with the Revenue Code which is mainly doubtful debt transaction and depreciation exceeding the rate determined in the Revenue Code.

## 18. Expenses by Nature

Some expenses which included in calculation of profit (loss) from operation are able to analyses by nature as follows.

	For the year end on December 31,	
	2010	2009
	Baht	Baht
Changing within Work in Process and Finish Goods	2,824,387.51	(3,879,839.43)
Raw Material, Finished Goods and Supplies Used	202,533,282.26	206,062,984.43
Cost of Installation	31,745,993.01	31,665,727.54
Loss From Declining in Value of Inventories	-	101,484.89
Employees Expense	29,919,709.14	27,661,799.63
Depreciation and Amortization	8,267,617.65	8,408,610.71
Doubtful Debts	2,305,845.76	1,694,344.71
Other Expenses	24,670,938.96	17,047,734.60
Total	302,267,774.29	288,762,847.08

## 19. Share Capital

Authorized share capital, issued and paid-up share capital have movement as follows:

	Par Value	As of December 31, 2010		As December 31, 2009	
		Share	Share	Value	Value
	(Baht)	('000 Share)	('000 Share)	('000 Baht)	('000 Baht)
<b>Authorized Share Capital</b>					
Beginning Ordinary Share	1.00	50,000	50,000	50,000	50,000
<u>Less</u> Decrease Ordinary Share	-	-	-	-	-
<u>Add</u> Increase Ordinary Shares	1.00	450,000	450,000	-	-
Ending ordinary Shares	1.00	500,000	500,000	50,000	50,000
<b>Issued and Paid-up Share Capital</b>					
Beginning Ordinary Share	1.00	50,000	50,000	50,000	50,000
<u>Less</u> Decrease Ordinary Share	-	-	-	-	-
<u>Add</u> Increase Ordinary Shares	-	-	-	-	-
Ending ordinary Shares	1.00	50,000	50,000	50,000	50,000

In accordance with the minute of extra-ordinary shareholders meeting no. 2/2010 held on October 6, 2010, it is unanimously resolved to registered share capital is increased by another Baht 450.00 million. The company has increased the registered share capital for the former 50.00 million shares in par value of Baht 1.00 per share totaling Baht 50.00 million to the registered share capital for 500.00 million shares in par value of Baht 1.00 per share totaling Baht 500.00 million. The Company has already registered the increased share capital at the Ministry of Commerce.

## **20. Dividend Payment and Legal Reserve**

- 20.1 In accordance with the resolution of the Board of Directors' Meeting no.3/2010 held on May 13, 2010, It is unanimously resolved to appropriated retained earnings for dividend to shareholder of Baht 0.05 per share and totaling Baht 2.50 million, while it is determined to repay on June 11, 2010. Present, the Company has already paid the dividend to shareholder.
- 20.2 In accordance with the resolution of the Board of Directors' Meeting No.5/2009 held on December 23, 2009, it was unanimously resolved to appropriated retained earnings for dividend to shareholder of Baht 0.20 per share and totaling Baht 9.99 million. Dividend payment to be made on January 22, 2010, Present, the Company has already paid the dividend to shareholder.
- 20.3 In accordance with the resolution of the Board of Directors' Meeting No.3/2009 held on August 11, 2009, it was unanimously resolved to appropriated retained earnings for dividend to shareholder of Baht 0.05 per share and totaling Baht 2.50 million. Dividend payment to be made on September 10, 2009, Present, the Company has already paid the dividend to shareholder.
- 20.4 In accordance with the resolution of the shareholders meeting for year 2009 held on April 21, 2009, It is unanimously resolved dividend repayment for year 2008 to shareholders in the rate of Baht 0.27 per share. The board of directors of the Company approved the interim dividend repayment in this accounting period year 2008 in total of Baht 0.15 per share. There is outstanding dividend payable in the rate of Baht 0.12 per share in total amount of Baht 6.00 million while it is determined to repay on May 14, 2009. Present, the Company has already paid the dividend to shareholder.

## **21. Segment Financial Information**

The Company operates main business in relation to sales of construction material, production of roof sheet and service rendered of installation of roof sheets and operates in one geographical sector, i.e. Thailand. As a result, the total revenue, profit and asset which are reflected in the financial statements will be related to business sector and geographical sector in accordance with those mentioned.

## 22. Financial Instruments

### 22.1 Policy on Financial Risk Management

The company has no policy to hold or issue financial instruments for speculating or trading.

### 22.2 Risks on Interest Rates

Risk on interest rates is derived from fluctuation of market interest rate in the future which affect upon operation result and cash flow. The company had assets and liabilities which it may have risk on interest rate as follows:

	Amount		Annual Interest Rate	
	December 31,2010	December 31,2009	December 31,2010	December 31,2009
	<u>Million Baht</u>	<u>Million Baht</u>	<u>%</u>	<u>%</u>
Bank Deposit – Saving Accounts	5.15	1.45	0.25-0.50	0.50
Short Term Loans from Commercial Bank	-	10.00	-	4.35
Long-Term Loans from Commercial Bank	7.60	13.84	MLR	MLR and MLR-1.25%

### 22.3 Foreign Currency Risk

The Company has not foreign currency risk due to the Company has not commercially all assets and liabilities in foreign currencies.

### 22.4 Credit Term Risk

The Company constitutes risk from credit provision in respect of trading account receivable since debtor may not be able to repay debt in accordance with the term and covenant which agreed; as a result, it may cause financial damage. However, the Company has determined policy to hedge against such risk by analysis of financial status and consideration of ability in debt repayment of each customer in the consideration of credit provision. Moreover, the Company determines that customers have to repay some portion of deposit in advance before sale. For account receivable that is anticipated of uncollectible, the Company has considered to setup allowance for doubtful debt sufficiently.

### 22.5 Fair Value

According to most of company's financial asset and financial liabilities are short term nature and loan from Bank have interest at market rate. The company management believes that the book value of financial asset and financial liabilities are shown no significantly different from the fair value.

### 23. Contingent Liabilities and Obligations

- 23.1 The Company constitutes commitment obligation in the warranty of product quality and installation service to the Company customers under the term that such damage has to incur directly from product material which does not include damage which incur from outside other performance that cause damage to product. The period of warranty is approximately 1 year – 20 years. However, the Company management believes that the Company does not constitute materially contingent liability from such warranty since the Company products distributors constitute warranty of product quality under the same term and covenant, carried the period of warranty of 5-30 years. Therefore, the Company will not recognize expense and contingent liability from such warranty included in these financial statements.
- 23.2 Apart from liability which is reflected in the financial statements, the Company constitutes contingent liability as follows:

	As of December 31, 2010	As of December 31, 2009
	Baht	Baht
Letters of Guarantee – Banks	1,151,633.41	4,749,005.42
Letter of Credit - Credit limited Baht 25.00 million	-	1,054,539.08

- 23.3 The Company constitutes obligation commitment from the performance of installation contractor contract for the project of sale plus installation as of December 31, 2010, the Company constitutes the obligation commitment that has to repay installation contractor by amount of Baht 3.64 million (As of December 31, 2009, in amount of Baht 8.91 million). However, the Company constitutes the revenue from sales plus installation according to the unearned contract by amount of Baht 26.95 million (As of December 31, 2009, in amount of Baht 61.40 million).

### 24. Provident Fund

The Company and its employees have participated in registered AIA Munkong Provident Fund under the Provident Fund Act B.E. 2530. The fund is contributed to by both employees and the Company. This provident fund is managed by American International Insurance Public Company Limited and will be paid to the employees upon termination in accordance with the rules of the fund. For the years ended on December 31, 2010, the Company has repaid staff provident fund by amount of Baht 0.60 million (on December 31, 2009: Baht 0.62 million).

**25. Other**

- 25.1 In accordance with the minute of the board of directors meeting no. 2/2010 held on March 23, 2010, it unanimously resolves to approve ordinary shares acquisition of the Solar Power Co., Ltd., from shareholders of the Solar Power Co., Ltd. The Company will enter to purchase such shares in number of 35.00 million shares in value of Baht 10.00 per share by amount of Baht 350.00 million, equivalent to 100% of ordinary shares of the Solar Power Co., Ltd., which the Company will repay such shares acquisition fee by issuing newly ordinary shares of the Company in number of 350.00 million shares in value of Baht1.00 per share in the offering price of Baht1.00 per share aggregating to amount of Baht 350.00 million in order to remunerate to shareholders of the Solar Power Co., Ltd., instead of repayment in cash. However, proportion of shares exchange equivalent to 1 share of the Solar Power Co., Ltd., over 10 new shares of the Company (Share Swap). The Company has been approved by the extra-ordinary shareholders meeting no. 1/2010 held on May 13, 2010.
- 25.2 In accordance with the resolution of the Board of Directors' Meeting no.4/2010 held on August 4, 2010 and the minute of the extra-ordinary shareholders meeting no. 2/2010 held on October 6, 2010, it unanimously resolves to
- 25.2.1 Cancellation of the resolution of the Board of Directors' Meeting no.2/2010 held on March 23, 2010, regarding the acquisition of ordinary shares in Solar Power Co., Ltd., from shareholders of the Solar Power Co., Ltd. Because the Solar Power Co., Ltd, it is unanimously resolved to registered share capital is increased for the former 35.00 million shares in par value of Baht 10.00 per share totaling Baht 350.00 million to the registered share capital for 45.00 million shares in par value of Baht 1.00 per share totaling Baht 450.00 million.
- 25.2.2 Approve ordinary shares acquisition of the Solar Power Co., Ltd., from shareholders of the Solar Power Co., Ltd. The Company will enter to purchase such shares in number of 45.00 million shares in value of Baht 10.00 per share by amount of Baht 450.00 million, equivalent to 100% of ordinary shares of the Solar Power Co., Ltd., which the Company will repay such shares acquisition fee by issuing newly ordinary shares of the Company in number of 450.00 million shares in value of Baht1.00 per share in the offering price of Baht1.00 per share aggregating to amount of Baht 450.00 million in order to remunerate to shareholders of the Solar Power Co., Ltd., instead of repayment in cash. However, proportion of shares exchange equivalent to 1 share of the Solar Power Co., Ltd., over 10 new shares of the Company (Share Swap).

25.2.3 And it is unanimously resolved to registered share capital is decreased by 350.00 share million in par value of Baht 1.00 per share totaling Baht 350.00 million which for cancelling the registered share capital but unissued ordinary shares and it is unanimously resolved to increased the registered share capital for Baht 450.00 million. The company has increased the registered share capital for the former 50.00 million shares in par value of Baht 1.00 per share totaling Baht 50.00 million to the registered share capital for 500.00 million shares in par value of Baht 1.00 per share totaling Baht 500.00 million. Presently, the Company in during to take action for registered by the Ministry of Commerce.

## **26. Capital Management**

The objectives of the Company's capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure and to maintain the ratio of debt to equity not excess as required by loan contract.

As at December 31, 2010 and 2009, debt to equity ratio in the financial statements is 0.75 : 1 and 1.22 : 1, respectively.

## **27. Approval of the Financial Statements**

These financial statements have been approved to issue by the authorized director on February 4, 2011.

---