

QUALITECH PUBLIC COMPANY LIMITED  
AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
AS AT JUNE 30, 2010 (UNAUDITED/REVIEWED ONLY)  
AND AS AT DECEMBER 31, 2009 (AUDITED)



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OFFICE OF DIA INTERNATIONAL AUDITING

A Member Of  
**Moore Stephens**  
International Limited

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AUDITOR'S REPORT

To The Shareholders of  
Qualitech Public Company Limited

I have reviewed the balance sheet of Qualitech Public Company Limited as at June 30, 2010, the related statements of income for the three month and six month periods ended June 30, 2010, statements of changes in shareholders' equity and statements of cash flows for the six month periods then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I conducted my review in accordance with auditing standards applicable to review engagements. Those standards require that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. Accordingly, I do not express an opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that the financial statements are not presented fairly, in all material respects in accordance with generally accepted accounting principles.

The financial statements of Qualitech Public Company Limited as at December 31, 2009 were audited by the other auditor in the same office in accordance with generally accepted auditing standards and that expressed an unqualified opinion in the report dated on February 27, 2010. The balance sheet as at December 31, 2009, presented for comparison purpose, is a partial of the audited and reported financial statements by such other auditor.

The statements of income for the three month and six month periods ended June 30, 2009, statements of changes in shareholders' equity and statements of cash flows for the six month periods then ended of Qualitech Public Company Limited presented for comparison purpose, is a partial of the interim financial statements, were reviewed by such other auditor whose report dated August 8, 2009, stated that nothing has come to attention that cause to believe that the financial statements are presented unfairly, in all material respects in accordance with generally accepted accounting principles.

Office of D I A International Auditing

*Somjintana Polhirunrat*  
(Miss Somjintana Polhirunrat)

C.P.A. (Thailand)

Registration No. 5599

August 7, 2010

QUALITECH PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT JUNE 30, 2010 (UNAUDITED/REVIEWED ONLY)

AND AS AT DECEMBER 31, 2009 (AUDITED)

Assets	Note	June 30, 2010 Baht	December 31, 2009
<b>Current assets</b>			
Cash and cash equivalents	5	11,620,793.31	11,450,291.89
Current investment	6	54,707,988.87	89,366,678.83
Trade accounts receivable - net	7	40,695,295.48	49,639,431.04
Unbilled services income		36,572,659.48	23,527,737.80
Inventories		3,151,196.61	2,995,855.75
Other current assets		2,971,301.55	2,668,301.40
<b>Total current assets</b>		149,719,235.30	179,648,296.71
<b>Non-current assets</b>			
Other long - term investment	8	15,068,044.29	0.00
Property, plant and equipment - net	9	58,661,505.38	50,273,885.93
Other non - current assets			
Prepayment for purchase of fixed assets		0.00	1,003,261.60
Withholding income tax		5,897,746.96	7,081,626.36
Others - net	10	115,948.46	141,055.00
<b>Total non-current assets</b>		79,743,245.09	58,499,828.89
<b>Total assets</b>		229,462,480.39	238,148,125.60

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED

BALANCE SHEETS (Cont.)

AS AT JUNE 30, 2010 (UNAUDITED/REVIEWED ONLY)

AND AS AT DECEMBER 31, 2009 (AUDITED)

Liabilities and shareholders' equity	Note	June 30, 2010 Baht	December 31, 2009
<b>Current liabilities</b>			
Trade accounts payable		5,267,188.49	3,890,003.77
Current portion of long - term liabilities	11	2,624,807.84	2,718,724.21
Other current liabilities			
Accrued expenses		13,468,727.75	18,331,400.10
Others		1,468,562.32	2,007,631.34
<b>Total current liabilities</b>		<u>22,829,286.40</u>	<u>26,947,759.42</u>
<b>Non-current liabilities</b>			
Liabilities under financial lease agreement - net	11	1,958,790.14	3,047,547.57
<b>Total non-current liabilities</b>		<u>1,958,790.14</u>	<u>3,047,547.57</u>
<b>Total liabilities</b>		<u>24,788,076.54</u>	<u>29,995,306.99</u>
<b>Shareholders' equity</b>			
Share capital			
Authorized shares capital			
100,000,000 common shares of Baht 1 each		<u>100,000,000.00</u>	<u>100,000,000.00</u>
Issued and paid - up share capital			
90,000,000 common shares of Baht 1 each		90,000,000.00	90,000,000.00
Premium on share capital		55,970,571.40	55,970,571.40
Retained earnings			
Appropriated - legal reserve		10,000,000.00	9,103,150.68
Unappropriated	12	48,703,832.45	53,079,096.53
<b>Total shareholders' equity</b>		<u>204,674,403.85</u>	<u>208,152,818.61</u>
<b>Total liabilities and shareholders' equity</b>		<u>229,462,480.39</u>	<u>238,148,125.60</u>

Notes to financial statements are parts of these financial statements



QUALITECH PUBLIC COMPANY LIMITED

STATEMENTS OF INCOME

FOR THE THREE MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

(UNAUDITED/REVIEWED ONLY)

	Note	2010	Baht	2009
Services income		61,241,256.54		67,047,704.98
Cost of services		(45,132,984.95)		(41,978,700.60)
Gross profit		16,108,271.59		25,069,004.38
Other income		204,610.66		407,824.84
Profit before expenses		16,312,882.25		25,476,829.22
Administrative expenses		(6,824,909.45)		(6,538,237.57)
Directors' remuneration		(435,206.29)		(439,000.00)
Management benefit expenses		(1,902,379.82)		(1,779,753.15)
Total expenses		(9,162,495.56)		(8,756,990.72)
Profit before finance costs and income tax		7,150,386.69		16,719,838.50
Finance costs		(78,181.83)		(210,260.47)
Profit before income tax		7,072,204.86		16,509,578.03
Income tax	13	48,847.43		(422,609.59)
Net profit		7,121,052.29		16,086,968.44
Earnings per share				
Basic earnings per share		0.08		0.21
Weighted average number of common shares		90,000,000		76,666,667

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED

STATEMENTS OF INCOME

FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

(UNAUDITED/REVIEWED ONLY)

	Note	2010	Baht	2009
Services income		124,755,243.08		134,652,870.90
Cost of services		(86,647,771.46)		(82,666,973.21)
Gross profit		38,107,471.62		51,985,897.69
Other income		498,314.85		1,202,023.60
Profit before expenses		38,605,786.47		53,187,921.29
Administrative expenses		(14,395,739.47)		(13,587,041.44)
Directors' remuneration		(881,776.22)		(568,000.00)
Management benefit expenses		(3,810,368.89)		(3,589,435.22)
Total expenses		(19,087,884.58)		(17,744,476.66)
Profit before finance costs and income tax		19,517,901.89		35,443,444.63
Finance costs		(166,719.80)		(418,484.89)
Profit before income tax		19,351,182.09		35,024,959.74
Income tax	13	(329,596.85)		(422,609.59)
Net profit		19,021,585.24		34,602,350.15
Earnings per share				
Basic earnings per share			0.21	0.47
Weighted average number of common shares		90,000,000		73,333,333

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

(UNAUDITED/REVIEWED ONLY)

(Unit : Baht)

	Note	Issued and	Premium	Retained earnings (Deficit)		Total
		paid-up share capital	on share capital	Appropriated	Unappropriated	
Balance as at December 31, 2008		70,000,000.00	0.00	5,602,643.29	54,179,456.20	129,782,099.49
Increase share capital		20,000,000.00	55,970,571.40	0.00	0.00	75,970,571.40
Dividend paid		0.00	0.00	0.00	(54,110,000.00)	(54,110,000.00)
Net profit for the six month periods		0.00	0.00	0.00	34,602,350.15	34,602,350.15
Legal reserve		0.00	0.00	1,730,117.51	(1,730,117.51)	0.00
Balance as at June 30, 2009		90,000,000.00	55,970,571.40	7,332,760.80	32,941,688.84	186,245,021.04
Net profit for the six month periods		0.00	0.00	0.00	35,407,797.57	35,407,797.57
Interim dividend paid		0.00	0.00	0.00	(13,500,000.00)	(13,500,000.00)
Legal reserve		0.00	0.00	1,770,389.88	(1,770,389.88)	0.00
Balance as at December 31, 2009		90,000,000.00	55,970,571.40	9,103,150.68	53,079,096.53	208,152,818.61
Dividend paid	12	0.00	0.00	0.00	(22,500,000.00)	(22,500,000.00)
Net profit for the six month periods		0.00	0.00	0.00	19,021,585.24	19,021,585.24
Legal reserve		0.00	0.00	896,849.32	(896,849.32)	0.00
Balance as at June 30, 2010		90,000,000.00	55,970,571.40	10,000,000.00	48,703,832.45	204,674,403.85

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

(UNAUDITED/REVIEWED ONLY)

	2010	Baht	2009
<b>Cash flows from operating activities</b>			
Profit before income tax	19,351,182.09		35,024,959.74
Adjustments			
Doubtful accounts	546,299.99		0.00
Reversed doubtful accounts	0.00		(518,633.25)
Depreciation	8,939,500.26		9,708,413.70
Loss on write off fixed assets	34,344.80		779.82
Loss on impairment of properties foreclosed	1,307.51		0.00
Write off withholding income tax	980.40		0.00
Interest expenses	166,719.80		418,484.89
	<u>29,040,334.85</u>		<u>44,634,004.90</u>
(Increase) Decrease in portion of operating assets			
Trade accounts receivable	8,397,835.57		13,364,141.13
Unbilled services income	(13,044,921.68)		(2,413,656.11)
Inventories	(155,340.86)		(348,283.20)
Other current assets	(303,000.15)		425,018.10
Other non-current assets	23,799.03		328,600.00
Increase (Decrease) in portion of operating liabilities			
Trade accounts payable	1,377,184.72		(1,997,015.84)
Accrued expenses	(4,862,672.35)		(3,952.65)
Other current liabilities	(539,069.02)		185,861.50
Cash generated from operation	<u>19,934,150.11</u>		<u>54,174,717.83</u>
Interest paid	(166,719.80)		(465,120.29)
Income tax received (paid)	853,302.15		(1,673,537.24)
<b>Net cash provided by operating activities</b>	<u><u>20,620,732.46</u></u>		<u><u>52,036,060.30</u></u>

Notes to financial statements are parts of these financial statements



QUALITECH PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

(UNAUDITED/REVIEWED ONLY)

	2010	Baht	2009
<b>Cash flows from investing activities</b>			
(Increase) Decrease in current investment	34,658,689.96		(65,086,740.85)
Proceeds from sales of fixed assets	3,000.00		149,532.71
Payments for purchase of fixed assets	(16,162,202.91)		(3,887,810.64)
Increase in other long - term investment	(15,068,044.29)		0.00
<b>Net cash provided by (used in) investing activities</b>	<u>3,431,442.76</u>		<u>(68,825,018.78)</u>
<b>Cash flows from financing activities</b>			
Decrease in short - term loans from related persons	0.00		(5,000,000.00)
Decrease in long - term loans	0.00		(4,739,880.86)
Decrease in liabilities under financial lease agreement	(1,381,673.80)		(1,698,700.28)
Proceeds from increase share capital	0.00		76,070,571.40
Dividend paid	(22,500,000.00)		(54,110,000.00)
<b>Net cash provided by (used in) financing activities</b>	<u>(23,881,673.80)</u>		<u>10,521,990.26</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	170,501.42		(6,266,968.22)
<b>Cash and cash equivalents as at January 1</b>	11,450,291.89		13,513,087.10
<b>Cash and cash equivalents as at June 30</b>	<u><u>11,620,793.31</u></u>		<u><u>7,246,118.88</u></u>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT JUNE 30, 2010 (UNAUDITED/REVIEWED ONLY)

AND AS AT DECEMBER 31, 2009 (AUDITED)

**1. GENERAL INFORMATION**

- 1.1 The Company was registered as a company limited on February 11, 1991 with registration no. 0105534013647 and on December 12, 2007, the Company has changed its status to public company limited with registration no. 0107550000220 and is listed company in the Market for Alternative Investment (MAI) on June 9, 2009.
- 1.2 Head office is located at 21/3 Banplong Road, Maptaphut, Muang, Rayong and the branch office is located at 1/37 Moo 1, Nongchak, Banbueng, Chonburi.
- 1.3 The Company engaged in business of provides the technical services testing, inspection and certification for operation safety of industry equipments, pressure vessel, industrial boiler, piping and steel structures which is important for the production process, storage, transport of the products in power generating, petrochemical industry and construction to comply with industrial standard and the government laws.

**2. PREPARATION OF INTERIM FINANCIAL STATEMENTS BASIS**

These interim financial statements have been prepared in conformity with the Accounting Standards no. 34 (Revised 2007) "Interim Financial Reporting" for the purpose to provide the update information on the latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances and does not duplicate information previously reported. However, the balance sheets, statements of income, statements of changes in shareholders' equity and statements of cash flows are presented the same as previous annual financial statements. Therefore, these interim financial statements should access to the most recent annual financial statements.

The financial statements have been prepared in conformity with generally accepted accounting principles enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of Department of Business Development by Ministry of Commerce dated January 30, 2009 regarding the condensed form should be included in the financial statements B.E. 2552 and in accordance with the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial reporting under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

### 3. NEW ACCOUNTING STANDARDS ISSUANCE

The Federation of Accounting Professions issued notification No. 17/2553 and announced in the Royal Gazette on May 26, 2010, pertaining to the accounting standards and financial reporting standards (Revised 2009) total 24 standards divided into 21 standards that have already implemented which modified number to be matched for corresponding International Accounting Standards of which undergone the certain changes in significant principles and the other 3 standards were not yet implemented as following details:

#### 3.1 Accounting standards/financial reporting standards in issue instead of the former standards

<u>Accounting standards/Financial reporting standards</u>	<u>Effective date</u>
Framework for the Preparation and Presentation of Financial Statements (Revised 2009)	May 26, 2010
TAS 1 (Revised 2009) Presentation of Financial Statements	January 1, 2011
TAS 2 (Revised 2009) Inventories	January 1, 2011
TAS 7 (Revised 2009) Statements of Cash Flows	January 1, 2011
TAS 8 (Revised 2009) Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2011
TAS 10 (Revised 2009) Events After the Reporting Period	January 1, 2011
TAS 11 (Revised 2009) Construction Contracts	January 1, 2011
TAS 17 (Revised 2009) Leases	January 1, 2011
TAS 20 Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013
TAS 23 (Revised 2009) Borrowing Costs	January 1, 2011
TAS 24 (Revised 2009) Related Party Disclosures	January 1, 2011
TAS 27 (Revised 2009) Consolidated and Separate Financial Statements	January 1, 2011
TAS 28 (Revised 2009) Investments in Associates	January 1, 2011
TAS 31 (Revised 2009) Interests in Joint Venture	January 1, 2011
TAS 33 (Revised 2009) Earnings per Share	January 1, 2011
TAS 34 (Revised 2009) Interim Financial Reporting	January 1, 2011
TAS 36 (Revised 2009) Impairment of Assets	January 1, 2011
TAS 37 (Revised 2009) Provisions, Contingent Liabilities and Contingent Assets	January 1, 2011
TAS 38 (Revised 2009) Intangible Assets	January 1, 2011
TAS 40 (Revised 2009) Investment Property	January 1, 2011
TFRS 5 (Revised 2009) Non-current Assets Held for Sale and Discontinued Operations	January 1, 2011



The management of the Company assessed that TAS 11 (Revised 2009), TAS 20, TAS 28 (Revised 2009), TAS 31 (Revised 2009) and TFRS 5 (Revised 2009) are not relevant to the Company's business. The Company will apply the related accounting standards and financial reporting standards on the effective date which the management of the Company believes that those standards do not have material impacts on the financial statements.

### 3.2 Accounting standards/financial reporting standards in issue for adoption

<u>Accounting standards/Financial reporting standards</u>		<u>Effective date</u>
TAS 12 (Revised 2009)	Income Taxes	January 1, 2013
TAS 29	Financial Reporting in Hyperinflationary Economies	January 1, 2011
TFRS 6	Exploration for and Evaluation of Mineral Resources	January 1, 2011

TAS 29 and TFRS 6 are not relevant to the Company's business, the Company will apply TAS 12 (Revised 2009) on the effective date which the management of the Company assesses and believes that it will not have material impacts on the financial statements.

## 4. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by using the accounting policy and estimates of the financial statements for the year December 31, 2009 except the supplement disclosure are as following :

### Investment

Long-term investment in the form of debt securities as held to hold to maturity are stated at amortized cost.

Long-term investment in the form of marketable equity securities available for sales are stated at fair value.

## 5. ADDITIONAL DISCLOSURE OF CASH FLOWS INFORMATION

### 5.1 Cash and Cash equivalents

	<b>June 30, 2010 Baht December 31, 2009</b>	
Cash	131,876.00	158,947.00
Cash at bank - current accounts	33,000.00	32,000.00
Cash at bank - savings accounts	11,455,917.31	11,259,344.89
Total	11,620,793.31	11,450,291.89

### 5.2 Cash paid during the years

#### Non - cash transaction

For the six month periods ended June 30, 2009, the Company entered into hire purchase vehicles agreement of Baht 1.13 million which was already made the initial installment in the amount of Baht 0.28 million. The remaining is presented as liabilities under financial lease agreement.



## 6. CURRENT INVESTMENT

	<b>June 30, 2010 Baht December 31, 2009</b>	
K - Treasury Fund - short term government bond	17,243,212.37	25,164,017.19
SCB Savings Fixed Income Fund (SCBSFF)	15,224,305.78	36,116,384.93
The Krung Thai Sa - Som - Sub Fund	15,211,733.77	28,086,276.71
T - Cash Fund	7,028,736.95	0.00
Total	<u>54,707,988.87</u>	<u>89,366,678.83</u>

Such fund invested in debt securities which had minimal risk since it has no policy to invest in private debt securities.

## 7. TRADE ACCOUNTS RECEIVABLE - NET

	<b>June 30, 2010 Baht December 31, 2009</b>	
Billed receivable separated on aging		
Undue receivable	22,364,594.89	29,647,228.70
Overdue receivable		
- Less than 3 months	15,565,973.95	18,640,958.69
- Over 3 months to 6 months	2,278,853.74	1,482,766.28
- Over 6 months to 9 months	321,150.00	5,720.00
- Over 9 months to 12 months	977,906.54	25,500.00
- Over 12 months	12,786,126.28	12,890,267.30
Total	<u>54,294,605.40</u>	<u>62,692,440.97</u>
Less Allowance for doubtful accounts	(13,599,309.92)	(13,053,009.93)
Net	<u>40,695,295.48</u>	<u>49,639,431.04</u>

## 8. OTHER LONG-TERM INVESTMENT

	<b>June 30, 2010 Baht December 31, 2009</b>	
Debt securities held to maturity		
- Bank of Thailand Bonds (BOT 133A # 1/3/2553)	5,068,044.29	0.00
Equity securities		
- SCB Foreign Fixed Note (SCB FN 14M2S)	5,000,000.00	0.00
- The Krung Thai Foreign Fixed Income (KTF)	5,000,000.00	0.00
Total	<u>15,068,044.29</u>	<u>0.00</u>

Bank of Thailand Bonds (BOT 133A) matured on January 14, 2013 at the yield rate of 2.75% per annum.

9. PROPERTY, PLANT AND EQUIPMENT - NET

	Baht							Total		
	Land	Building	Building improvement	Tools and technical equipment	Office equipment	Office furniture and fixtures	Utilities system		Vehicles	Assets under construction
Assets - cost :										
As at December 31, 2009	7,219,000.00	9,290,260.87	2,308,080.35	78,545,142.24	6,425,860.24	3,050,624.15	1,291,122.36	37,845,768.44	163,201.05	146,139,059.70
Purchase	0.00	0.00	0.00	13,891,856.00	1,050,074.34	145,951.67	0.00	116,170.00	2,160,412.50	17,364,464.51
Disposal	0.00	0.00	0.00	(193,075.73)	(398,926.07)	(3,470.00)	0.00	(1,299.06)	0.00	(596,770.86)
Transference	0.00	0.00	0.00	158,209.52	0.00	0.00	0.00	0.00	(158,209.52)	0.00
As at June 30, 2010	7,219,000.00	9,290,260.87	2,308,080.35	92,402,132.03	7,077,008.51	3,193,105.82	1,291,122.36	37,960,639.38	2,165,404.03	162,906,753.35
Accumulated depreciation :										
As at December 31, 2009	0.00	3,515,655.02	521,636.54	54,799,527.82	4,056,326.01	2,373,761.65	1,291,118.36	29,307,148.37	0.00	95,865,173.77
Depreciation for 6 months	0.00	207,225.74	55,993.94	5,904,170.22	636,895.40	123,230.82	0.00	2,011,984.14	0.00	8,939,500.26
Depreciation - write off	0.00	0.00	0.00	(160,596.15)	(396,038.60)	(1,493.25)	0.00	(1,298.06)	0.00	(559,426.06)
As at June 30, 2010	0.00	3,722,880.76	577,630.48	60,543,101.89	4,297,182.81	2,495,499.22	1,291,118.36	31,317,834.45	0.00	104,245,247.97
Net book value										
As at December 31, 2009	7,219,000.00	5,774,605.85	1,786,443.81	23,745,614.42	2,369,534.23	676,862.50	4.00	8,538,620.07	163,201.05	50,273,885.93
As at June 30, 2010	7,219,000.00	5,567,380.11	1,730,449.87	31,859,030.14	2,779,825.70	697,606.60	4.00	6,642,804.93	2,165,404.03	58,661,505.38

As at June 30, 2010 and December 31, 2009, equipment at cost of Baht 49.41 million and Baht 36.36 million, respectively were depreciated in full but are still in use.

As at June 30, 2010 and December 31, 2009, vehicles at cost of Baht 14.68 million and Baht 16.23 million, respectively which is under the payment as indicated in agreement (note 11).

As at June 30, 2010 and December 31, 2009, land, building and building improvement at cost of Baht 18.82 million are mortgaged as collateral for overdrafts line from bank amount of Baht 4.50 million at the interest rate of MRR per annum and contingent liabilities from bank issuance of letter of guarantee (note 17).

Tools and technical equipment as at June 30, 2010 (Unit : Baht)

Assets acquired	Cost	Accumulated depreciation	Net cost
Depreciation by straight - line method			
- Before October 23, 1999	3,153,864.03	(3,153,760.03)	104.00
- 2004 until present	33,206,847.03	(24,656,180.36)	8,550,666.67
Depreciation by double - declining balance method			
- Before October 23, 1999 to 2003	5,797,715.07	(5,797,641.07)	74.00
- 2006 until present	50,243,705.90	(26,935,520.43)	23,308,185.47
Total	92,402,132.03	(60,543,101.89)	31,859,030.14

Depreciation for the six month periods ended June 30, 2010 and 2009 were Baht 5.90 million and Baht 6.16 million, respectively.

#### 10. OTHER NON - CURRENT ASSETS - NET

	June 30, 2010 Baht	December 31, 2009
Deposit receivable under contract	3,738,512.53	3,763,619.07
Properties foreclosed	1,307.51	0.00
Total	3,739,820.04	3,763,619.07
Less Allowance for doubtful accounts	(3,622,564.07)	(3,622,564.07)
Provision for impairment of properties foreclosed	(1,307.51)	0.00
Net	115,948.46	141,055.00



## 11. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT - NET

1) Liabilities under financial lease agreement excluded future interest expenses as follows :

	June 30, 2010 Baht	December 31, 2009
Payable under hire purchase agreement	4,583,597.98	5,766,271.78
Less Current portion of long - term liabilities	(2,624,807.84)	(2,718,724.21)
Net	<u>1,958,790.14</u>	<u>3,047,547.57</u>

2) The minimum amount to be paid under financial lease agreement as follows :

	June 30, 2010 Baht	December 31, 2009
Within 1 year	2,873,650.45	3,054,554.98
Over 1 year less than 3 years	1,970,911.39	3,085,439.02
Over 3 years less than 5 years	59,531.72	69,713.00
Total	<u>4,904,093.56</u>	<u>6,209,707.00</u>
Less Future interest expenses of financial lease agreement	<u>(320,495.58)</u>	<u>(443,435.22)</u>
Present value of liabilities under financial lease agreement	<u>4,583,597.98</u>	<u>5,766,271.78</u>

## 12. RETAINED EARNINGS APPROPRIATION

According to the minutes of shareholders' general meeting for the year 2010 held on April 26, 2010, passed the resolution to pay dividend from profit of year 2009 to the shareholders at Baht 0.25 per share for total 90 million shares amounting to Baht 22.50 million. During the period, the Company has paid the dividend in fully amount.

## 13. INCOME TAX

The Company calculated corporate income tax at the rate of 20% of profit (loss) before deducting with tax expenses and added back by other expenses which shall not be allowed as expenses in tax calculation except the exempted profit derived from promoted activities (note 16).

## 14. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

Assets, liabilities, revenues and expenses arose from transaction with persons and related companies. Those transactions are based on the conditions as the group of companies concerned and in the normal course of business as detailed following :



#### 14.1 General information

Name	Relationship	Description	Pricing policy
Related persons			
Mr. Sannpat Rattakham	The Company's director and shareholder	Guarantee	Non-service charge
Mrs. Monta Chaiyaban	Intimate of the Company's directors and shareholders	Office rental	At the agreed rate of Baht 8,500 starting June 2008
Related parties			
Duwell Intertrade Limited	Shareholder are the near relative of the Company's directors	Tools and technical equipment Purchase of goods	Close to market value.

#### 14.2 Assets and liabilities transaction with related persons and parties are as follows :

##### Trade accounts payable

	June 30, 2010 Baht	December 31, 2009
Duwell Intertrade Limited	189,764.50	220,420.00

#### 14.3 Revenues and expenses transaction with related persons and parties are as follows :

	For the three month periods			For the six month periods		
	2010	Baht	2009	2010	Baht	2009
Cost of services - purchase of goods						
Duwell Intertrade Limited	573,750.00		98,000.00	1,329,950.00		460,500.00
Administrative expenses - office rental						
Mrs. Monta Chaiyaban	25,500.00		25,500.00	51,000.00		51,000.00

#### 14.4 Purchase of tools and technical equipment transactions with related persons and parties are as follows :

	For the three month periods			For the six month periods		
	2010	Baht	2009	2010	Baht	2009
Tools and technical equipment						
Duwell Intertrade Limited	178,900.00		373,500.00	1,681,090.00		373,500.00

## 15. EXPENSES ANALYZED BY NATURE

	For the three month periods			For the six month periods		
	2010	Baht	2009	2010	Baht	2009
Employee expenses	29,743,218.69	27,011,680.95	57,657,740.76	54,918,758.27		
Depreciation	4,648,388.44	4,934,817.20	8,939,774.61	9,708,413.69		
Supplies used	4,534,928.93	5,892,267.02	9,499,517.77	12,436,914.83		
Contractor wage	4,858,500.48	4,270,085.20	8,991,742.33	6,467,392.64		
Travelling and accommodation expenses	2,130,259.92	1,770,700.15	4,205,025.88	3,394,169.04		
Office expenses	796,678.71	1,216,625.08	2,179,402.75	2,383,692.09		
Fee and consulting fee	435,349.82	448,304.12	793,516.74	923,513.42		
Repairs and maintenance expenses	1,477,010.33	345,425.74	2,141,166.70	839,481.44		
Directors' remuneration	435,206.29	439,000.00	881,776.22	568,000.00		
Management benefit expenses	3,584,101.32	3,288,547.52	7,163,505.73	6,579,040.36		

## 16. PROMOTIONAL PRIVILEGES

The results of operation of the Company separated into promoted business and non-promoted business as follows :

	For the six month periods					
	Promoted business		Non-promoted business		Total	
	2010	2009	2010	2009	2010	2009
Services income	107,027,799.63	116,766,170.63	17,727,443.45	17,886,700.27	124,755,243.08	134,652,870.90
Cost of services	(73,663,723.18)	(68,755,491.46)	(12,984,048.28)	(13,911,481.75)	(86,647,771.46)	(82,666,973.21)
Gross profit	33,364,076.45	48,010,679.17	4,743,395.17	3,975,218.52	38,107,471.62	51,985,897.69
Other income	0.00	0.00	498,314.85	1,202,023.60	498,314.85	1,202,023.60
Administrative expenses	(15,418,440.36)	(15,053,503.47)	(3,669,444.22)	(2,690,973.19)	(19,087,884.58)	(17,744,476.66)
Finance costs	(142,460.25)	(359,684.34)	(24,259.55)	(58,800.55)	(166,719.80)	(418,484.89)
Income tax	0.00	0.00	(329,596.85)	(422,609.59)	(329,596.85)	(422,609.59)
Net profit	17,803,175.84	32,597,491.36	1,218,409.40	2,004,858.79	19,021,585.24	34,602,350.15

## **17. CONTINGENT LIABILITIES**

The Company has contingent liabilities from a local bank's issuance of letter of guarantee for the results of work to customers of the Company and guarantee the electricity usage to government agency, total amount as at June 30, 2010 and December 31, 2009 of Baht 4.47 million and Baht 3.71 million, respectively.

## **18. INTERIM FINANCIAL STATEMENTS APPROVAL**

These interim financial statements were authorized for issue by the Company's Board of directors on August 7, 2010.