

## **REVIEW REPORT OF INDEPENDENT AUDITOR**

To the Board of Directors of Sahamitr Pressure Container Public Company Limited

I have reviewed the balance sheet of Sahamitr Pressure Container Public Company Limited as at 30 June 2010 and the related statements of income for the three-month and six-month periods ended 30 June 2010, and statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2010. 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. The statements of income, changes in shareholders' equity and cash flows for the six-month period ended 30 June 2009 of Sahamitr Pressure Container Public Company Limited, presented for comparative purpose, were reviewed by Mr. Somkid Tiatragul, an auditor in the same office as mine, who reported thereon dated 11 August 2009 that nothing had come to his attention that cause him to believe that the financial statements were not presented fairly, in all material respects, in conformity with generally accepted accounting principles with an emphasis on the debts restructuring of the Company and the related company.

I conducted my review in accordance with auditing standard applicable to review engagement. That standard requires 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 in accordance with generally accepted auditing standards. I have not performed an audit, accordingly, I do not express audit opinion on these reviewed financial statements.

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

The financial statements of Sahamitr Pressure Container Public Company Limited for the year ended 31 December 2009, were audited in accordance with generally accepted auditing standards by Mr. Somkid Tiatragul, an auditor in the same office as mine, who issued an unqualified audit opinion thereon, with an emphasis on the debts restructuring of the Company and related company on his report dated 22 February 2010. The balance sheet as at 31 December 2009, presented for comparative purposes, is an integral part of such audited financial statements.



**Mrs. Sumalee Chokdeeanant**

Certified Public Accountant

Registration No. 3322

Bangkok, Thailand

11 August 2010

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT 30 JUNE 2010 AND 31 DECEMBER 2009

ASSETS

	Notes	Thousand Baht	
		30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		25,661	2,525
Trade accounts receivable - net	5	95,987	89,654
Inventories - net	6	251,781	161,628
Refundable value - added tax		17,174	9,436
Other current assets		9,145	11,595
<b>Total Current Assets</b>		<b>399,748</b>	<b>274,838</b>
<b>NON - CURRENT ASSETS</b>			
Receivable from and loans to related parties under guarantee obligation - net	4	-	-
Restricted deposits with banks		14,130	14,108
Property, plant and equipment - net	7	403,219	412,872
Computer software - net		-	1,466
Assets not used in operations - net		28,800	28,800
Other non - current assets		2,215	2,275
<b>Total Non - Current Assets</b>		<b>448,364</b>	<b>459,521</b>
<b>TOTAL ASSETS</b>		<b>848,112</b>	<b>734,359</b>

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT 30 JUNE 2010 AND 31 DECEMBER 2009

LIABILITIES AND CAPITAL DEFICIENCY

	Notes	Thousand Baht	
		30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
<b>CURRENT LIABILITIES</b>			
Bank overdraft and loan from bank	8	232,086	227,784
Trade accounts payable		158,062	113,049
Amounts due to related company	4	349	1,338
Short - term loans from third parties		-	27,000
Short - term loan from director	4	16,000	16,000
Current portion of			
- Long - term loans under debt restructuring agreements	9	69,000	53,000
- Liabilities under financial leases		806	819
Advances received from customers		21,581	13,456
Accrued commission expenses		26,088	13,645
Accrued transportation expenses		24,059	17,121
Other accrued expenses		51,595	41,691
Other current liabilities		3,789	3,604
<b>Total Current Liabilities</b>		<b>603,415</b>	<b>528,507</b>
<b>NON - CURRENT LIABILITIES</b>			
Long - term loans under debt restructuring agreements - net	9	302,900	338,900
Liabilities under financial leases - net		1,337	811
<b>Total Non - Current Liabilities</b>		<b>304,237</b>	<b>339,711</b>
<b>Total Liabilities</b>		<b>907,652</b>	<b>868,218</b>

The accompanying notes form an integral part of these interim financial statements.

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT 30 JUNE 2010 AND 31 DECEMBER 2009

LIABILITIES AND CAPITAL DEFICIENCY (CONTINUE)

	Note	Thousand Baht	
		30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
<b>CAPITAL DEFICIENCY</b>			
Share capital - ordinary share, Baht 10 par value	10		
Authorized - 53,333,332 shares (2009 : 26,666,666 shares)		533,333	266,667
Issued and fully paid - up - 37,475,933 shares (2009 : 26,666,666 shares)		374,759	266,667
Premium on share capital		50,000	50,000
Revaluation increment in assets not used in operations		1,659	1,659
Retained earnings (Deficit)			
- Appropriated for legal reserve		983	983
- Deficit		(486,941)	(453,168)
<b>Capital Deficiency</b>		<b>(59,540)</b>	<b>(133,859)</b>
<b>TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY</b>		<b>848,112</b>	<b>734,359</b>

## SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

(Unaudited

## STATEMENTS OF INCOME

but reviewed)

FOR THE THREE - MONTH AND SIX - MONTH PERIODS ENDED 30 JUNE 2010 AND 2009

		Thousand Baht			
		Three-month Periods ended		Six-month Periods ended	
		30 June		30 June	
Notes		2010	2009	2010	2009
	Net sales	246,010	353,851	557,174	686,061
	Costs of sales	(214,451)	(304,233)	(467,534)	(541,565)
	<b>Gross profit</b>	31,559	49,618	89,640	144,496
	Other income	5,909	10,357	15,970	14,689
	Selling expenses	(31,727)	(46,523)	(69,638)	(68,947)
	Administrative expenses	(16,575)	(17,016)	(31,414)	(36,851)
	Executives remuneration	(9,837)	(9,373)	(19,734)	(18,451)
	<b>Income (loss) before financial costs and income tax</b>	(20,671)	(12,937)	(15,176)	34,936
	Financial costs	(9,222)	(10,336)	(18,597)	(20,856)
	<b>Income (loss) before income tax</b>	(29,893)	(23,273)	(33,773)	14,080
	Reversal of income tax (income tax)	-	6,591	-	(2,585)
	<b>NET INCOME (LOSS)</b>	(29,893)	(16,682)	(33,773)	11,495
	<b>Basic earnings (loss) per share</b>				
	Net income (loss) (Baht per share)	(0.92)	(0.63)	(1.14)	0.43
	Weighted average number of common share (shares)	32,658,760	26,666,666	29,712,371	26,666,666

The accompanying notes form an integral part of these interim financial statements.

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE SIX - MONTH PERIODS ENDED 30 JUNE 2010 AND 2009

(Unaudited  
 but reviewed)

		Thousand Baht					
		Share Capital - Issued and Fully Paid	Premium on Share Capital	Revaluation Increment in Assets Not Used in Operations	Retained Earnings (deficit)		Total
Note	Appropriated for Legal Reserve				Deficit		
	<b>Balance as at 1 January 2009</b>	266,667	50,000	159	983	(836,658)	(518,849)
	Net income for the period	-	-	-	-	11,495	11,495
	<b>Balance as at 30 June 2009</b>	266,667	50,000	159	983	(825,163)	(507,354)
	<b>Balance as at 1 January 2010</b>	266,667	50,000	1,659	983	(453,168)	(133,859)
	Increased share capital during the year	108,092	-	-	-	-	108,092
	Net loss for the period	-	-	-	-	(33,773)	(33,773)
	<b>Balance as at 30 June 2010</b>	374,759	50,000	1,659	983	(486,941)	(59,540)

The accompanying notes form an integral part of these interim financial statements.

**SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX - MONTH PERIODS ENDED 30 JUNE 2010 AND 2009**

**(Unaudited  
but reviewed)**

	<b>Thousand Baht</b>	
	<b>2010</b>	<b>2009</b>
<b>Cash Flows from Operating Activities</b>		
Income (loss) before income tax	(33,773)	14,080
<b>Adjustments to reconcile income (loss) before income tax to net cash provided from (used in) operating activities:</b>		
Depreciation and amortisation	15,970	16,628
Unrealized gain on exchange rate - net	(784)	(2,033)
Loss (gain) from disposal of fixed assets	(294)	1,276
Loss from downward adjustment of inventories	-	1,450
Allowance (reversal of allowance) for doubtful accounts	(1,000)	1,000
Interest expense	18,597	20,856
<b>Cash Provided From (Used in) Operating Activities before changes in operating assets and liabilities</b>	(1,284)	53,257
<b>Decrease (increase) in Operating Assets:</b>		
Trade accounts receivable	(4,837)	177,551
Inventories	(90,153)	20,286
Refundable value - added tax	(7,738)	26,443
Refundable import duty	-	5,651
Other current assets	3,134	7,233
Other non - current assets	60	-
<b>Increase (decrease) in Operating Liabilities:</b>		
Trade accounts payable	45,037	(90,907)
Amounts due to related company	(989)	(241)
Advances received from customers	8,358	(10,360)
Accrued commission expenses	12,443	15,487
Accrued transportation expenses	6,938	(12,855)
Other accrued expenses	11,708	(2,331)
Other current liabilities	185	2,138
<b>Cash Provided from (Used in) Operating Activities</b>	(17,138)	191,352
Payments for interest	(20,863)	(18,207)
Payments for income tax	(222)	(14,122)
<b>Net Cash Provided from (Used in) Operating Activities</b>	(38,223)	159,023

The accompanying notes form an integral part of these interim financial statements.

**SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS (CONTINUE)**  
**FOR THE SIX - MONTH PERIODS ENDED 30 JUNE 2010 AND 2009**

**(Unaudited  
but reviewed)**

	<b>Thousand Baht</b>	
	<b>2010</b>	<b>2009</b>
<b>Cash Flows from Investing Activities:</b>		
Increase in restricted deposits with bank	(22)	(49)
Proceed from disposal of equipment	610	13
Acquisition of equipment and building improvements	(4,080)	(15,665)
<b>Net Cash used in Investing Activities</b>	<b>(3,492)</b>	<b>(15,701)</b>
<b>Cash Flows from Financing Activities</b>		
Increase (decrease) in bank overdraft and loan from bank	4,333	(126,144)
Repayment of long - term loan under debt restructuring agreements	(20,000)	(17,651)
Increase (decrease) in short - term loan from third party	(27,000)	12,000
Payments for liabilities under financial leases	(574)	(882)
Cash received from capital increase	108,092	-
<b>Net Cash provided from (used in) Financing Activities</b>	<b>64,851</b>	<b>(132,677)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>23,136</b>	<b>10,645</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>2,525</b>	<b>6,072</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>25,661</b>	<b>16,717</b>

**Supplemental disclosures for cash flows information**

Non - cash item :

- For the six-month period ended 30 June 2010

The Company has liabilities under financial lease agreements for vehicle of Baht 1.45 million,  
with 48 installments.

## **SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED**

### **NOTES TO INTERIM FINANCIAL STATEMENTS**

**30 JUNE 2010 AND 2009 (Unaudited but reviewed)**

(With comparative information for 31 December 2009 (audit))

#### **1. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION**

The interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 34 (Amendment 2007) “Interim financial reporting”, whereby the Company chooses to present condensed interim financial statements. However, additional line items are presented in the balance sheets, and the statements of income, changes in shareholders’ equity, and cash flows, to bring them into the full format similar to the annual financial statements.

The interim financial statements are prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial statements should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2009.

The interim financial statements are officially prepared in Thai language. The translation of the interim financial statements to other language must be in compliance with the report in Thai.

During the year 2010, the Federation of Accounting Professions has announced the new and amendments to some accounting standards and financial reporting standards, which are effective for the accounting periods beginning on or after 1 January 2011 and 1 January 2013. The management is presently considering the potential impact of adopting and initial application of these new and amended accounting standards and financial reporting standards.

#### **2. BUSINESS OPERATIONS**

On 28 September 2009, the credit bank had given the waiver for the payment of the remaining principle amount of debt of Baht 464.8 million and related accrued interest to the related company as the Company and related company have fully complied with the agreement. The Company’s liability under guarantee obligation, therefore, was released.

As at 30 June 2010 and 31 December 2009, the Company has deficit of Baht 486.9 million and Baht 453.2 million, respectively. The Company’s management is in the process to review the business plan and capital restructuring. Management is confident to rectify this problem in the near future. During the period, the shareholders approved the increase in share capital as discussed in Note 10 to the financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared with the same accounting policies as were used in the preparation of the annual financial statements.

### 4. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with parties that are related to it through common shareholding and/or directorship. Thus, the financial statements reflect the effects of those transactions on the basis agreed upon between the Company and its related parties, which basis might be different from the basis used for transactions with unrelated parties.

Significant balances with related parties from guarantee obligation for Sahamitr Steel Co., Ltd. and others as at 30 June 2010 and 31 December 2009 consist of :

	Thousand Baht	
	30 June 2010	31 December 2009
Receivables - directors, under guarantee obligation for Sahamitr Steel Co., Ltd.		
- Mr. Sutham Ekahitanond	191,210	191,210
- Mrs. Supha Phromsaka Na Sakolnakorn	191,210	191,210
Receivable under guarantee obligation for Sahamitr Steel Co., Ltd.	-	9,481
Loans to Sahamitr Steel Co., Ltd.	177,272	167,791
Total	559,692	559,692
<u>Less</u> Allowance for doubtful accounts	(559,692)	(559,692)
Net	-	-
Amount due to Sahamitr Steel Co., Ltd.	349	1,338
Short - terms loans from director (non - interest bearing)	16,000	16,000

The loan to Sahamitr Steel Co., Ltd. bears interest at the rate of 1.00 percent per annum.

Receivables from directors under guarantee obligation, receivable under guarantee obligation and loans to Sahamitr Steel Co., Ltd. represent obligation under the conditions of the debt restructuring agreement of Sahamitr Steel Co., Ltd., which were taken up in the books by the order of the Office of Securities and Exchange Commission (SEC). Because of the substantial doubt for the recoverabilities of these receivables, the Company set up full allowance for losses in its accounts.

Due to the decease of Mr. Sutham Ekahitanond, during the year 2007, the Company will have to process the transfer of the claim from his heritable treasury, based on the proportion of cash advanced to Sahamitr Steel Co., Ltd. under the guarantee obligation.

Under a condition of the debt restructuring agreements with local credit bank, should the related company have inadequate cash flows, the Company will have to make cash loans to the related company to repay its loan principal in accordance with the repayment schedule under the debt restructuring agreement dated 24 December 2002. Up to 30 June 2010 and 31 December 2009, the Company has made cash loans to such related company amounted to Baht 177.3 million and Baht 167.8 million, respectively. The management believes that the recoverability of such loans is very uncertain, hence, the Company provided full allowance for losses on such loans in its accounts.

Significant transactions with related parties for the three-month and six-month periods ended 30 June 2010 and 2009 consist of :

	Thousand Baht			
	For the three-month periods ended		For the six-month periods ended	
	30 June		30 June	
	2010	2009	2010	2009
Interest income	522	376	999	717
Rental expense	750	750	1,500	1,500

#### 5. TRADE ACCOUNTS RECEIVABLE

As at 30 June 2010 and 31 December 2009, the aged trade accounts receivable are as follows :

	Thousand Baht	
	30 June 2010	31 December 2009
Not yet due	80,348	59,389
Over due		
Less than 3 months	15,507	27,543
More than 6 months not over 12 months	-	180
More than 12 months	132	3,542
Total	95,987	90,654
<u>Less</u> Allowance for doubtful accounts	-	(1,000)
Net	95,987	89,654

6. INVENTORIES

	Thousand Baht	
	30 June 2010	31 December 2009
Finished goods	36,844	33,091
Work in process	29,043	22,153
Raw materials and others	134,632	83,663
Goods in transit	51,918	23,377
Total	<u>252,437</u>	<u>162,284</u>
<u>Less</u> Allowance for obsolete inventories	(656)	(656)
Net	<u>251,781</u>	<u>161,628</u>

7. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2010, the Company has following movements in property, plant and equipment:

	Thousand Baht
<b>Net book value as at 1 January 2010</b>	412,872
Purchases of fixed assets	5,167
Disposal and written off of fixed assets – net	(316)
Depreciation for the period	(14,504)
<b>Net book value as at 30 June 2010</b>	<u>403,219</u>

8. BANK OVERDRAFT AND LOANS FROM BANK

	Thousand Baht	
	30 June 2010	31 December 2009
Bank overdraft	-	17,275
Promissory notes	194,602	134,450
Liabilities under trust receipts	117	22,542
Short - term loans from bank	37,367	53,517
Total	<u>232,086</u>	<u>227,784</u>

The Company had credit facilities for bank overdraft and loan from bank totalling 480 million. The loans bear interest at the rate of 5.88 percent per annum. Bank overdraft and loan from bank are collateralized by the mortgages of the Company's land, buildings and machinery thereon and assets not used in operations, saving account of Baht 10 million, by the pledge of the Company shares belonging to the Company's shareholders, and additionally, by the mortgage of the shareholder's land and the personal guarantees of certain Company's shareholders and directors.

Short - term loans from bank are collateralized by the discounts of accounts receivable with recourse and bear interest at the rate of 5.88% – 7.00% per annum.

#### 9. LONG – TERM LOANS UNDER DEBT RESTRUCTURING AGREEMENT

The outstanding balances of debts as at 30 June 2010 and 31 December 2009, under debt restructuring agreement and the new credit facilities and the repayment schedules are as follows :

	Thousand Baht	
	30 June 2010	31 December 2009
Loans and accrued interest, payable by installments at the varying amounts starting from October 2008 (interest at Minimum Loan Rate with duration commencing October 2008)	371,900	391,900
<u>Less</u> Portion due within one year	(69,000)	(53,000)
Net	<u>302,900</u>	<u>338,900</u>

The Company obtained long - term loan from bank amounted to Baht 437.9 million to repay loan under the guarantee obligation for related company. Such loan from bank is collateralized by the mortgages of the Company's land, buildings and machinery, and additionally by the mortgage of the shareholder's land and some of director and the assignment of leasehold right of land to the bank, and the personal guarantee of the Company's director.

#### 10. SHARE CAPITAL

At the general shareholders meeting No. 1/2010 on 29 March 2010, the shareholders passed a resolution approving the increase of registered share capital of Baht 266.67 million, from Baht 266.67 million (divided into 26.67 million ordinary shares with a par value of Baht 10 each) to Baht 533.33 million (divided into 53.33 million ordinary shares with a par value of Baht 10 each). This increase in share capital shall be offered to existing shareholders at the ratio 1:1 at Baht 10 per share. The Company has registered the increase in share capital with Department of Business Development on 7 April 2010.

In April 2010, the Company received the increased share payment from the offering for 10.81 million shares at the price of Baht 10 per share totaling Baht 108.09 million. The Company has registered the change of paid up capital with the Department of Business Development on 11 May 2010. Where as the Company will seek for approval from the next shareholders meeting to issue a resolution to register the reduction in registered share capital for unsubscribed portion from this increase in share capital.

## 11. OTHER INCOME

Other income for the six-month periods ended 30 June 2010 and 2009 are as follows :

	Thousand Baht	
	For the six-month periods ended	
	30 June	
	2010	2009
Revenue from scrap sales	5,406	6,062
Commission on export sale arrangement	6,478	-
Gain on exchange rate	1,775	3,105
Interest income	1,029	1,450
Others	1,282	4,072
Total	<u>15,970</u>	<u>14,689</u>

## 12. INCOME TAX

	Thousand Baht	
	For the six-month periods ended	
	30 June	
	2010	2009
Net income (loss)	(33,773)	11,495
Income tax	-	2,585
Net income (loss) before tax	<u>(33,773)</u>	<u>14,080</u>
<u>Add</u> Items not yet allowable as expenses under Revenue Code	955	2,344
<u>Less</u> Reversal of doubtful debts and additional deductible expenses according to Revenue Code	(2,713)	(6,085)
Loss carried forward	(85,437)	-
Net taxable income (loss)	<u>(120,968)</u>	<u>10,339</u>
Income tax for the period	<u>-</u>	<u>2,585</u>

### **Income tax reduction**

The Royal Decree No. 475 B.E. 2544 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 three consecutive accounting periods beginning on or after 1 January 2008 but not beyond the year 2010 for accounting periods ending on or after 31 December 2010. The Company has, accordingly, calculated income tax on its taxable profit for the periods ended 30 June 2010 and 2009 at 25% of taxable income.

### 13. SEGMENTAL FINANCIAL INFORMATION

Segmental financial information for the three-month and six-month periods ended 30 June 2010 and 2009 are as follows :

	Thousand Baht					
	For the three-month periods ended 30 June					
	2010			2009		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Net sales	32,294	213,716	246,010	42,742	311,109	353,851
Cost of sales	(22,523)	(191,928)	(214,451)	(55,706)	(248,527)	(304,233)
Gross Margin (loss)	9,771	21,788	31,559	(12,964)	62,582	49,618
Other income			5,909			10,357
Selling expenses			(31,727)			(46,523)
Administrative expenses			(16,575)			(17,016)
Executives remuneration			(9,837)			(9,373)
Financial costs			(9,222)			(10,336)
Reversal of income tax			-			6,591
Net loss			(29,893)			(16,682)

	Thousand Baht					
	For the six-month periods ended 30 June					
	2010			2009		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Net sales	51,911	505,263	557,174	44,980	641,081	686,061
Cost of sales	(35,697)	(431,837)	(467,534)	(56,162)	(485,403)	(541,565)
Gross Margin (loss)	16,214	73,426	89,640	(11,182)	155,678	144,496
Other income			15,970			14,689
Selling expenses			(69,638)			(68,947)
Administrative expenses			(31,414)			(36,851)
Executives remuneration			(19,734)			(18,451)
Financial costs			(18,597)			(20,856)
Income tax			-			(2,585)
Net income (loss)			(33,773)			11,495
Trade accounts receivable – net			95,987			111,529
Property, plant and equipment – net			403,219			425,877
Other assets			348,906			311,058
Total assets			848,112			848,464

Gross margin of each segment for domestic and export sales derived from the deduction of related costs of sales, which were calculated by the weighted average standard cost of each product.

Other assets consist of cash and cash equivalents and other assets.

#### 14. EXPENSES BY NATURE

Significant expenses by nature are as follows :

	Thousand Baht	
	For the three-month periods ended	
	30 June	
	2010	2009
Salary, wages and other employee benefits	34,819	36,709
Commission fee	13,084	15,443
Depreciation	7,276	7,657
Amortization	733	733
Rental expense	780	780
Raw materials and consumable supplies used	191,262	207,575
Changes in finished goods and work in progress	18,825	(40,615)

	Thousand Baht	
	For the six-month periods ended	
	30 June	
	2010	2009
Salary, wages and other employee benefits	69,400	73,632
Commission fee	25,225	17,194
Depreciation	14,504	15,162
Amortization	1,466	1,466
Rental expense	1,560	1,560
Raw materials and consumable supplies used	427,600	403,035
Changes in finished goods and work in progress	39,184	20,890

## 15. CONTINGENT LIABILITIES AND COMMITMENTS

- a) As at 30 June 2010, the Company has outstanding bank guarantees for the importation of steel materials for the manufacturing of products for re-export and for other matters, arising in the ordinary course of business, totalling Baht 53.8 million. The Company does not expect to incur liability on such guarantee.
- b) As at 30 June 2010, the Company has a land rental agreement with a shareholder covering a period of thirty (30) years. Under the term of the agreement, the Company has to pay the annual rental of Baht 3.0 million.

## 16. DISCLOSURE OF FINANCIAL INSTRUMENTS

### Foreign Currency Risk

The Company has foreign currency risk exposure relating to sales and purchases denominated in foreign currencies. As at 30 June 2010 and 31 December 2009, the Company has unhedged assets and liabilities in foreign currency as follows :

	Thousand	
	30 June 2010	31 December 2009
<u>Assets in foreign currency</u>		
US Dollar	1,963	1,874
EURO	719	432
<u>Liabilities in foreign currency</u>		
US Dollar	639	483
EURO	73	58
AUD	10	-

## 17. RECLASSIFICATION

Certain accounts in the statement of income for the three-month and six-month periods ended 30 June 2009 have been reclassified to conform with the presentation in the financial statements for the three-month and six-month periods ended 30 June 2010.

## 18. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of directors on 11 August 2010.