

Audit Report of Certified Public Accountant

To the Board of Directors and Shareholders of Chukai Public Company Limited:

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

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

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

Bunjong Pichayaprasat
Certified Public Accountant
Registration Number 7147

ANS Audit Co., Ltd.
Bangkok, February 24, 2011

CHUKAI PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY COMPANIES
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

(Unit: Baht)		Consolidated		Separate		
		financial statements		financial statements		
		Note	2010	2009	2010	2009
	ASSETS	3				
	Current assets					
	Cash and cash equivalents	6	9,669,291.92	7,725,066.95	853,220.58	222,598.49
	Current investments		159,586.90	158,751.74	-	-
	Trade accounts receivable - net	5, 7	92,451,424.04	59,040,229.37	23,113,151.79	42,186,034.86
	Accrued income		4,338,700.37	10,253,651.22	-	38,491.42
	Inventories - net	8	84,838,305.03	29,588,484.54	85,388,404.03	30,088,483.54
	Other current assets - net		15,611,363.06	31,874,281.95	5,223,464.72	17,494,280.87
	Total current assets		207,068,671.32	138,640,465.77	114,578,241.12	90,029,889.18
	Non-current assets					
	Restricted bank deposits	11	894,296.82	3,003,866.48	258,931.00	255,891.00
	Investments in subsidiaries	9	-	-	174,991,430.00	174,991,430.00
	Property, plant and equipment - net	4, 13	1,487,276,423.92	#####	1,034,181,134.77	#####
	Accounts receivable under finance leases	12	825,915.18	2,670,904.89	825,915.18	2,670,904.89
	Other non-current assets		51,954,085.09	44,236,319.97	11,021,038.19	14,345,715.79
	Total non-current assets		1,540,950,721.01	#####	1,221,278,449.14	#####
	Total assets		1,748,019,392.33	#####	1,335,856,690.26	#####

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
LIABILITIES AND SHAREHOLDERS' EQUITY	3				
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	14	150,855,874.07	125,482,280.40	128,953,749.94	102,535,746.75
Trade accounts payable	5, 15	93,280,441.34	43,463,931.54	142,840,469.05	124,008,133.45
Current portion of long-term debts	16	189,424,010.81	245,949,053.40	104,227,516.94	152,828,185.45
Liability under repurchase agreement	20	83,760,029.26	77,748,937.89	-	-
Short-term loans from related parties	5	1,450,000.00	7,050,000.00	23,850,000.00	24,050,000.00
Other short-term loan	17	-	2,033,000.00	-	2,033,000.00
Advances received for goods and service		7,429,336.45	31,669,906.54	7,077,887.85	31,669,906.54
Accrued expenses	5	37,416,682.23	29,887,396.73	12,804,552.61	9,059,936.67
Other current liabilities		17,656,802.20	17,670,427.68	1,804,826.24	3,216,383.91
Total current liabilities		581,273,176.36	580,954,934.18	421,559,002.63	449,401,292.77
Non-current liabilities					
Long-term loans from financial institutions	18	97,960,834.07	127,747,683.94	87,750,694.72	112,522,884.01
Long-term liabilities under finance leases	19	173,154,039.30	245,252,237.79	69,728,105.98	100,157,047.33
Other non-current liabilities	5	10,214,137.81	9,975,177.90	345,314.41	311,851.00
Total non-current liabilities		281,329,011.18	382,975,099.63	157,824,115.11	212,991,782.34
Total liabilities		862,602,187.54	963,930,033.81	579,383,117.74	662,393,075.11

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

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
LIABILITIES AND SHAREHOLDERS' EQUITY	3				
Shareholders' equity					
Share capital					
Authorized share capital - 450,000,000 ordinary shares, Baht 1 par value		450,000,000.00	450,000,000.00	450,000,000.00	450,000,000.00
Issued and paid-up share capital - 450,000,000 ordinary shares, fully paid-up		450,000,000.00	450,000,000.00	450,000,000.00	450,000,000.00
Premium on ordinary shares	21	209,553,500.00	209,553,500.00	209,553,500.00	209,553,500.00
Surplus from internal restructure of entities under common control	2	39,195,609.23	39,195,609.23	-	-
Retained earnings					
Appropriated to legal reserve	22	10,829,452.62	8,427,490.49	10,829,452.62	8,427,490.49
Unappropriated	23	175,838,642.94	120,404,597.11	86,090,619.90	40,453,339.39
Total shareholders' equity		885,417,204.79	827,581,196.83	756,473,572.52	708,434,329.88
Total liabilities and shareholders' equity		1,748,019,392.33	#####	1,335,856,690.26	#####

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit: Baht)	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
Revenue from sales and services	3, 5				
Revenue from sales		225,820,222.38	126,593,408.89	281,915,227.38	255,453,926.61
Revenue from rental and transportation services		375,704,604.49	345,702,297.06	102,874,668.59	97,097,127.37
Total revenue from sales and services		<u>601,524,826.87</u>	<u>472,295,705.95</u>	<u>384,789,895.97</u>	<u>352,551,053.98</u>
Cost of sales and services	3, 5				
Cost of sales		(126,662,510.39)	(58,372,123.82)	(242,012,405.54)	(223,797,950.18)
Cost of rental and transportation services	25	<u>(270,194,632.37)</u>	<u>(332,449,905.82)</u>	<u>(89,719,917.20)</u>	<u>(104,328,171.09)</u>
Total cost of sales and services		<u>(396,857,142.76)</u>	<u>(390,822,029.64)</u>	<u>(331,732,322.74)</u>	<u>(328,126,121.27)</u>
Gross profit		204,667,684.11	81,473,676.31	53,057,573.23	24,424,932.71
Other income	5, 24	23,698,447.75	32,001,649.10	27,571,218.18	39,120,299.99
Dividend income from subsidiaries	5, 23	-	-	54,998,010.00	14,998,950.00
Profit before expenses		228,366,131.86	113,475,325.41	135,626,801.41	78,544,182.70
Selling and service expenses	5, 25	<u>(24,191,781.96)</u>	<u>(19,145,493.63)</u>	<u>(3,618,189.22)</u>	<u>(4,393,023.14)</u>
Administrative expenses	5, 25	<u>(64,049,379.31)</u>	<u>(94,245,265.92)</u>	<u>(23,811,215.87)</u>	<u>(28,672,962.08)</u>
Management benefit expenses	25	<u>(26,224,924.71)</u>	<u>(30,907,508.73)</u>	<u>(25,739,110.53)</u>	<u>(30,424,450.67)</u>
Total expenses		<u>(114,466,085.98)</u>	<u>(144,298,268.28)</u>	<u>(53,168,515.62)</u>	<u>(63,490,435.89)</u>
Profit (loss) before finance costs		113,900,045.88	(30,822,942.87)	82,458,285.79	15,053,746.81
Finance costs	5, 26	<u>(56,064,037.92)</u>	<u>(62,770,822.49)</u>	<u>(34,419,043.15)</u>	<u>(41,128,315.09)</u>
Net profit (loss)		<u>57,836,007.96</u>	<u>(93,593,765.36)</u>	<u>48,039,242.64</u>	<u>(26,074,568.28)</u>
Net profit (loss) attributable to:					
Shareholders of the parent		57,836,007.96	(93,593,765.36)	48,039,242.64	(26,074,568.28)
Minority interest		-	-	-	-
		<u>57,836,007.96</u>	<u>(93,593,765.36)</u>	<u>48,039,242.64</u>	<u>(26,074,568.28)</u>
Basic earnings (loss) per share					
Net profit (loss) attributable to shareholders of the parent	3	<u>0.13</u>	<u>(0.21)</u>	<u>0.11</u>	<u>(0.06)</u>
Weighted average number of ordinary shares (Shares)	3	<u>450,000,000</u>	<u>450,000,000</u>	<u>450,000,000</u>	<u>450,000,000</u>

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

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit: Baht)

		Consolidated financial statements					
	Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus from internal restructure of entities under common control	Retained earnings		Total
					Appropriated	Unappropriated	
Beginning balance as at January 1, 2009		450,000,000.00	209,553,500.00	39,195,609.23	8,427,490.49	236,498,362.47	943,674,962.19
Net loss		-	-	-	-	(93,593,765.36)	(93,593,765.36)
Dividend payment	23	-	-	-	-	(22,500,000.00)	(22,500,000.00)
Ending balance as at December 31, 2009		450,000,000.00	209,553,500.00	39,195,609.23	8,427,490.49	120,404,597.11	827,581,196.83
Net profit		-	-	-	-	57,836,007.96	57,836,007.96
Legal reserve	22	-	-	-	2,401,962.13	(2,401,962.13)	-
Ending balance as at December 31, 2010		450,000,000.00	209,553,500.00	39,195,609.23	10,829,452.62	175,838,642.94	885,417,204.79

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

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit: Baht)

	Separate financial statements					
	Note	Issued and paid-up	Premium on	Retained earnings		Total
		share capital	ordinary shares	Appropriated	Unappropriated	
Beginning balance as at January 1, 2009		450,000,000.00	209,553,500.00	8,427,490.49	89,027,907.67	757,008,898.16
Net loss		-	-	-	(26,074,568.28)	(26,074,568.28)
Dividend payment	23	-	-	-	(22,500,000.00)	(22,500,000.00)
Ending balance as at December 31, 2009		450,000,000.00	209,553,500.00	8,427,490.49	40,453,339.39	708,434,329.88
Net profit		-	-	-	48,039,242.64	48,039,242.64
Legal reserve	22	-	-	2,401,962.13	(2,401,962.13)	-
Ending balance as at December 31, 2010		450,000,000.00	209,553,500.00	10,829,452.62	86,090,619.90	756,473,572.52

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

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit: Baht)	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Net profit (loss)	57,836,007.96	(93,593,765.36)	48,039,242.64	(26,074,568.28)
Adjustments to reconcile net profit (loss) to net cash provided by operating activities				
Depreciation	119,287,294.36	208,897,404.93	52,510,586.42	73,137,471.36
Doubtful accounts (reversal)	(6,894,726.99)	17,461,776.37	-	-
Reversal of loss from obsolete stock	(6,444,919.11)	(3,900,012.72)	(6,444,919.11)	(3,900,012.72)
Loss from impairment of assets and written-off assets	2,517,160.89	8,964,270.35	2,516,045.10	4,626,685.75
(Gain) loss on sales of assets	(862,088.05)	(2,609,533.88)	19,992.64	(306,163.51)
Provision	6,011,091.37	10,826,341.36	-	320,644.44
Unrealized (gain) loss on exchange rate	35,677.37	(1,419,104.18)	35,677.37	(1,419,104.18)
Dividend income from subsidiaries	-	-	(54,998,010.00)	(14,998,950.00)
Interest incomes	(399,623.63)	(1,199,706.99)	(238,136.05)	(627,735.20)
Interest expenses	56,064,037.92	62,770,822.49	34,419,043.15	41,128,315.09
Profit from operating activities before change in operating assets and liabilities	227,149,912.09	206,198,492.37	75,859,522.16	71,886,582.75
Change in operating assets (increase) decrease				
Trade accounts receivable	(26,525,467.68)	66,326,004.20	19,072,883.07	18,895,448.45
Accrued income	5,914,950.85	(4,966,440.95)	-	-
Inventories	17,562,397.54	38,941,783.15	(5,697,127.08)	138,848,184.38
Other current assets	16,252,633.89	9,984,748.28	12,251,531.15	7,972,726.71
Restricted bank deposits	2,109,569.66	3,274,835.12	(3,040.00)	3,494,859.88
Accounts receivable under finance leases	1,844,989.71	(1,862,730.23)	1,844,989.71	(1,862,730.23)
Other non-current assets	3,802,626.11	4,032,709.25	3,846,000.00	3,253,299.43

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

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit: Baht)	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Change in operating liabilities increase (decrease)				
Trade accounts payable	49,773,456.60	(158,750,428.56)	18,789,282.40	(145,024,312.66)
Advances received for goods and service	(24,240,570.09)	29,800,747.66	(24,592,018.69)	29,800,747.66
Accrued expenses	4,460,538.04	786,791.42	(309,855.43)	2,144,561.38
Other current liabilities	(12,725.47)	(3,435,750.13)	(1,410,657.67)	97,290.84
Other non-current liabilities	238,959.91	(38,382.62)	33,463.41	(2,775.00)
Cash generated from operations	278,331,271.16	190,292,378.96	99,684,973.03	129,503,883.59
Interest received	399,623.63	1,199,706.99	276,627.47	591,216.38
Cash receipt from tax return	12,208,268.86	6,446,698.61	4,744,482.75	3,373,938.93
Income tax paid	(24,155,832.59)	(24,884,900.40)	(5,692,977.63)	(5,172,060.56)
Net cash provided by operating activities	266,783,331.06	173,053,884.16	99,013,105.62	128,296,978.34
Cash flows from investing activities				
Dividend received from subsidiaries	-	-	54,998,010.00	14,998,950.00
Increase in current investments	(835.16)	(140,408.20)	-	-
Decrease in short-term loans to related parties	-	-	-	1,600,000.00
Purchase of building and equipment	(61,316,569.74)	(118,196,894.63)	(34,490,394.69)	(162,699,412.53)
Cash receipt from sales of assets	900,207.28	2,873,429.70	2,766.40	1,112,149.54
Net cash provided by (used in) investing activities	(60,417,197.62)	(115,463,873.13)	20,510,381.71	(144,988,312.99)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	25,380,969.50	170,082,961.27	26,425,379.02	160,129,920.00
Cash receipt from short-term loans from related parties	38,550,000.00	17,549,999.00	53,320,000.00	26,429,999.00
Repayment of short-term loans from related parties	(44,150,000.00)	(10,499,999.00)	(53,520,000.00)	(23,929,999.00)
Cash receipt from other short-term loans	-	2,033,000.00	-	2,033,000.00
Repayment of other short-term loans	(2,033,000.00)	-	(2,033,000.00)	-
Cash receipt from sales and leaseback agreement and finance lease agreement	94,858,010.90	39,310,581.00	29,648,338.00	39,310,581.00
Repayment of liabilities under finance leases	(189,089,239.53)	(172,874,850.74)	(72,440,312.18)	(83,593,466.61)
Cash receipt from long-term loans from financial institutions	7,100,000.00	18,600,000.00	7,100,000.00	13,600,000.00
Repayment of long-term loans from financial institutions	(77,686,110.97)	(61,619,964.68)	(72,671,450.39)	(57,528,764.61)

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

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit: Baht)	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Interest paid	(57,351,638.37)	(61,567,677.24)	(34,720,919.69)	(38,004,330.49)
Dividend payment	(900.00)	(22,542,840.00)	(900.00)	(22,542,840.00)
Net cash provided by (used in) financing activities	(204,421,908.47)	(81,528,790.39)	(118,892,865.24)	15,904,099.29
Net increase (decrease) in cash and cash equivalents	1,944,224.97	(23,938,779.36)	630,622.09	(787,235.36)
Cash and cash equivalents at the beginning of the years	7,725,066.95	31,663,846.31	222,598.49	1,009,833.85
Cash and cash equivalents at the end of the years	9,669,291.92	7,725,066.95	853,220.58	222,598.49

Additional details of non-cash items

Year 2010

1. The Company and subsidiaries had purchased the machinery and equipment for rent and the vehicles at cost in the amount of Baht 5.50 million in the separate financial statements and in the amount of Baht 7.96 million (year 2009: Baht 132.15 million) in the consolidated financial statements by cash payment in the amount of Baht 0.94 million in the separate financial statements and in the amount of Baht 1.55 million (year 2009: Baht 23.07 million) in the consolidated financial statements and by entering into a finance lease agreement for the remainder.
2. The Company and subsidiaries had transferred their machinery and equipment for rent to inventories at net book value in the amount of Baht 51.64 million (year 2009: Baht 91.81 million) in the separate financial statements and in the amount of Baht 74.85 million (year 2009: Baht 17.72 million) in the consolidated financial statements.
3. Year 2009, the Company had transferred its assets in transit (machinery and equipment for rent) to inventories at book value in the amount of Baht 34.02 million in the consolidated financial statements and the separate financial statements.
4. Year 2009, the Company changed short-term loans to long-term loans with a financial institution in the amount of Baht 174.30 million.
5. The Company included interest from loan in the amount of Baht 0.56 million (year 2009: Baht 0.08 million), as a part of cost of building in progress.
6. Year 2009, the Company had purchase land in the amount of Baht 25 million at cost, which paid by cash in the amount of Baht 14 million and by borrowing from a financial institution for the remainder.
7. Year 2009, the Company has the offsetting assets and liabilities with subsidiaries, trade accounts receivable in the amount of Baht 21.57 million, trade accounts payable in the amount of Baht 11.10 million, short-term loan in the amount of Baht 10.75 million, and accrued interest expense in the amount of Baht 0.70 million in the separate financial statements.
8. The Company had transferred inventories to machines and equipment for rent at net book value in the amount of Baht 8.48 million (year 2009: Baht 23.33 million) in the consolidated financial statements and in the amount of Baht 8.48 million (year 2009: Baht 64.36 million) in the separate financial statements.

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

1. GENERAL INFORMATION

Chukai Public Company Limited, “the Company” was incorporated in Thailand under the Civil and Commercial Code on May 26, 1997 and became a public company limited on June 8, 2005. The Company’s principal activities are to trade, repair and provide maintenance services, rental services and transportation services for cranes, forklifts, trailers and trucks.

On January 29, 2008, the Company was listed on the Stock Exchange of Thailand in Market for Alternative Investment (MAI).

The office of the Company and the factory are at 42/62, Moo 14, Bangkaew, Bangplee, Samutprakarn.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) in conformity with generally accepted accounting principles in Thailand.

The financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of financial statements in conformity with Thai accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

During the year 2010, the Federation of Accounting Professions has issued a Notification, re-numbering of the following Thai Accounting Standards (“TAS”) as follows:

<u>Former TAS no.</u>	<u>Re-numbering TAS no.</u>	<u>Topic</u>
TAS 11	TAS 101	Doubtful Accounts and Bad Debts
TAS 26	TAS 102	Income Recognition for Real Estate Business

<u>Former TAS no.</u>	<u>Re-numbering TAS no.</u>	<u>Topic</u>
TAS 27	TAS 103	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
TAS 34	TAS 104	Accounting for Troubled Debt Restructuring (revised 2002)
TAS 40	TAS 105	Accounting for Investments in Debt and Equity Securities
TAS 42	TAS 106	Accounting for Investment Companies
TAS 48	TAS 107	Financial Instruments Disclosure and Presentation

Adoption of new and revised Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Interpretation

During the year 2010, the Federation of Accounting Professions has issued Notifications, mandating the use of new and revised Framework for the Preparation and Presentation of Financial Statements, Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretation (TFRI) as follows:

- a) Framework for the Preparation and Presentation of Financial Statements (revised 2009) which is immediately effective for the current year. The management of the Company has assessed the effects of this framework and believes that it does not have any significant impact on the financial statements for the current year.
- b) TAS, TFRS and TFRI which are effective for the financial statements for the period beginning on or after January 1, 2011 of totalling 28 standards.

<u>TAS/TFRS/TFRI</u>	<u>Topic</u>
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events After the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits

<u>TAS/TFRS/TFRI</u>	<u>Topic</u>
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share – Based Payments
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRI 15	Agreements for the Construction of Real Estate

The management of the Group has assessed the effects of these TAS, TFRS and TFRI, and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied except for TAS, TFRS and TFRI as follows:

TAS 16 (revised 2009) – Property, Plant and Equipment

The main changes of TAS 16 (revised 2009) and affecting the Group as follows:

- (1) The costs of dismantlement, removing the item and restoring the site, on which it is located and incurred from the obligation, have to be included as asset costs and subject to annual depreciation.

- (2) The depreciation charge has to be determined separately for each significant part of an asset.
- (3) The residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for disposal of the asset if the assets were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

Presently, the management of the Group is assessing the impact on the financial statements of the main change of TAS 16 (revised 2009) from January 1, 2011.

TAS 19 – Employee Benefits

TAS 19 includes the requirements to recognize and measure employee benefits costs of post-employment benefits under defined benefit plans, other long-term employee benefits and termination benefits in the period in which the service is performed. The requirements require actuarial assumptions to measure the obligation and expense. Moreover, the obligations are measured on a discounted basis using the Projected Unit Credit Method because they may be settled many years after the employees render the related service.

TAS 19 requires the Group to recognize such liability incurred from the employee benefits. The management of the Company applies a transitional provision that such liability is recognized and accounted for immediately in retained earnings at the transition date.

The management of the Group has determined that the transitional liability as at January 1, 2011 for post-employment benefits is the amount of Baht 8.01 million in the consolidated financial statements and Baht 5.78 million in the separate financial statements.

- c) TAS which are effective for the financial statements for the period beginning on or after January 1, 2013 are as follows:

<u>TAS</u>	<u>Topic</u>
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate

The management of the Group is assessing the impacts of these standards on the financial statements for the year in which they are initially applied.

BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION

The consolidated financial statements for each of the years ended December 31, 2010 and 2009 consisted of the financial statements of Chukai Public Company Limited, and subsidiaries (together referred to as “the Group”) as follows:

<u>Subsidiaries</u>	<u>Located in</u>	<u>Business Type</u>	<u>Percentage of holding</u>	
			<u>2010</u>	<u>2009</u>
The Crane Lamechabang Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Rayong Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Heavy Lift Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Service Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%

All significant intercompany transactions and accounts are eliminated in preparing the consolidated financial statements.

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

Subsidiaries are an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The surplus from restructuring under the common control is the difference between the net book value of such acquired investment and cost of acquired investment from restructuring into the Company under common control. These said investments are from merging the entities which have the same shareholders and management team. The said surplus is presented in the balance sheet under Shareholders' equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

Other than those disclosed elsewhere in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenues

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

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

Revenues from services of rental and transportation are recognized when services are rendered.

Revenue from rental

Revenue from rental is recognized to the statement of income by the straight-line method based on agreement.

Interest income

Interest income is recognized as interest accrues, based on the effective rate method.

Dividends income

Dividends incomes are recognized when the right to receive the dividends is established.

Other income

Other income is recognized on an accrual basis.

Expenses

Expenses are recognized on an accrual basis.

Operating leases

Payments made under operating leases are recognized in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income in the accounting period in which they are incurred.

Finance costs

Interest expenses and similar costs are charged to the statement of income in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of income using the effective interest rate method.

Interest expenses

Interest expenses are recognized to the statement of income during the financial period in which they are incurred.

Employee benefits

The Group operates to set up a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund are charged to the statement of income in that year.

Cash and cash equivalents

Cash and cash equivalents are cash on hand, current deposits and savings deposits, cash at bank with an original maturity of 3 months and short-term investments with high liquidity net of deposits at bank on obligation.

Current investments

Current investments are the fixed deposits with maturity within 1 year.

Trade and other accounts receivable

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

Trade accounts receivable are stated at the net realizable value. The Group recorded allowance for doubtful accounts that is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

In determining an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Inventories

Inventories are valued at the lower of the specific identification cost method or net realizable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the normal course of business less the costs to make the sale.

A provision for devaluation of inventories is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method less allowance for impairment loss (if any).

Property, plant and equipment

Lands are stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation

Depreciation is computed by the straight–line method based on the estimated useful lives of assets as follows:

	<u>Years</u>
Land improvements	5
Buildings and buildings for rent	20
Machinery and factory equipment	5
Machinery and equipment for rent	5, 7 and 15
Furniture and office equipment	5
Vehicles	5

Depreciation is included in determining income and no depreciation is provided on land, part of land improvement and construction in progress.

Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in the statements of income.

The direct expenses concerned with the assets include interest paid from the borrowing for the acquisitions of the above assets before completion of the assets are recognized as cost of the assets.

The machinery and equipment for lease had an objective to lease and sell. Therefore, the machinery and equipment which did not sell, then the assets go to rent were recorded in “Property, plant and equipment” and were depreciated over its useful life as above recorded in “Cost of rental and transportation services” until there are sales will stop the depreciation and will be reclassified to be “Inventories” if sold out and will recognized the cost of sales at the net book value (cost less accumulated depreciation) on the disposed date to the statement of income in the period in which they are incurred.

Finance lease

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance costs so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance costs, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Impairment of assets

The carrying amounts of the Group'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.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount is the greater of the assets' 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.

Foreign currencies accounts

Transactions in foreign currencies

Transactions in foreign currencies are converted at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are converted to Thai Baht at the foreign exchange rates ruling at that date. Forward exchange contracts at the transaction date are converted to Thai Baht by using the contract rates.

Outstanding forward exchange contracts are marked to market by comparing contract rates to forward rates established by the contracting Bank with the same maturity. At each balance sheet date, the unrealized gains or losses on outstanding forward exchange contracts, calculated as describe above, are included within other receivables or other payables from forward exchange contracts in the balance sheet.

Gain or loss on conversion is included in the statements of income.

Income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date.

Dividends

Dividend and interim dividend payment are recorded in the consolidated and separate financial statements in the period in which they are approved by Shareholders' meeting and Board of Directors' meeting.

Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net profit (loss) for each of the years by the weighted average number of ordinary shares outstanding during the years.

Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Significant judgments and estimates are as follows:

Commercial disputes and litigation

The Company and subsidiaries has contingent liabilities as a result of commercial disputes and litigation. The Company's management has used judgment to assess of the results of the commercial disputes and litigation and believes that no loss will result. Therefore no provision is recorded as at the balance sheet date. However, actual results could differ from the estimates.

4. CHANGE IN ESTIMATED USEFUL LIVES OF ASSETS FOR RENT

In year 2010, the Company and subsidiaries had reviewed the estimated useful lives of assets for rent (Cranes and Forklifts) which acquired before June 2008, the Company and subsidiaries changed the estimated useful lives of all assets for rent from 5 years to 7 years for used assets for rent and from 10 years to 15 years for new assets for rent and changed all residual value of assets for rent to the rate 20% of cost for Cranes and 10% of cost for Forklifts. The change in the estimated useful lives and residual value resulting the depreciation for the year ended December 31, 2010 decreased in the amount of Baht 53.09 million in the consolidated financial statements and Baht 20.57 million in the separate financial statements.

5. TRANSACTIONS WITH RELATED PARTIES

The Company had transactions with related parties. These parties were related through common shareholders and/or directorships. The significant transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

The significant balances of assets, liabilities and other transactions occurred with those related parties were as follows:

Significant transactions with related parties for each of the years ended December 31, 2010 and 2009.

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
<u>Subsidiaries</u>				
The Crane Lamechabang Co., Ltd.				
Sales of goods	-	-	1,036,555.00	26,207,202.00
Revenues from rental and transportation services	-	-	14,810,433.66	11,086,816.99
Revenues from repairment	-	-	4,298,743.60	4,996,919.19
Revenues from rental building	-	-	1,148,400.00	1,148,400.00
Revenues from consulting	-	-	3,600,000.00	3,600,000.00
Other income	-	-	205,324.87	250,351.44
Purchase of goods	-	-	37,010,607.48	9,834,392.52
Cost of sales	-	-	454,426.70	-
Costs of rental and transportation services	-	-	223,749.81	320,851.57
Services and administrative expenses	-	-	-	5,470.74

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
The Crane Rayong Co., Ltd.				
Sales of goods	-	-	44,791,720.00	30,522,350.00
Revenues from rental and transportation services	-	-	36,355,216.93	43,806,747.98
Revenues from repairment	-	-	2,785,105.00	1,075,938.00
Revenues from consulting	-	-	4,200,000.00	4,200,000.00
Other income	-	-	234,144.79	299,301.88
Dividend income	-	-	9,999,800.00	-
Interest income	-	-	5,293.16	24,891.79
Purchase of goods	-	-	14,167,663.45	-
Cost of sales	-	-	622,035.05	-
Costs of rental and transportation services	-	-	453,158.34	186,102.64
The Crane Heavy Lift Co., Ltd.				
Sales of goods	-	-	15,189,400.00	330,284.00
Revenues from rental and transportation services	-	-	14,278,083.41	7,491,633.54
Revenues from repairment	-	-	496,120.00	854,920.50
Revenues from consulting	-	-	3,600,000.00	3,600,000.00
Other income	-	-	229,883.49	262,694.17
Dividend income	-	-	19,999,960.00	-
Purchase of goods	-	-	14,976,000.00	22,543,411.22
Cost of sales	-	-	128,000.00	-
Costs of rental and transportation services	-	-	69,245.60	206,283.65
Services and administrative expenses	-	-	-	5,600.00
Interest expenses	-	-	-	90.41
The Crane Service Co., Ltd.				
Sales of goods	-	-	30,377,330.00	73,057,513.50
Revenues from rental and transportation services	-	-	5,717,582.44	8,832,416.71

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Revenues from repairment	-	-	6,245,530.90	6,653,470.97
Revenues from consulting	-	-	3,600,000.00	3,600,000.00
Revenues from rental building	-	-	600,000.00	600,000.00
Other income	-	-	1,292,383.55	1,269,091.67
Dividend income	-	-	24,998,250.00	14,998,950.00
Purchase of goods	-	-	43,136,598.17	32,273,352.33
Costs of sales	-	-	479,219.20	838,600.00
Costs of rental and transportation services	-	-	1,610,511.84	1,461,816.40
Services and administrative expenses	-	-	306,105.41	300,599.71
Interest expenses	-	-	1,506,819.39	2,407,999.76
<u>Related Persons (Shareholders and Director)</u>				
Rental expenses	600,000.00	600,000.00	-	-

The significant balance of assets and liabilities with related parties as at December 31, 2010 and 2009 is as follow:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
<u>Subsidiaries</u>				
The Crane Lamechabang Co., Ltd.				
Trade accounts payable	-	-	14,035,557.69	30,736.74
Deposit	-	-	95,700.00	95,700.00
The Crane Rayong Co., Ltd.				
Trade accounts payable	-	-	51,856.00	7,554,837.10
The Crane Heavy Lift Co., Ltd.				
Trade accounts payable	-	-	2,601,722.80	31,911,091.51

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
The Crane Service Co., Ltd.				
Trade accounts payable	-	-	49,941,427.90	52,850,927.92
Accrued interest expenses	-	-	2,495,354.61	1,227,298.40
<u>Related Persons (Shareholders and Director)</u>				
Accrued expenses	5,350,000.00	4,750,000.00	-	-

Trade accounts receivable – related companies

Trade accounts receivable – related companies as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
The Crane Lamechabang Co., Ltd.	-	-	2,647,822.00	9,021,228.39
The Crane Rayong Co., Ltd.	-	-	12,609,885.92	22,060,072.09
The Crane Heavy Lift Co., Ltd.	-	-	1,205,084.29	341,123.49
The Crane Service Co., Ltd.	-	-	857,894.70	2,297,023.18
Crane Today Co., Ltd.	108,408.12	108,408.12	108,408.12	108,408.12
Total	108,408.12	108,408.12	17,429,095.03	33,827,855.27
Less: Allowance for doubtful accounts	(108,408.12)	(108,408.12)	(108,408.12)	(108,408.12)
Trade accounts receivable – related companies - net	-	-	17,320,686.91	33,719,447.15

During the year 2009, the Company has the offsetting assets and liabilities with subsidiaries are as follow:

The Company has the offsetting trade accounts receivable in the amount of Baht 21.57 million, trade accounts payable in the amount of Baht 11.10 million, short-term loan payable in the amount of Baht 10.75 million, and accrued interest expenses in the amount of Baht 0.70 million.

The Crane Service Company Limited has the offsetting trade accounts receivable in the amount of Baht 22.34 million, short-term loan receivable in the amount of Baht 10.75 million, accrued interest income in the amount of Baht 0.70 million, other current assets in the amount of Baht 0.78 million, trade accounts payable in the amount of Baht 21.40 million, account payable from purchasing assets in the amount of Baht 11.10 million, and other current liabilities in the amount of Baht 0.51 million.

The Crane Lamechabang Company Limited has the offsetting trade accounts receivable in the amount of Baht 21.40 million, trade accounts payable in the amount of Baht 15.71 million, account payable from purchasing assets in the amount of Baht 6.19 million, and other current liabilities in the amount of Baht 0.50 million.

Short-term loans to related companies

Movements of short-term loans to related companies for each of the years ended December 31, 2010 and 2009 were as follows:

	(Unit: Baht)	
	Separate	
	financial statements	
	2010	2009
Balance at the beginning	-	1,600,000.00
Increase	2,650,000.00	8,800,000.00
Decrease	(2,650,000.00)	(10,400,000.00)
Balance at the end	-	-

The Company had short-term loans to The Crane Rayong Company Limited (“subsidiary”) by issued promissory notes, due at call with interest charged at the rate referred with the interest rate of minimum overdraft rate (MOR) and unsecured.

Short-term loans from related parties

Short-term loans from related parties as at December 31, 2010 and 2009 consisted of:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
The Crane Service Co., Ltd.	-	-	22,400,000.00	17,000,000.00
Director	1,450,000.00	7,050,000.00	1,450,000.00	7,050,000.00
Total	1,450,000.00	7,050,000.00	23,850,000.00	24,050,000.00

Movements of short-term loans from related parties for each of the years ended December 31, 2010 and 2009 were as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Balance at the beginning	7,050,000.00	-	24,050,000.00	32,300,000.00
Increase	38,550,000.00	17,549,999.00	53,320,000.00	26,429,999.00
Decrease	(44,150,000.00)	(10,499,999.00)	(53,520,000.00)	(34,679,999.00)
Balance at the end	1,450,000.00	7,050,000.00	23,850,000.00	24,050,000.00

The Company borrowed short-term loans from The Crane Service Company Limited (“subsidiary”) by issued promissory notes, due at call with interest charged at the rate referred with the interest rate of minimum retail rate (MRR) and unsecured. For the loans from related person are by issued promissory notes, due at call without interest charged and unsecured.

Co-guarantee for liabilities with related parties

As at December 31, 2010, the Company and its subsidiaries had co-guarantee liabilities with related parties as follows:

The Company

The Company had co-guarantee for liabilities under finance leases of subsidiaries at book value in the amount of Baht 179.89 million (see Note 29).

Subsidiaries

The Subsidiaries had co-guarantee for liabilities under finance leases of the Company at book value in the amount of Baht 85.49 million (see Note 29).

The Subsidiaries had co-guarantee for liabilities under finance leases of other subsidiaries at book value in the amount of Baht 19.52 million (see Note 29).

Related Persons (Director)

Related Persons had co-guarantee for liabilities under finance leases of the Company and subsidiaries at book value in the amount of Baht 363.34 million

Nature of relationship

<u>Name</u>	<u>Country</u>	<u>Relation</u>	<u>Type of relation</u>
The Crane Lamechabang Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Rayong Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Heavy Lift Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Service Co., Ltd.	Thailand	Subsidiary	Direct holding
Crane Today Co., Ltd.	Thailand	Other related company	Former common management and/or shareholders

Bases of measurement for intercompany revenues and expenses

	<u>Pricing policies</u>
Purchase - sale of land and machinery and equipment for rent or goods	Market price
Rendering of rent and transportation services	Market of price minus discount 20% - 35%
Rendering of repair services	Market price
Services and administrative expenses	Market price
Interest income and expense	Referred with the bank's interest rate.

The discount mentioned above occurred from the difference by nature of service provided in the section of staff who control the machinery and equipment for rent.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash	234,285.00	229,500.00	45,000.00	45,000.00
Cash at banks - savings deposits	1,207,298.31	2,062,232.11	46,360.44	67,055.31
Cash at banks - current deposits	8,227,708.61	5,433,334.84	761,860.14	110,543.18
Total	<u>9,669,291.92</u>	<u>7,725,066.95</u>	<u>853,220.58</u>	<u>222,598.49</u>

7. TRADE ACCOUNTS RECEIVABLE - NET

As at December 31, 2010 and 2009, the Company and subsidiaries had outstanding balances of trade accounts receivable aged by number of months as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
(Unit: Baht)				
<u>Trade accounts receivable - others</u>				
Current	42,689,853.96	20,003,299.29	3,604,884.50	475,454.50
Overdue				
Less than 3 months	45,323,835.65	27,960,872.26	2,362,580.38	2,306,533.21
Over 3 months up to 6 months	5,076,034.32	16,099,024.17	-	5,859,600.00
Over 6 months up to 12 months	1,836,854.22	15,647,438.30	-	-
Over 12 months	17,571,307.64	9,178,687.49	-	152,608.75
Total	112,497,885.79	88,889,321.51	5,967,464.88	8,794,196.46
<u>Less: Allowance for doubtful accounts</u>	(20,046,461.75)	(29,849,092.14)	(175,000.00)	(327,608.75)
Trade accounts receivable - others - net	92,451,424.04	59,040,229.37	5,792,464.88	8,466,587.71
<u>Trade accounts receivable - related companies</u>				
Current	-	-	6,174,885.20	7,314,129.53
Overdue				
Less than 3 months	-	-	10,974,166.22	16,679,370.18
Over 3 months up to 6 months	-	-	88,596.00	9,642,907.95
Over 6 months up to 12 months	-	-	-	83,039.49
Over 12 months	108,408.12	108,408.12	191,447.61	108,408.12
Total	108,408.12	108,408.12	17,429,095.03	33,827,855.27
<u>Less: Allowance for doubtful accounts</u>	(108,408.12)	(108,408.12)	(108,408.12)	(108,408.12)
Trade accounts receivable - related companies - net	-	-	17,320,686.91	33,719,447.15
Trade accounts receivable - net	92,451,424.04	59,040,229.37	23,113,151.79	42,186,034.86

Movements of allowance for doubtful accounts for each of the years ended December 31, 2010 and 2009 were as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Balance as at the beginning	29,957,500.26	17,292,265.56	436,016.87	1,623,295.29
<u>Add (less):</u> Doubtful accounts (reversal)	(6,885,726.99)	17,508,776.37	-	-
<u>Less:</u> Written-off bad debts	(2,916,903.40)	(4,843,541.67)	(152,608.75)	(1,187,278.42)
Balance as at the end	<u>20,154,869.87</u>	<u>29,957,500.26</u>	<u>283,408.12</u>	<u>436,016.87</u>

As at December 31, 2009, the Company had sold on discount its trade accounts receivable to a company in the amount of Baht 2.03 million. The Company is committed to the uncollectible balances, for the whole amount, partial or overdue. Those accounts receivable were used as collateral for loans from that company. As present, the Company has paid liability from loan in whole amount (see Note 17).

8. INVENTORIES - NET

Inventories as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Cranes	11,249,875.59	18,634,234.00	11,249,875.59	18,634,234.00
Forklifts	2,373,461.96	5,860,280.54	2,373,461.96	5,860,280.54
Trailers	1,367,345.06	1,367,345.06	1,367,345.06	1,367,345.06
Spare parts and equipment	5,873,290.29	6,355,245.44	6,373,289.29	6,855,244.44
Goods in transit and work in process	69,360,002.75	9,201,969.23	69,410,102.75	9,201,969.23
Total	<u>90,223,975.65</u>	<u>41,419,074.27</u>	<u>90,774,074.65</u>	<u>41,919,073.27</u>
<u>Less</u> Allowance for devaluation of inventories	(5,385,670.62)	(11,830,589.73)	(5,385,670.62)	(11,830,589.73)
Inventories - net	<u>84,838,305.03</u>	<u>29,588,484.54</u>	<u>85,388,404.03</u>	<u>30,088,483.54</u>

Movements of allowance for devaluation of inventories for each of the years ended December 31, 2010 and 2009 were as follows:

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2010	2009
Balance as at the beginning	11,830,589.73	22,030,602.45
<u>Less:</u> Reversal of loss from obsolete stock	(6,444,919.11)	(3,900,012.72)
<u>Less:</u> Written-off allowance for devaluation of inventories	-	(6,300,000.00)
Balance as at the end	<u>5,385,670.62</u>	<u>11,830,589.73</u>

Year 2009, the management of the Company had improved business plan and competitive strategy in order to relevant with economic situation and customer satisfaction. This improvement was result to change the objective of partial inventories to be assets for rent. Therefore, Year 2010, the Company transferred partial inventories to be machinery and equipment for rent and recorded in “Property, plant and equipment” at cost in the amount of Baht 8.48 million (year 2009: Baht 64.36 million) and reversed related accounting transactions.

9. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries stated by the cost method, as at December 31, 2010 and 2009 consisted of:

Subsidiaries	(Unit: Baht)					
	Holding (%)		Paid-up share capital		Cost method	
	2010	2009	2010	2009	2010	2009
The Crane Lamechabang Co., Ltd.	100%	100%	25,000,000.00	25,000,000.00	24,999,300.00	24,999,300.00
The Crane Rayong Co., Ltd.	100%	100%	25,000,000.00	25,000,000.00	24,999,200.00	24,999,200.00
The Crane Heavy Lift Co., Ltd.	100%	100%	25,000,000.00	25,000,000.00	24,999,930.00	24,999,930.00
The Crane Service Co., Ltd.	100%	100%	100,000,000.00	100,000,000.00	99,993,000.00	99,993,000.00
Total			<u>175,000,000.00</u>	<u>175,000,000.00</u>	<u>174,991,430.00</u>	<u>174,991,430.00</u>

10. RECEIVABLE UNDER REPURCHASE AGREEMENT - NET

Receivable under repurchase agreement as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated	
	financial statements	
	2010	2009
Receivable under repurchase agreement	45,820,560.75	45,820,560.75
<u>Less:</u> Allowance for doubtful accounts	(45,820,560.75)	(45,820,560.75)
Receivable under repurchase agreement - net	-	-

The Crane Service Company Limited (“subsidiary”) putting up collateral against a finance lease agreement for repurchase assets if the customer does not perform according to the agreement for its accounts receivable as the debt payment was defaulted upon with the payable (see Note 20).

11. RESTRICTED BANK DEPOSITS

As at December 31, 2010, deposits at the bank of the Company and subsidiaries were used as collateral for letters of guarantee issued by banks (see Note 29).

12. ACCOUNTS RECEIVABLE UNDER FINANCE LEASES

Accounts receivable under finance leases as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

Year	Consolidated and Separate financial statements					
	2010			2009		
	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment
1	825,915.18	31,288.54	857,203.72	1,828,446.46	229,622.69	2,058,069.15
2	-	-	-	842,458.43	31,288.54	873,746.97
	825,915.18	31,288.54	857,203.72	2,670,904.89	260,911.23	2,931,816.12

The Company entered into the finance lease agreements for machinery and equipment for rent in the amount of Baht 1.89 million for the period 3.5 years from March 16, 2007 to August 16, 2010, receivable monthly totalling 42 instalments in the amount of Baht 0.04 million each.

During the year 2009, the Company sold inventories to a company in the amount of Baht 2.33 million. The receivable repaid is 1.5 years started from January 25, 2010 to June 25, 2011, receivable monthly totalling 18 instalments in the amount of Baht 0.14 million each.

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated financial statements									
	Land	Land improvements	Buildings	Machinery and factory equipment	Furniture and office equipment	Vehicles	Machinery and equipment for rent	Land and buildings for rent	Construction in progress and assets in transit	Total
Cost										
At January 1, 2009	487,655,234.45	7,001,939.29	129,627,854.55	16,952,254.79	30,568,667.53	38,946,860.14	1,411,977,112.84	3,563,066.00	115,274,053.38	2,241,567,042.97
Additions / transfer in	29,926,865.00	-	590,370.51	4,612,333.81	1,687,923.09	3,748,579.20	118,174,790.60	-	154,776,144.97	313,517,007.18
Transfer out / adjust	4,400,635.00	-	6,512,834.78	-	133,821.44	-	199,632,155.93	-	(156,639,389.50)	54,040,057.65
Disposals	-	-	(5,515,602.11)	(3,067,105.29)	(6,539,816.76)	(7,667,500.92)	(135,922,738.09)	-	(34,739,438.56)	(193,452,201.73)
At December 31, 2009	521,982,734.45	7,001,939.29	131,215,457.73	18,497,483.31	25,850,595.30	35,027,938.42	1,593,861,321.28	3,563,066.00	78,671,370.29	2,415,671,906.07
Additions / transfer in	311,325.71	-	267,159.82	285,164.46	492,029.21	2,470,873.23	117,946,640.65	-	11,783,047.72	133,556,240.80
Transfer out / adjust	-	-	(3,000,000.00)	-	(310,562.36)	(650,467.29)	(235,664.71)	-	(52,669,402.53)	(56,866,096.89)
Disposals	-	-	-	(761,364.68)	(200,649.92)	(1,437,260.00)	(133,634,866.53)	-	-	(136,034,141.13)
At December 31, 2010	522,294,060.16	7,001,939.29	128,482,617.55	18,021,283.09	25,831,412.23	35,411,084.36	1,577,937,430.69	3,563,066.00	37,785,015.48	2,356,327,908.85
Accumulated depreciation										
At January 1, 2009	-	6,014,366.92	59,695,956.20	13,583,819.69	26,137,611.14	20,488,973.54	550,786,195.03	1,481,643.54	-	678,188,566.06
Depreciation	-	987,565.37	6,577,961.67	1,827,720.79	1,977,315.02	6,111,582.84	191,315,259.29	99,999.95	-	208,897,404.93
Disposals	-	-	(3,844,054.07)	(3,040,866.75)	(6,511,939.16)	(6,164,145.89)	(57,740,733.18)	-	-	(77,301,739.05)
At December 31, 2009	-	7,001,932.29	62,429,863.80	12,370,673.73	21,602,987.00	20,436,410.49	684,360,721.14	1,581,643.49	-	809,784,231.94
Depreciation	-	-	6,366,582.14	2,017,771.93	1,648,516.78	5,142,168.59	104,012,254.96	99,999.96	-	119,287,294.36
Disposals	-	-	(615,616.23)	(738,584.64)	(488,919.01)	(2,087,723.29)	(59,017,198.80)	-	-	(62,948,041.97)
At December 31, 2010	-	7,001,932.29	68,180,829.71	13,649,861.02	22,762,584.77	23,490,855.79	729,355,777.30	1,681,643.45	-	866,123,484.33
Impairment of assets										
At December 31, 2009	-	-	-	-	-	-	2,928,000.60	-	-	2,928,000.60
At December 31, 2010	-	-	-	-	-	-	2,928,000.60	-	-	2,928,000.60
Net book value										
At December 31, 2009	521,982,734.45	7.00	68,785,593.93	6,126,809.58	4,247,608.30	14,591,527.93	906,572,599.54	1,981,422.51	78,671,370.29	1,602,959,673.53
At December 31, 2010	522,294,060.16	7.00	60,301,787.84	4,371,422.07	3,068,827.46	11,920,228.57	845,653,652.79	1,881,422.55	37,785,015.48	1,487,276,423.92

(Unit: Baht)

Separate financial statements									
	Land	Land improvements	Buildings	Machinery and factory equipment	Furniture and office equipment	Vehicles	Machinery and equipment for rent	Construction in progress and assets in transit	Total
<u>Cost</u>									
At January 1, 2009	463,981,351.37	6,345,543.21	51,405,727.28	4,411,927.78	9,749,571.34	14,479,948.77	517,700,512.27	115,045,537.13	1,183,120,119.15
Additions / transfer in	29,926,865.00	-	584,065.49	98,708.00	693,858.87	-	5,074,351.11	145,703,418.90	182,081,267.37
Transfer out / adjust	4,400,635.00	-	6,328,551.39	-	133,821.44	-	199,030,965.04	(153,349,224.62)	56,544,748.25
Disposals	-	-	-	-	(177,942.90)	(2,724,000.00)	(105,916,679.46)	(34,739,438.56)	(143,558,060.92)
At December 31, 2009	498,308,851.37	6,345,543.21	58,318,344.16	4,510,635.78	10,399,308.75	11,755,948.77	615,889,148.96	72,660,292.85	1,278,188,073.85
Additions / transfer in	-	-	267,159.82	179,114.27	44,200.00	-	92,609,763.57	11,778,247.72	104,878,485.38
Transfer out / adjust	-	-	(3,000,000.00)	-	(310,562.36)	-	(235,664.71)	(52,669,402.53)	(56,215,629.60)
Disposals	-	-	-	(741,839.68)	-	-	(78,159,808.24)	-	(78,901,647.92)
At December 31, 2010	498,308,851.37	6,345,543.21	55,585,503.98	3,947,910.37	10,132,946.39	11,755,948.77	630,103,439.58	31,769,138.04	1,247,949,281.71
<u>Accumulated depreciation</u>									
At January 1, 2009	-	5,359,470.35	13,103,279.85	3,573,131.37	7,394,489.21	4,414,084.94	98,891,571.52	-	132,736,027.24
Depreciation	-	986,070.86	2,761,330.98	421,067.10	1,068,896.75	2,662,814.92	65,237,290.75	-	73,137,471.36
Disposals	-	-	-	-	(170,278.43)	(1,944,412.87)	(14,104,307.58)	-	(16,218,998.88)
At December 31, 2009	-	6,345,541.21	15,864,610.83	3,994,198.47	8,293,107.53	5,132,486.99	150,024,554.69	-	189,654,499.72
Depreciation	-	-	2,924,508.48	290,147.84	953,023.07	2,200,630.96	46,142,276.07	-	52,510,586.42
Disposals	-	-	(615,616.23)	(719,080.64)	(304,720.07)	-	(26,757,522.26)	-	(28,396,939.20)
At December 31, 2010	-	6,345,541.21	18,173,503.08	3,565,265.67	8,941,410.53	7,333,117.95	169,409,308.50	-	213,768,146.94
<u>Net book value</u>									
At December 31, 2009	498,308,851.37	2.00	42,453,733.33	516,437.31	2,106,201.22	6,623,461.78	465,864,594.27	72,660,292.85	1,088,533,574.13
At December 31, 2010	498,308,851.37	2.00	37,412,000.90	382,644.70	1,191,535.86	4,422,830.82	460,694,131.08	31,769,138.04	1,034,181,134.77

	(Unit: Millions Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Depreciation for each of the years ended December 31, were included in				
- Cost of rental and transportation services	107.13	194.04	47.43	66.47
- Selling and administrative expenses	12.16	14.85	5.08	6.67
Total	<u>119.29</u>	<u>208.89</u>	<u>52.51</u>	<u>73.14</u>
As at December 31,				
Book value of equipment before less accumulated depreciation which have been fully depreciated and still in use.	<u>378.09</u>	<u>363.00</u>	<u>48.76</u>	<u>47.89</u>
Transferred machinery and equipment for rent to inventories at net book value and recognized as cost of sales when disposed the assets for each of the years ended December 31,	<u>74.85</u>	<u>17.72</u>	<u>51.64</u>	<u>91.81</u>
Transferred inventories to machinery and equipment for rent for each of the years ended December 31,	<u>8.48</u>	<u>23.33</u>	<u>8.48</u>	<u>64.36</u>
Transferred assets in transit (machinery and equipment for rent) to inventories for each of the years ended December 31,	<u>-</u>	<u>34.02</u>	<u>-</u>	<u>34.02</u>
The Company included interest from loan, as a part of building in progress for each of the years ended December 31, (see Note 26)	<u>0.56</u>	<u>0.08</u>	<u>0.56</u>	<u>0.08</u>
As at December 31,				
the net book value of assets under finance lease agreements (see Note 19)				
- machinery and equipment for rent	569.91	660.81	258.47	337.82
- vehicles	11.37	13.80	4.37	6.45
Total	<u>581.28</u>	<u>674.61</u>	<u>262.84</u>	<u>344.27</u>

As at December 31, 2010 and 2009, the Company and subsidiaries have pledged land including existing construction and to be constructed as well as the benefits from insurance of construction against bank overdrafts and loans from financial institutions (see Notes 14 and 18).

As at December 31, 2010					
		The rate of lease per month			
	Parties	Period	Millions Baht	Note	
Property lease agreement (lessee)					
	The Crane Lamechabang Co., Ltd.	Chukai Public Co., Ltd.	3 years	0.10	-
	The Crane Service Co., Ltd.	Chukai Public Co., Ltd.	1 year	0.05	-
	The Crane Heavy Lift Co., Ltd.	The Company's director	3 years	0.05	-
Property lease agreement (lessor)					
	Chukai Public Co., Ltd.	Another company	1 year	0.02	-
	The Crane Lamechabang Co., Ltd.	Person	1 year	0.01	-
	The Crane Rayong Co., Ltd.	Another company	1 year	0.42	Cancelled the agreement in September 2010

On August 10, 2009, the Company entered into a land sale and purchase agreement from a company in the amount of Baht 25 million by cash payment in the amount of Baht 14 million. The Company borrowed loan from a financial institution for the remainder (see Note 18).

14. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at December 31, 2010 and 2009 consisted of:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Bank overdrafts	71,288,451.47	75,482,280.40	49,386,327.34	52,535,746.75
Promissory notes	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00
Trust receipts	29,567,422.60	-	29,567,422.60	-
Total	150,855,874.07	125,482,280.40	128,953,749.94	102,535,746.75

The Company

Lender	Type of credit	Credit lines (Millions Baht)		Referred interest rate
		2010	2009	
Bank	Bank overdrafts	55	55	MOR
Bank	Trust receipt / Letter of credit	100	100	MLR
Bank	Promissory notes	50	50	MLR
Bank	Forward foreign currency	5	5	
	Total	210	210	

Subsidiaries

Lender	Type of credit	Credit lines (Millions Baht)		Referred interest rate
		2010	2009	
Bank	Bank overdrafts	23	23	MOR

The Company and subsidiaries have pledged land including existing construction and to be constructed as collateral for loans from financial institutions. Moreover, the loans are also guarantee by the Company and its subsidiary's directors. The Company had co-guarantee for liabilities of subsidiaries (see Notes 5 and 13).

15. TRADE ACCOUNTS PAYABLE

Trade accounts payable as at December 31, 2010 and 2009 consisted of:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2010	2009	2010	2009
Trade accounts payable - Domestic	25,758,267.57	19,119,538.79	75,318,295.28	99,663,740.70
Trade accounts payable - Overseas	67,522,173.77	24,344,392.75	67,522,173.77	24,344,392.75
Total	93,280,441.34	43,463,931.54	142,840,469.05	124,008,133.45

16. CURRENT PORTION OF LONG-TERM DEBTS

Current portion of long-term debts as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
Loans from financial institutions	18	50,567,478.08	91,366,739.18	45,551,478.08	86,350,739.18
Liabilities under finance leases	19	138,856,532.73	154,582,314.22	58,676,038.86	66,477,446.27
Total		189,424,010.81	245,949,053.40	104,227,516.94	152,828,185.45

17. OTHER SHORT-TERM LOAN

As at December 31, 2009, the Company sold on discount its trade accounts receivable to a company with the interest charged at the rate of 2.5 percent per annum. Those accounts receivable were used as collateral for the loan. As present, the Company has paid liability from loan in whole amount (see Note 7).

18. LOANS FROM FINANCIAL INSTITUTIONS

Loans from financial institutions as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Loans from financial institutions	148,528,312.15	219,114,423.12	133,302,172.80	198,873,623.19
<u>Less:</u> Current portion of long-term debts	(50,567,478.08)	(91,366,739.18)	(45,551,478.08)	(86,350,739.18)
Long-term loans from financial institutions	97,960,834.07	127,747,683.94	87,750,694.72	112,522,884.01

The details of the loans are summarized as follows:

Credit line	Lender	Millions Baht				Period	Referred Interest Rate	Repayment
		Credit line		Principal				
		2010	2009	2010	2009			
<u>Company</u>								
1	Bank	84.50	84.50	2.21	30.00	Jul. 2009 - Dec. 2010	MLR	Year 2009, Monthly principal repayment totaling 5 installments, Baht 0.10 million each Year 2010, Monthly principal repayment totaling 12 installments, Baht 2.50 million each
2	Bank	170.00	170.00	101.79	144.27	Mar. 2009 - Mar. 2014	MLR	Monthly principal repayment totaling 54 installments, Baht 3.01 million each
3	Bank	35.00	35.00	29.30	24.60	Aug. 2009 - Aug. 2015	MLR	Monthly principal repayment totaling 72 installments, Baht 0.60 million each
Total		289.50	289.50	133.30	198.87			
<u>Subsidiaries</u>								
4	Bank	20.00	20.00	11.32	15.32	Oct. 2008 - Oct. 2013	MLR	Monthly principal repayment totaling 60 installments, Baht 0.33 million each
5	Bank	5.00	5.00	3.91	4.92	Dec. 2009 - Nov. 2014	MLR	Monthly principal repayment totaling 60 installments, Baht 0.08 million each
Total		25.00	25.00	15.23	20.24			
Grand Total		314.50	314.50	148.53	219.11			

Movements of loans from financial institutions for each of the years ended December 31, 2010 and 2009 were as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Balance at the beginning	219,114,423.12	76,832,000.00	198,873,623.19	57,500,000.00
Increase	7,100,000.00	203,902,387.80	7,100,000.00	198,902,387.80
Decrease	(77,686,110.97)	(61,619,964.68)	(72,671,450.39)	(57,528,764.61)
Balance at the end	148,528,312.15	219,114,423.12	133,302,172.80	198,873,623.19

Credit line 1

In year 2009, the Company has default condition of repayment by installment of loan with a bank. On November 17, 2009, the Company entered into the memorandum of understanding for repayment by installment of debt with a bank. The bank approved to change in such installment loan condition. The fine for the overdue payments has been waived and the interest is the normal rate. Moreover, the bank has conditions as follow:

- The Company has to maintain Debt to Equity Ratio and maintain Debt Service Coverage Ratio according to the agreement.
- Some of the major shareholders have to maintain the proportion of share holding according to the agreement.

Credit line 2

During the year 2009, the Company entered into the memorandum of understanding to expand the repayment by installment of debt from trust receipt with a bank for expanding period of repayment of such debt.

On August 20, 2010, the Company entered into the memorandum of understanding with a bank. The bank approved to extend in such installment loan condition to one year totaling 12 installments. The fine for the overdue payments has been waived and the interest is the normal rate.

The Company has conditions to maintain Debt Service Coverage Ratio according to the agreement.

The Company and subsidiaries had pledged land including existing construction and to be constructed as well as the benefits from insurance of construction and the Company's director and certain shareholders pledged ordinary shares not less than stipulated in the loan agreement against loans from financial institutions with the full personal guarantee of the directors of the Company and subsidiaries. Moreover, The Company had co-guarantee for loan from financial institution of subsidiary (see Notes 5 and 13).

19. LIABILITIES UNDER FINANCE LEASES

Liabilities under finance leases as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

Year	2010					
	Consolidated financial statements			Separate financial statements		
	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment
1	138,856,532.73	22,891,265.35	161,747,798.07	58,676,038.86	10,523,769.91	69,199,808.77
2 - 5	173,154,039.30	12,663,592.99	185,817,632.29	69,728,105.98	4,753,124.90	74,481,230.88
	<u>312,010,572.03</u>	<u>35,554,858.34</u>	<u>347,565,430.37</u>	<u>128,404,144.84</u>	<u>15,276,894.81</u>	<u>143,681,039.65</u>

2009

Year	Consolidated financial statements			Separate financial statements		
	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment
1	154,582,314.22	35,317,557.61	189,899,871.83	66,477,446.27	15,558,560.83	82,036,007.10
2 - 5	245,252,237.79	28,397,980.08	273,650,217.87	100,157,047.33	11,358,909.61	111,515,956.94
	399,834,552.01	63,715,537.69	463,550,089.70	166,634,493.60	26,917,470.44	193,551,964.04

The Company and subsidiaries entered into the finance lease agreements for purchase machinery and equipment for rent and vehicles, payable monthly in the amount of Baht 5.77 million and Baht 10.10 million, respectively. As at December 31, 2010, the current portion of liabilities under the finance leases in the amount of Baht 138.86 million (year 2009: Baht 154.58 million) for the consolidated financial statements and Baht 58.68 million (year 2009: Baht 66.48 million) for the separate financial statements was presented under current portion.

The Company's director mortgaged personal land including construction as collateral for liabilities. The partial of liabilities under finance leases are also personally fully guaranteed by the Company's director and its subsidiary's directors (see Note 5).

During the year 2010, the Company entered into a sale and leaseback agreement for machinery (Crane) with a company. The Company had cash received from the finance lease agreement in the amount of Baht 29.65 million (year 2009: Baht 39.31 million) and committed to pay the rental fee each month under the agreement totalling 48 months which in the total amount of Baht 35.47 million (year 2009: Baht 47.03 million). However, the Company did not recognize gain / loss from the sale and leaseback agreement.

During the year 2010, the Company sold machinery and equipment for rent to the subsidiaries by entering into the finance lease agreements. The Company had cash received from the lease agreements in the amount of Baht 65.21 million.

20. LIABILITY UNDER REPURCHASE AGREEMENT

Liability under repurchase agreement as at December 31, 2010 and 2009 consisted of:

	(Unit: Baht)	
	Consolidated	
	financial statements	
	2010	2009
Liability under repurchase agreement	60,110,913.64	60,110,913.64
Provision from litigation	23,649,115.62	17,638,024.25
Total	83,760,029.26	77,748,937.89

On December 16, 1996, The Crane Service Company Limited (“subsidiary”) sold assets to a customer by finance lease through a Leasing Company; on condition that subsidiary had joint responsibility to repurchase assets if the customer did not perform according to the agreement.

On October 8, 2001, the subsidiary entered into a debt confirmation letter with a Leasing Company because the subsidiary’s customer did not perform according to the agreements in the amount of Baht 73.62 million. A debt confirmation letter indicated that the Subsidiary had to pay principal and interest which the first repayment started on October 2001. The liabilities were also fully guaranteed by the subsidiary’s directors.

From the above details, the subsidiary recorded the lessee to accounts receivable from repurchase agreement that were presented under current assets in the amount of Baht 45.82 million (see Note 10) according to the amount to be repaid by the subsidiary. The subsidiary had reclaimed the debt in the amount of Baht 68.20 million.

In the year 2001, the leasing company was in litigation with the lessee and in the year 2003, the court of first instance held the lessee, the subsidiary and director to join responsibility for payment to the leasing company in the amount of Baht 5.96 million with interest charged at 7.5 percent per annum since the litigation date until fully paid.

On October 24, 2006, the subsidiary entered into an additional amendment of debt confirmation letter that the conditions of repayment were amended from additional amendment of debt confirmation letter dated September 24, 2005 as follows:

1. The subsidiary had outstanding debt before preparing the memorandum in the amount of Baht 2.20 million, so the installment of debt was taken into the new principal of debt as indicated in this memorandum.
2. The subsidiary has to pay the principal by installment started from October 2006 to October 2011 as the indicated amount of the payment schedule enclosed with the contract with interest charged at 10 percent per annum.

The Subsidiary had paid post dated cheque as collateral in the amount of Baht 60.03 million.

During the year 2007, the Appeal Court judged lessee company and subsidiary including director together to undertake repayment to leasing company in the amount of Baht 5.40 million including interest at the rate of 10% per annum from June 21, 2006 until the date the claim was filed and at the rate of 7.5% per annum starting from the date the claim was filed until complete repayment.

The subsidiary has not repaid the principal and interest as per the agreement. The subsidiary litigated with the creditor relating to alleged overstated debt on April 18, 2007. However, the subsidiary has still recorded accrued interest expense at the rate determined in the agreement. The subsidiary does not use the default interest rate because a legal consultant expressed his opinion that the subsidiary has a chance to win the case. Therefore, the subsidiary reclassified such liability to current liability.

On July 14, 2009, Civil Court judged the Subsidiary to pay the debt in the amount of Baht 60.11 million including the damage fine 10% per annum since January 25, 2007 until complete repayment. The Subsidiary filed a suit to Appeal Court on October 14, 2009. At present, the Subsidiary is in the process to suspend the execution. However, the Subsidiary has already recorded the provision of the damage fine at the Civil Court judged in the amount of Baht 23.65 million (see Note 32).

21. SHARE PREMIUM

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

22. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment.

23. DIVIDENED PAYMENT AND LEGAL RESERVE

The Company

At the Ordinary General Meeting of Shareholders held on April 30, 2009, a resolution was passed authorizing a dividend payment at the rate of Baht 0.05 per share, totaling Baht 22.50 million.

Subsidiaries

At the Board of Directors’ Meeting of The Crane Rayong Company Limited held on December 17, 2010, a resolution was passed authorizing the interim dividend payment at the rate of Baht 40 per share, totaling Baht 10 million.

At the Board of Directors' Meeting of The Crane Heavy Lift Company Limited held on December 16, 2010, a resolution was passed authorizing the interim dividend payment at the rate of Baht 8 per share, totaling Baht 20 million and approved an additional appropriated legal reserve of Baht 1 million.

At the Board of Directors' Meeting of The Crane Service Company Limited held on December 16, 2010, a resolution was passed authorizing the interim dividend payment at the rate of Baht 250 per share, totaling Baht 25 million and approved an additional appropriated legal reserve of Baht 1.25 million.

At the Ordinary General Meeting of Shareholders of The Crane Service Company Limited held on April 28, 2009, a resolution was passed authorizing a dividend payment at the rate of Baht 150 per share, totaling Baht 15 million and approved an additional appropriated legal reserve of Baht 0.82 million.

24. OTHER INCOME

Other income for each of the years ended December 31, 2010 and 2009 consisted of:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Revenue from other service	4,350.00	12,403.74	16,867,006.70	16,826,162.90
Revenue from rental	3,462,747.35	5,111,657.94	1,842,347.35	1,748,400.00
Interest income	399,623.63	1,199,706.99	238,136.05	627,735.20
Gain on foreign exchange	1,557,145.49	14,958,919.28	1,557,145.49	14,701,811.93
Reversal of doubtful accounts	6,894,726.99	-	-	-
Gain on sale of assets	862,088.05	2,609,533.88	-	306,163.51
Reversal of loss from obsolete stock	6,444,919.11	3,900,012.72	6,444,919.11	3,900,012.72
Others	4,072,847.13	4,209,414.55	621,663.48	1,010,013.73
Total	23,698,447.75	32,001,649.10	27,571,218.18	39,120,299.99

25. EXPENSES BY NATURE

Significant expenses by nature for each of the years ended December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Supplies used	19,795,458.65	16,826,421.65	19,859,944.25	16,826,421.65
Employee expenses	117,672,852.08	119,135,028.01	47,641,083.28	51,717,036.73
Utility expenses	5,286,370.50	5,468,910.80	1,838,604.82	1,874,988.98
Fuel expenses	25,093,896.17	16,823,451.33	1,443,404.95	1,301,897.79
Rental and transportation expenses	22,507,481.46	11,188,027.68	929,414.61	799,806.31
Other rental and service expenses	3,022,978.47	3,108,255.34	1,061,157.20	1,081,029.21
Insurance expenses	6,107,351.47	7,594,730.11	1,655,058.64	2,196,320.68
Maintenance expenses	18,271,225.85	19,464,956.26	1,537,113.35	2,268,498.62
Depreciation	119,287,294.36	208,897,404.93	52,510,586.42	73,137,471.36
Security expenses	4,321,538.54	4,561,566.35	1,425,471.80	1,439,842.40
Sale promotion expenses	8,441,898.78	3,310,554.45	1,026,648.00	1,414,687.00
Transferred and register expenses	1,888,033.38	1,557,059.46	506,128.41	558,481.50
Professional fees	3,775,769.99	1,304,745.56	1,975,512.00	1,581,436.00
Traveling expenses	2,864,261.91	1,646,668.61	1,522,794.12	811,321.09
Directors' remuneration	2,991,000.00	2,792,000.00	2,991,000.00	2,792,000.00
Doubtful accounts	-	17,461,776.37	-	-
Loss from impairment of assets and written-off assets	2,517,160.89	8,964,270.35	2,516,045.10	4,626,685.75
Provision	6,011,091.37	10,826,341.36	-	320,644.74

26. FINANCE COSTS

Finance costs for each of the years ended December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Interest expenses	56,621,030.27	62,855,170.75	34,976,035.50	41,212,663.35
Interest capitalised	(556,992.35)	(84,348.26)	(556,992.35)	(84,348.26)
Net	56,064,037.92	62,770,822.49	34,419,043.15	41,128,315.09

27. INCOME TAX EXPENSE

The Company and subsidiaries did not have any income tax payable for each of the years ended December 31, 2010 and 2009 because the Company and subsidiaries has profit (loss) before income tax after adding back reserve and expenses that are not allowed to hold as an expense in calculating income tax and less of income exempt included as income. As at December 31, 2010, the Company and subsidiaries has utilized loss carry forward from previous years as tax benefit in the amount of Baht 51.85 million in the separate financial statements and Baht 350.25 million (year 2009: Baht 305.80 million) in the consolidated financial statements, which caused the Company and subsidiaries had taxable loss.

Income tax reduction

Royal Decree No. 475 B.E. 2551 dated July 29, 2008 grants companies listed on the Market for Alternative Investment on or before enactment a reduction in the corporate income tax rate from 30% to 20% for taxable profit not exceeding Baht 20 million for the three consecutive accounting periods beginning on or after January 1, 2008.

28. PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed to by both the employees and the Company. The fund is managed by CIMB-Principal Asset Management Company Limited (formerly: BT Asset Management Company Limited) and will be paid to the employees upon termination in accordance with the rules of the fund. During the year 2010, Baht 869,201.37 (year 2009: Baht 936,007.63) has been contributed to the fund by the Company.

29. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2010, the Company and its subsidiaries had commitments and contingent liabilities as follows:

The Company

29.1 Commitments for payment under agreement as follow:

29.1.1 Commitment for payment under the security service agreement in the amount of Baht 0.12 million per month.

29.1.2 Commitment for payment under the land lease agreement in the amount of Baht 0.08 million per month.

29.1.3 Commitment from legal advisory agreement in the amount of Baht 0.03 million per month.

29.1.4 Commitment from construction office building agreement in the amount of Baht 0.44 million.

29.1.5 Commitment for payment under the software system service agreement in the amount of Baht 0.02 million per month.

29.2 The letter of guarantee issued by the bank for guarantee in the amount of Baht 0.23 million (see Note 11).

29.3 Undue L/C in the amount of USD 2.22 million.

29.4 Contingent liabilities as follow:

29.4.1 Contingent liabilities on co-guarantee for liabilities under finance leases of subsidiaries at book value in the amount of Baht 179.89 million (see Note 5).

29.4.2 Contingent liabilities from lease back agreement together with subsidiaries at book value in the amount of Baht 8.52 million.

Subsidiaries

29.5 Commitments for payment under agreement as follow:

29.5.1 Commitment for payment under the land lease agreement to the director of the Company in the amount of Baht 0.05 million per month (see Note 13).

29.5.2 Commitment for payment under the land and building lease agreement with a related company in the amount of Baht 0.15 million per month (see Note 13).

29.5.3 Commitment for payment under the management agreement with the Company in the amount of Baht 1.25 million per month.

- 29.5.4 Commitment for payment under the security and cleaning service agreement with a company in the amount of Baht 0.25 million per month.
- 29.5.5 Commitment from labor of construction office building in the amount of Baht 1.12 million.
- 29.6 The letter of guarantee issued by the bank for guarantee the subsidiaries in the amount of Baht 0.51 million (see Note 11).
- 29.7 Contingent liabilities as follow:
- 29.7.1 Contingent liability on co-guarantee for liabilities under finance leases with the Company at book value in the amount of Baht 85.49 million (see Note 5).
- 29.7.2 Contingent liability on co-guarantee for liabilities under finance leases with the Subsidiaries at book value in the amount of Baht 19.52 million (see Note 5).
- 29.7.3 The Crane Service Company Limited is litigating a suit brought against it involving compensation of breach debt confirmation agreement in the amount of Baht 66.54 million and compensation from cheque default of Baht 0.96 million (see Note 32).
- 29.7.4 The Crane Heavy Lift Company Limited is litigating a suit brought against it for a claim of Baht 14.92 million (see Note 32).

30. BUSINESS SEGMENT INFORMATION

The Company and subsidiaries operate the business primarily related to sales and services of cranes, forklifts, trailers and trucks. Based on the types of activities, the operating income for each of the years ended December 31, 2010 and 2009 were classified as follows:

For the year ended December 31, 2010

	(Unit: Thousands Baht)			
	Sales	Service	Eliminate	Total
Revenue	427,006	539,831	(365,312)	601,525
Cost	(325,298)	(443,832)	372,273	(396,857)
Gross profit	101,708	95,999	6,961	204,668
Other income				23,698
Profit before expenses				228,366
Selling and service expenses				(24,192)
Administrative expenses				(64,049)
Management compensation				(26,225)
Total expenses				(114,466)
Profit before finance costs				113,900
Finance costs				(56,064)
Net profit				57,836
As at December 31, 2010				
Property, plant and equipment - net				1,487,276
Total assets				1,748,019

For the year ended December 31, 2009

	(Unit: Thousands Baht)			
	Sales	Service	Eliminate	Total
Revenue	341,929	518,721	(388,354)	472,296
Cost	(236,524)	(517,669)	363,371	(390,822)
Gross profit	105,405	1,052	(24,983)	81,474
Other income				32,001
Profit before expenses				113,475
Selling and service expenses				(19,145)
Administrative expenses				(94,245)
Management compensation				(30,908)
Total expenses				(144,298)
Loss before finance costs				(30,823)
Finance costs				(62,771)
Net loss				(93,594)
As at December 31, 2009				
Property, plant and equipment - net				1,602,960
Total assets				1,791,511

31. FINANCIAL INSTRUMENTS

31.1 Accounting policies

The details of significant accounting policies and methods used for classification of financial assets and financial liabilities including valuation, basis of recognition of income and expenses are disclosed in Note 3.

31.2 Financial risk management policies

The Company is exposed to fluctuations in interest rates and foreign exchange rates in the market and the risks from default of the agreements by counterparties. The Company had risk management policies as follows:

31.2.1 Interest rate risk

Interest rate risk is the fluctuation of the market interest rate in the future that will affect the Company's operations and cash flows. The Company has interest rate risk from cash and deposits at banks, bank overdrafts and loans from banks because the interest rate of the financial assets and financial liabilities fluctuate based on the market rate. In addition, the Company has not engaged in any hedging contracts related to interest rates.

31.2.2 Foreign currency risk

The Company's exchange rate risk primarily involves the purchases and sales of goods in foreign currencies. As at December 31, 2010 and 2009, the Company had assets and liabilities in foreign currencies as follows:

(Unit: Millions)

<u>Currencies</u>	2010		2009	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
YEN (Japan)	-	4.13	-	66.64
US Dollars	-	2.22	-	-

31.2.3 Credit risk – trade accounts receivable

The Company has a policy to hedge credit risk from trade accounts receivable by forming a conservative credit policy and by determining the receipt from the sales of goods and service. Therefore, the Company expects that the loss from the collection of those trade accounts receivable should not exceed the allowance for doubtful accounts.

31.2.4 Fair value

Most of the financial assets are trade accounts receivable which are short-term credit and financial liabilities. Most of the financial liabilities are trade accounts payable and bank overdrafts and loans from banks with interest rates close to the market rate. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

32. LITIGATION

The Company

32.1 The Company and The Crane Rayong Company Limited, The Crane Lamechabang Company Limited and The Crane Heavy Lift Company Limited (“the Group”) are litigation a suit brought against it involving compensation of breach debt confirmation agreement in co-defendant in the amount of Baht 66.54 million. Because of the Group ratified the actions of The Crane Service Company Limited sold assets to a customer by finance leases through a Leasing Company; on condition that The Crane Service Company Limited had joint responsibility to repurchase assets if the customer did not perform according to the agreement. Civil Court judged The Crane Service Company Limited and the Group to pay the debt including the damage fine. The Crane Service Company Limited filed a suit to Appeal Court which is in the process to suspend the execution. However, The Crane Service Company Limited has already recorded all provision of the damage fine in “Provision” (see Note 20). However, the management of the Group agreed that if the Group is affected

from above litigation, The Crane Service Company Limited will be responsible for these effects. In addition, the management evaluated that The Crane Service Company Limited is able to absorb these effects.

Subsidiaries

32.2 The Crane Heavy Lift Company Limited (“subsidiary”) received notice from the Department of Legal Execution (dated November 10, 2005) informing it of the cancellation of an agreement and to let the subsidiary pay rent to the official receiver of Mr. Suchin Sittirarat (landlord). The notice stated that the subsidiary has rented the land with title deed no.39562 in Patumthani and that the subsidiary did not paid rent since February 1, 2002 until now (September 30, 2005). The total is 44 installments, so this agreement was terminated pursuant to clause 12 of the contract. The official receiver informed the subsidiary of the agreement cancellation and that the subsidiary has to return the land by removing everything including people off the land and to make rest of the payment of Baht 13.60 million to the official receiver. Subsequently, on November 25, 2005 the subsidiary denied the debt to the official receiver stating that the subsidiary never had a land rental agreement with Mr. Suchin Sittirarat, contrary to what the official receiver notice alleges, as the subsidiary has an agreement with a subsidiary’s director (see Notes 13 and 29).

The Subsidiary has recorded the above accrued rental expenses are divided into 2 as follow:

1. The Subsidiary has recorded the accrued rental expenses is monthly following the agreement with a subsidiary’s director (see Note 29). As at December 31, 2010 the subsidiary had the accrued rental expenses in the amount of Baht 5.35 million, the subsidiary’s director does not accept until the lawsuit is finished. In case the subsidiary has any damage, the subsidiary’s director is willing to deny receiving rent from subsidiary.
2. The Subsidiary hired UK Valuation and Agency Company Limited as an independent appraiser to appraise such monthly rental fee for the land, which the subsidiary will set up an allowance for additional damage on a monthly basis following the monthly market rental fee which was appraised by the independent appraiser. As at December 31, 2010 the subsidiary had set up an allowance for damage in the amount of Baht 8.80 million.

As at December 31, 2010 the subsidiary has recorded the accrued rental expenses totaling in the amount of Baht 14.15 million. However, if the subsidiary loses more than such provision, the subsidiary’s director will be responsible for the total in excess.

32.3 As at December 31, 2010 The Crane Heavy Lift Company Limited (“subsidiary”) is litigating a suit brought against it for a claim of Baht 1.32 million. Civil Court judged the Subsidiary to pay the debt and Appeal Court judged to dismiss the plaintiff’s plaint. The case is pending decision in the Supreme Court. However, the subsidiary is expected to not accept any damage from above litigation.

32.4 As at December 31, 2010 The Crane Service Company Limited (“subsidiary”) is litigation a suit brought against it involving compensation of breach debt confirmation agreement in the amount of Baht 66.54 million and a litigation suit brought against it involving compensation from cheque default of Baht 0.96 million. The subsidiary filed a suit against a creditor relating to overstated debt (see Note 20).

33. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company’s Board of Directors on February 24, 2011.