



บริษัท เอเชียไฟเบอร์ จำกัด (มหาชน)  
**ASIA FIBER PUBLIC COMPANY LIMITED**

33/133-136 Surawongse Road, Suriyawongse, Bangrak, Bangkok 10500, Thailand.  
 Tel. (66) 0-2632-7071, 0-2235-4761, 0-2235-9744 Facsimile : (66) 0-2236-1982  
 E-mail : sales@asiafiber.com http://www.asiafiber.com

เลขทะเบียน บมจ. 0107536001630



Securities and Exchange Commission  
 Division of Corporate Finance  
 450 Fifth Street  
 Washington, DC 20549  
UNITED STATES OF AMERICA

**SUPL**

RECEIVED  
 2010 FEB 8 P 1:25

Attention: International Corporate Finance  
 Re: Asia Fiber Public Company Limited  
 Rule 12g3-2 (b) Exemption  
 File No. 82-2842

Ladies and Gentlemen:

Pursuant to Rule 12g3-2 (b) (1) (iii), and on behalf of Asia Fiber Public Company Limited (the "Company"), enclosed are the documents described on Annex A hereto for your attention.

These documents supplement the information previously provided with respect to the Company's request for exemption under Rule 12g3-2, which exemption was established on June 4, 1990.

This information is being furnished with the understanding that such information and documents will not be deemed "filed" with the Securities and Exchange Commission (the "SEC") or otherwise subject to the liabilities of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), and that neither this letter nor the furnishing of such documents shall constitute an admission for any purpose that this Company is subject to the Exchange Act.

Please do not hesitate to contact the undersigned at (011-66-2) 237-5928 or (011-66-2) 632-7071 in Bangkok, Thailand if you have any questions.

Please acknowledge receipt of this letter and the enclosed materials by date stamping the enclosed receipt copy of this letter and return it to Andrew J. Delaney, Esq., Skadden, Arps, Slate, Meagher & Flom, 919 Third Avenue, New York, NY 10022 in the enclosed self-addressed stamped envelope.

Thank you for your attention.



Very truly yours,

Mr. Chen Namchaisiri

President

Enclosure

(File No. 82-2842)  
Annex A to Letter to the SEC  
dated February 17, 2010 of  
Asia Fiber Public Company Limited

The documents checked below are being furnished to the SEC to supplement information provided with respect to the Company's request for exemption under Rule 12g3-2, which exemption was established on June 4, 1990:

Description of Document Check if Enclosed

Title: \_\_\_\_\_ Annual Report  
Date: as of \_\_\_\_\_  
Entity requiring item: The Securities Exchange of Thailand ( the "SET" ) pursuant to its rules governing listed companies. \_\_\_\_\_

Title: Audited Financial Information  
for Years Ended \_\_\_\_\_  
Date: as of \_\_\_\_\_  
Entity requiring item: The SET pursuant to its rules governing listed companies. \_\_\_\_\_

Title: Unedited Financial Information  
for Years Ended \_\_\_\_\_ , 200\_\_ and 200\_\_  
Date: as of \_\_\_\_\_ , 200\_\_ and 200\_\_  
Entity requiring item: The SET pursuant to its rules governing listed companies. \_\_\_\_\_

Title: Interim Financial Information  
for **Six Months** Ended December 31, 2009  
and Review Report of Certified Public Accountant  
Date: as February 17, 2010  
Entity requiring item: The SET pursuant to its rules governing listed companies. X  
\_\_\_\_\_

Title: Invitation to Shareholders to  
Attend Ordinary Meeting on \_\_\_\_\_,  
Date: \_\_\_\_\_,  
Entity requiring item: Pursuant to the Civil and Commercial Code of Thailand. \_\_\_\_\_

Description of Document

Check if Enclosed

Title: Proxy Form for Ordinary Meeting of Shareholders on \_\_\_\_\_, 200\_\_

Date: \_\_\_\_\_, 200\_\_

Entity requiring item: Pursuant to the Civil and Commercial Code of Thailand.

\_\_\_\_\_

Title: Prospectus for the Offering of \_\_\_\_\_ Shares of Common Stock of the Company

Date: \_\_\_\_\_, 200\_\_

Entity requiring item: The SET pursuant to its rules governing listed companies.

\_\_\_\_\_

Title: Minutes of the \_\_\_\_\_ Shareholders Meeting

Date: \_\_\_\_\_, 200\_\_

Entity requiring item: The SET pursuant to its rules governing listed companies.

\_\_\_\_\_

Title: Press Release

Date: \_\_\_\_\_, 200\_\_

Entity requiring item: The SET pursuant to its rules governing listed companies.

\_\_\_\_\_

Other:

Title:

Date: \_\_\_\_\_, 200\_\_

Entity requiring item:

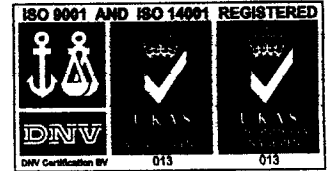
\_\_\_\_\_



บริษัท เอเชียไฟเบอร์ จำกัด (มหาชน)  
ASIA FIBER PUBLIC COMPANY LIMITED

33/133-136 Surawongse Road, Suriyawongse, Bangrak, Bangkok 10500, Thailand.  
Tel. (66) 0-2632-7071, 0-2235-4761, 0-2235-9744 Facsimile : (66) 0-2236-1882  
E-mail : sales@asiafiber.com http://www.asiafiber.com

ทะเบียนเลขที่ 0107536001630 เลขประจำตัวผู้เสียภาษี 3101088762



**OPERATING RESULTS**

**ENDED DECEMBER 31, 2009**

The results for the second quarter of the fiscal year 2009/2010, ending on December 31, 2009 shows a net loss of 9.22 million Baht or 0.20 Baht per share, while the corresponding results of the previous year showed a net loss of 23.97 million Baht, or 0.53 Baht per share, an decrease of 14.75 million Baht or 61.52% due to the following reasons.

1. Net sales decreases from 307.27 million Baht last year to 234.76 million Baht this year, a decrease of 72.50 million Baht or 23.60% due to softening demand from slow economy. But as market price of products increased, selling prices improved, resulting in a gross profit of 0.83 million Baht, or 0.35% margin, while there was a gross loss of 12.71 million Baht, or 4.14% last year, an increase of 13.54 million Baht or 106.53% in gross profit.
2. Selling and administration expense decreases from 17.45 million Baht last year to 13.90 million Baht this year, a decrease of 3.55 million Baht or 20.32%
3. Other income decreases from 6.50 million Baht last year to 4.24 million Baht this year, a decrease of 2.26 million Baht or 34.77% due to a loss on foreign exchange of 0.61 million Baht this year while there was a profit of 0.81 million Baht last year.
4. An increase in realized equity loss from Cryothai Co., Ltd., an associated company, increased from 0.14 million Baht last year to 0.39 million Baht this year, an increase of 0.25 million Baht or 180.70%.

Moreover, interest expense decreases from 0.18 million Baht last year to just 40.23 Baht this quarter, a decrease of 0.18 million Baht or 99.98% due to non-usage of company's credit facilities during this time period.



( Mr.Chen Namchaisiri )

Director

(Reviewed Quarter-2 F/S (F45-2))  
 Report: Reviewed Quarterly Financial Statements  
 Name ASIA FIBER PUBLIC COMPANY LIMITED

| The Financial Statement which the Equity Method is applied | Reviewed<br>(In thousands) |           |              |              |
|--|----------------------------|-----------|--------------|--------------|
|  | Ending 31 December         |           | 31 December  |              |
| Year   | Quarter 2                  | Quarter 2 | For 6 Months | For 6 Months |
|  | 2009                       | 2008      | 2009         | 2008         |
| Net profit (loss)  | (9,224)                    | (23,971)  | (5,330)      | (2,991)      |
| EPS (baht)   | (0.20)                     | (0.53)    | (0.12)       | (0.07)       |

The Company Financial Statement

| Year              | Quarter 2 |          | For 6 Months |         |
|-------------------|-----------|----------|--------------|---------|
|                   | 2009      | 2008     | 2009         | 2008    |
| Net profit (loss) | (8,831)   | (23,831) | (2,891)      | (2,851) |
| EPS (baht)        | (0.19)    | (0.52)   | (0.06)       | (0.06)  |

Type of report:

Unqualified Opinion

Comment: Please see details in financial statements, auditor's report and remarks from SET SMART

"The company hereby certifies that the information above is correct and complete. In addition, the company has already reported and disseminated its financial statements in full via the SET Electronic Listed Company Information Disclosure (ELCID), and has also submitted the original report to the Securities and Exchange Commission."



Signature

A handwritten signature in black ink, appearing to read 'Chen Namchaisiri', written over a horizontal line.

( Mr.CHEN NAMCHAISIRI )

Position Director

Authorized to sign on behalf of the company



บริษัท เอเชียไฟเบอร์ จำกัด (มหาชน)  
**ASIA FIBER PUBLIC COMPANY LIMITED**

33/133-136 Surawongse Road, Suriyawongse, Bangrak, Bangkok 10500, Thailand.  
 Tel. (66) 0-2632-7071, 0-2235-4761, 0-2235-9744 Facsimile : (66) 0-2236-1982  
 E-mail : sales@asiafiber.com http://www.asiafiber.com

เลขทะเบียน บมจ. 0107536001630



Securities and Exchange Commission  
 Division of Corporate Finance  
 450 Fifth Street  
 Washington, DC 20549  
**UNITED STATES OF AMERICA**

2010 FEB 18 P 1:26  
 RECEIVED

Attention: International Corporate Finance  
 Re: Asia Fiber Public Company Limited  
 Rule 12g3-2 (b) Exemption  
 File No. 82-2842

Ladies and Gentlemen:

Pursuant to Rule 12g3-2 (b) (1) (iii), and on behalf of Asia Fiber Public Company Limited (the "Company"), enclosed are the documents described on Annex A hereto for your attention.

These documents supplement the information previously provided with respect to the Company's request for exemption under Rule 12g3-2, which exemption was established on June 4, 1990.

This information is being furnished with the understanding that such information and documents will not be deemed "filed" with the Securities and Exchange Commission (the "SEC") or otherwise subject to the liabilities of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), and that neither this letter nor the furnishing of such documents shall constitute an admission for any purpose that this Company is subject to the Exchange Act.

Please do not hesitate to contact the undersigned at (011-66-2) 237-5928 or (011-66-2) 632-7071 in Bangkok, Thailand if you have any questions.

Please acknowledge receipt of this letter and the enclosed materials by date stamping the enclosed receipt copy of this letter and return it to Andrew J. Delaney, Esq., Skadden, Arps, Slate, Meagher & Flom, 919 Third Avenue, New York, NY 10022 in the enclosed self-addressed stamped envelope.

Thank you for your attention.



Very truly yours,

Mr. Chen Namchaisiri  
 President

Enclosure

(File No. 82-2842)  
Annex A to Letter to the SEC  
dated February 17, 2010 of  
Asia Fiber Public Company Limited

The documents checked below are being furnished to the SEC to supplement information provided with respect to the Company's request for exemption under Rule 12g3-2, which exemption was established on June 4, 1990:

| <u>Description of Document</u>  | <u>Check if Enclosed</u> |
|---|--------------------------|
| Title: _____ Annual Report<br>Date: as of _____<br>Entity requiring item: The Securities Exchange of Thailand ( the "SET" ) pursuant to its rules governing listed companies.   | _____                    |
| Title: Audited Financial Information<br>for Years Ended _____<br>Date: as of _____<br>Entity requiring item: The SET pursuant to its rules governing listed companies.  | _____                    |
| Title: Unedited Financial Information<br>for Years Ended _____ , 200__ and 200__<br>Date: as of _____ , 200__ and 200__<br>Entity requiring item: The SET pursuant to its rules governing listed companies.   | _____                    |
| Title: Interim Financial Information<br>for <b>Six Months</b> Ended <u>December 31, 2009</u><br>and Review Report of Certified Public Accountant<br>Date: as <u>February 17, 2010</u><br>Entity requiring item: The SET pursuant to its rules governing listed companies. | <u>X</u><br>_____        |
| Title: Invitation to Shareholders to<br>Attend Ordinary Meeting on _____,<br>Date: _____ ,<br>Entity requiring item: Pursuant to the Civil and Commercial Code of Thailand.   | _____                    |

Description of Document

Check if Enclosed

Title: Proxy Form for Ordinary Meeting of Shareholders on \_\_\_\_\_, 200\_\_

Date: \_\_\_\_\_, 200\_\_

Entity requiring item: Pursuant to the Civil and Commercial Code of Thailand.

\_\_\_\_\_

Title: Prospectus for the Offering of \_\_\_\_\_ Shares of Common Stock of the Company

Date: \_\_\_\_\_, 200\_\_

Entity requiring item: The SET pursuant to its rules governing listed companies.

\_\_\_\_\_

Title: Minutes of the \_\_\_\_\_ Shareholders Meeting

Date: \_\_\_\_\_, 200\_\_

Entity requiring item: The SET pursuant to its rules governing listed companies.

\_\_\_\_\_

Title: Press Release

Date: \_\_\_\_\_, 200\_\_

Entity requiring item: The SET pursuant to its rules governing listed companies.

\_\_\_\_\_

Other:

Title:

Date: \_\_\_\_\_, 200\_\_

Entity requiring item:

\_\_\_\_\_

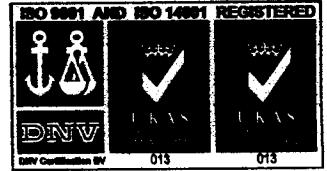




**บริษัท เอเชียไฟเบอร์ จำกัด (มหาชน)**  
**ASIA FIBER PUBLIC COMPANY LIMITED**

33/133-136 Surawongse Road, Suriyawongse, Bangrak, Bangkok 10500, Thailand.  
Tel. (66) 0-2632-7071, 0-2235-4761, 0-2235-9744 Facsimile : (66) 0-2238-1982  
E-mail : sales@asiafiber.com http://www.asiafiber.com

ทะเบียนเลขที่ 0107536001630 เลขประจำตัวผู้เสียภาษี 3101088762



**OPERATING RESULTS**

**ENDED DECEMBER 31, 2009**

The results for the second quarter of the fiscal year 2009/2010, ending on December 31, 2009 shows a net loss of 9.22 million Baht or 0.20 Baht per share, while the corresponding results of the previous year showed a net loss of 23.97 million Baht, or 0.53 Baht per share, an decrease of 14.75 million Baht or 61.52% due to the following reasons.

1. Net sales decreases from 307.27 million Baht last year to 234.76 million Baht this year, a decrease of 72.50 million Baht or 23.60% due to softening demand from slow economy. But as market price of products increased, selling prices improved, resulting in a gross profit of 0.83 million Baht, or 0.35% margin, while there was a gross loss of 12.71 million Baht, or 4.14% last year, an increase of 13.54 million Baht or 106.53% in gross profit.
2. Selling and administration expense decreases from 17.45 million Baht last year to 13.90 million Baht this year, a decrease of 3.55 million Baht or 20.32%
3. Other income decreases from 6.50 million Baht last year to 4.24 million Baht this year, a decrease of 2.26 million Baht or 34.77% due to a loss on foreign exchange of 0.61 million Baht this year while there was a profit of 0.81 million Baht last year.
4. An increase in realized equity loss from Cryothai Co., Ltd., an associated company, increased from 0.14 million Baht last year to 0.39 million Baht this year, an increase of 0.25 million Baht or 180.70%.

Moreover, interest expense decreases from 0.18 million Baht last year to just 40.23 Baht this quarter, a decrease of 0.18 million Baht or 99.98% due to non-usage of company's credit facilities during this time period.



( Mr.Chen Namchaisiri )

Director

(Reviewed Quarter-2 F/S (F45-2))  
 Report: Reviewed Quarterly Financial Statements  
 Name ASIA FIBER PUBLIC COMPANY LIMITED

| The Financial Statement which the Equity Method is applied | Reviewed<br>(In thousands) |          |              |         |
|--|----------------------------|----------|--------------|---------|
|  | Ending 31 December         |          | 31 December  |         |
| Year   | Quarter 2                  |          | For 6 Months |         |
|  | 2009                       | 2008     | 2009         | 2008    |
| Net profit (loss)  | (9,224)                    | (23,971) | (5,330)      | (2,991) |
| EPS (baht)   | (0.20)                     | (0.53)   | (0.12)       | (0.07)  |

The Company Financial Statement

| Year              | Quarter 2 |          | For 6 Months |         |
|-------------------|-----------|----------|--------------|---------|
|                   | 2009      | 2008     | 2009         | 2008    |
| Net profit (loss) | (8,831)   | (23,831) | (2,891)      | (2,851) |
| EPS (baht)        | (0.19)    | (0.52)   | (0.06)       | (0.06)  |

Type of report:

Unqualified Opinion

Comment: Please see details in financial statements, auditor's report and remarks from SET SMART

"The company hereby certifies that the information above is correct and complete. In addition, the company has already reported and disseminated its financial statements in full via the SET Electronic Listed Company Information Disclosure (ELCID), and has also submitted the original report to the Securities and Exchange Commission."



Signature

A handwritten signature in black ink, appearing to read 'Chen Namchaisiri', written over a horizontal line.

( Mr.CHEN NAMCHASIRI )

Position Director

Authorized to sign on behalf of the company

RECEIVED  
2010 FEB 18 P 1:26

**Asia Fiber Public Company Limited**

**The financial statements**

**and**

**Auditor's report**

**As at December 31, 2009 (Unaudited / but reviewed)  
and as at June 30, 2009 (Audited)**



**C&A Accounting Firm**

2210/51 Narativatrachanakarin Rd., Chongnonsee, Yannawa, Bangkok 10120, Thailand

Tel. 66-2678-0750-4 Fax. 66-2678-0661 e-mail : ca\_cpa@ksc.th.com



## C&A Accounting Firm

2210/51 Narativatrachanakarin 39 Rd.,  
Chongnonsee, Yannawa, Bangkok 10120, Thailand  
Tel. 66-2678-0750-4 Fax. 66-2678-0661 e-mail : ca\_cpa@ksc.th.com

### Auditor's report on review of interim financial statements

To the shareholders and the board of directors of  
Asia Fiber Public Company Limited

I have reviewed the balance sheet of Asia Fiber Public Company Limited as at December 31, 2009, and the related statements of income for the three-month and the six-month periods ended December 31, 2009 and 2008 and the statements of changes in shareholders' equity and cash flows for the six-month periods then ended. These financial statements are the responsibility of the company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I have not reviewed the financial statements of an associated company which are included in the financial statements in which the equity method is applied. The value of the investment in this associate which was accounted for using equity method as at December 31, 2009 was Baht 19.26 Million, and the share of loss of associate for the three-month and the six-month period ended December 31, 2009 was Baht 0.39 Million and Baht 2.44 Million respectively (for the three-month and the six-month period ended December 31, 2008 was Baht 0.14 Million and Baht 0.14 Million respectively). The financial statements of this associate were prepared by the management.

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

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

I have previously audited the financial statements in which the equity method is applied and the separate financial statements of Asia Fiber Public Company Limited for the year ended June 30, 2009, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated August 25, 2009. The balance sheet in which the equity method is applied and the separate balance sheet as at June 30, 2009, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.



C&A Accounting Firm

(Mrs. Chintana Techamontrikul)

Certified public accountant (Thailand) no. 5131

Bangkok : February 9, 2010

## Asia Fiber Public Company Limited

## Balance sheets

As at December 31, 2009 and June 30, 2009

(Unit : Thousand Baht)

|   | Financial statements in |                                |                              |                               |                  |
|---|-------------------------|--------------------------------|------------------------------|-------------------------------|------------------|
|   | Note                    | which equity method is applied |                              | Separate financial statements |                  |
|   |                         | December 31, 2009              | June 30, 2009                | December 31, 2009             | June 30, 2009    |
|   | (Unaudited)             | (Audited)                      | (Unaudited/<br>but reviewed) | (Audited)                     |                  |
| <b>Assets</b>   |                         |                                |                              |                               |                  |
| <b>Current assets</b>   |                         |                                |                              |                               |                  |
| Cash and cash equivalents   | 6                       | 142,522                        | 173,641                      | 142,522                       | 173,641          |
| Trade accounts and notes receivable-net                                   |                         |                                |                              |                               |                  |
| - Related companies   | 5                       | 54,949                         | 54,402                       | 54,949                        | 54,402           |
| - Other companies   | 7                       | 86,786                         | 123,267                      | 86,786                        | 123,267          |
| Inventories-net   | 8                       | 244,253                        | 177,147                      | 244,253                       | 177,147          |
| Other current assets  | 9                       | 30,568                         | 36,349                       | 30,568                        | 36,349           |
| <b>Total current assets</b>   |                         | <b>559,078</b>                 | <b>564,806</b>               | <b>559,078</b>                | <b>564,806</b>   |
| <b>Non-current assets</b>   |                         |                                |                              |                               |                  |
| Investment in common shares of associated company                         | 11                      | 19,263                         | 20,202                       | 22,500                        | 21,000           |
| Investment in common shares of other company (general investment)-at cost | 10                      | 500                            | 500                          | 500                           | 500              |
| Property, plant and equipment-net   | 12, 13                  | 403,736                        | 418,702                      | 403,736                       | 418,702          |
| Intangible assets   |                         | 15                             | -                            | 15                            | -                |
| Other non-current assets  |                         | 144                            | 144                          | 144                           | 144              |
| <b>Total non-current assets</b>   |                         | <b>423,658</b>                 | <b>439,548</b>               | <b>426,895</b>                | <b>440,346</b>   |
| <b>Total assets</b>   |                         | <b>982,736</b>                 | <b>1,004,354</b>             | <b>985,973</b>                | <b>1,005,152</b> |

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



## Asia Fiber Public Company Limited

## Balance sheets

As at December 31, 2009 and June 30, 2009

(Unit : Thousand Baht)

|  | Note   | Financial statements in        |                  |                               |                  |
|--|--------|--------------------------------|------------------|-------------------------------|------------------|
|  |        | which equity method is applied |                  | Separate financial statements |                  |
|  |        | December 31, 2009              | June 30, 2009    | December 31, 2009             | June 30, 2009    |
|  |        | (Unaudited)                    | (Audited)        | (Unaudited/<br>but reviewed)  | (Audited)        |
| <b>Liabilities and shareholders' equity</b>                      |        |                                |                  |                               |                  |
| <b>Current liabilities</b>                                       |        |                                |                  |                               |                  |
| Bank overdrafts and short-term loans from financial institutions | 12, 13 | -                              | -                | -                             | -                |
| Trade accounts payable   |        | 23,314                         | 34,246           | 23,314                        | 34,246           |
| Other current liabilities  | 14     | 24,702                         | 30,058           | 24,702                        | 30,058           |
| <b>Total current liabilities</b>                                 |        | <b>48,016</b>                  | <b>64,304</b>    | <b>48,016</b>                 | <b>64,304</b>    |
| <b>Total liabilities</b>   |        | <b>48,016</b>                  | <b>64,304</b>    | <b>48,016</b>                 | <b>64,304</b>    |
| <b>Shareholders' equity</b>                                      |        |                                |                  |                               |                  |
| Share capital  |        |                                |                  |                               |                  |
| Authorized share capital   |        |                                |                  |                               |                  |
| 100,000,000 ordinary shares of Baht 10 each                      |        | 1,000,000                      | 1,000,000        | 1,000,000                     | 1,000,000        |
| Issued and paid-up share capital                                 |        |                                |                  |                               |                  |
| 45,574,266 ordinary shares of Baht 10 each                       |        | 455,743                        | 455,743          | 455,743                       | 455,743          |
| Premium on share capital   |        | 369,500                        | 369,500          | 369,500                       | 369,500          |
| Unrealised (gain) loss   |        | 279,993                        | 279,993          | 279,993                       | 279,993          |
| Retained earnings (deficits)                                     |        |                                |                  |                               |                  |
| Appropriated for :   |        |                                |                  |                               |                  |
| Statutory reserve  | 15     | 16,247                         | 16,247           | 16,247                        | 16,247           |
| General reserve  |        | 1,357                          | 1,357            | 1,357                         | 1,357            |
| Unappropriated (deficit)   |        | (188,120)                      | (182,790)        | (184,883)                     | (181,992)        |
| <b>Total shareholders' equity</b>                                |        | <b>934,720</b>                 | <b>940,050</b>   | <b>937,957</b>                | <b>940,848</b>   |
| <b>Total liabilities and shareholders' equity</b>                |        | <b>982,736</b>                 | <b>1,004,354</b> | <b>985,973</b>                | <b>1,005,152</b> |

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



## Asia Fiber Public Company Limited

## Statements of income

For each of the three-month periods ended December 31, 2009 and 2008

(Unit : Thousand Baht)

|   | Note | Financial statements<br>in which equity<br>method is applied |                                  | Separate financial statements        |                                      |
|---|------|--|----------------------------------|--------------------------------------|--------------------------------------|
|   |      | 2009<br>(Unaudited)  | 2008<br>(Unaudited<br>/Restated) | 2009<br>(Unaudited/<br>but reviewed) | 2008<br>(Unaudited/<br>but reviewed) |
| Revenue from sales or revenue from services                       | 5    | 234,763  | 307,267                          | 234,763                              | 307,267                              |
| Cost of sales or cost of services                                 |      | (233,934)  | (319,973)                        | (233,934)                            | (319,973)                            |
| <b>Gross profit (loss)</b>  |      | <b>829</b>   | <b>(12,706)</b>                  | <b>829</b>                           | <b>(12,706)</b>                      |
| Other income  | 5    | 4,243  | 6,505                            | 4,243                                | 6,505                                |
| <b>Profit (loss) before expenses</b>                              |      | <b>5,072</b>   | <b>(6,201)</b>                   | <b>5,072</b>                         | <b>(6,201)</b>                       |
| Selling expenses  |      | (6,388)  | (8,140)                          | (6,388)                              | (8,140)                              |
| Administrative expenses   |      | (4,693)  | (6,780)                          | (4,693)                              | (6,780)                              |
| Management benefit expenses                                       |      | (2,367)  | (2,296)                          | (2,367)                              | (2,296)                              |
| Other expenses  |      | (455)  | (233)                            | (455)                                | (233)                                |
| <b>Total expenses</b>   |      | <b>(13,903)</b>  | <b>(17,449)</b>                  | <b>(13,903)</b>                      | <b>(17,449)</b>                      |
| <b>Profit (loss) before share of profit (loss)</b>                |      |  |                                  |                                      |                                      |
| <b>from investment in associate</b>                               |      | <b>(8,831)</b>   | <b>(23,650)</b>                  | <b>(8,831)</b>                       | <b>(23,650)</b>                      |
| Share of profit (loss) from investment in associate               |      | (393)  | (140)                            | -                                    | -                                    |
| <b>Profit (loss) before finance costs and income tax expenses</b> |      | <b>(9,224)</b>   | <b>(23,790)</b>                  | <b>(8,831)</b>                       | <b>(23,650)</b>                      |
| Finance costs   |      | -  | (181)                            | -                                    | (181)                                |
| <b>Net earnings (loss) for the period</b>                         |      | <b>(9,224)</b>   | <b>(23,971)</b>                  | <b>(8,831)</b>                       | <b>(23,831)</b>                      |
| <b>Earnings (loss) per share (Baht)</b>                           |      |  |                                  |                                      |                                      |
| Net earnings (loss) for the period                                |      | (0.20)   | (0.53)                           | (0.19)                               | (0.52)                               |
| <b>Weighted average number of ordinary shares</b>                 |      |  |                                  |                                      |                                      |
| (Unit : Thousand shares)  |      | 45,574   | 45,574                           | 45,574                               | 45,574                               |

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



## Asia Fiber Public Company Limited

## Statements of income

For each of the six-month periods ended December 31, 2009 and 2008

(Unit : Thousand Baht)

|   | Note | Financial statements<br>in which equity<br>method is applied |                                  | Separate financial statements        |                                      |
|---|------|--|----------------------------------|--------------------------------------|--------------------------------------|
|   |      | 2009<br>(Unaudited)  | 2008<br>(Unaudited<br>/Restated) | 2009<br>(Unaudited/<br>but reviewed) | 2008<br>(Unaudited/<br>but reviewed) |
| Revenue from sales or revenue from services                       | 5    | 499,943  | 653,331                          | 499,943                              | 653,331                              |
| Cost of sales or cost of services                                 |      | (479,069)  | (640,121)                        | (479,069)                            | (640,121)                            |
| <b>Gross profit (loss)</b>  |      | <b>20,874</b>  | <b>13,210</b>                    | <b>20,874</b>                        | <b>13,210</b>                        |
| Other income  | 5    | 9,618  | 15,990                           | 9,618                                | 15,990                               |
| <b>Profit (loss) before expenses</b>                              |      | <b>30,492</b>  | <b>29,200</b>                    | <b>30,492</b>                        | <b>29,200</b>                        |
| Selling expenses  |      | (12,824)   | (16,268)                         | (12,824)                             | (16,268)                             |
| Administrative expenses   |      | (15,639)   | (10,809)                         | (15,639)                             | (10,809)                             |
| Management benefit expenses                                       |      | (4,313)  | (4,209)                          | (4,313)                              | (4,209)                              |
| Other expenses  |      | (607)  | (499)                            | (607)                                | (499)                                |
| <b>Total expenses</b>   |      | <b>(33,383)</b>  | <b>(31,785)</b>                  | <b>(33,383)</b>                      | <b>(31,785)</b>                      |
| <b>Profit (loss) before share of profit (loss)</b>                |      |  |                                  |                                      |                                      |
| <b>from investment in associate</b>                               |      | <b>(2,891)</b>   | <b>(2,585)</b>                   | <b>(2,891)</b>                       | <b>(2,585)</b>                       |
| Share of profit (loss) from investment in associate               |      | (2,439)  | (140)                            | -                                    | -                                    |
| <b>Profit (loss) before finance costs and income tax expenses</b> |      | <b>(5,330)</b>   | <b>(2,725)</b>                   | <b>(2,891)</b>                       | <b>(2,585)</b>                       |
| Finance costs   |      | -  | (266)                            | -                                    | (266)                                |
| <b>Net earnings (loss) for the period</b>                         |      | <b>(5,330)</b>   | <b>(2,991)</b>                   | <b>(2,891)</b>                       | <b>(2,851)</b>                       |
| <b>Earnings (loss) per share (Baht)</b>                           |      |  |                                  |                                      |                                      |
| Net earnings (loss) for the period                                |      | (0.12)   | (0.07)                           | (0.06)                               | (0.06)                               |
| <b>Weighted average number of ordinary shares</b>                 |      |  |                                  |                                      |                                      |
| (Unit : Thousand shares)  |      | 45,574   | 45,574                           | 45,574                               | 45,574                               |

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





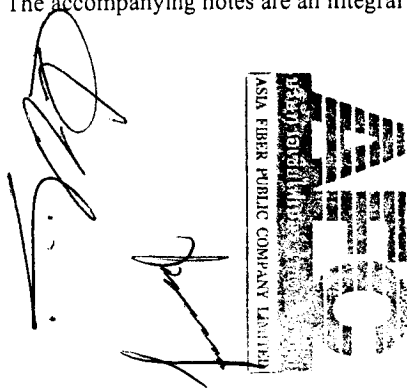
**Asia Fiber Public Company Limited**  
**Statements of changes in shareholders' equity**  
For each of the six-month periods ended December 31, 2009 and 2008

(Unit : Thousand Baht)

Financial statements in which equity method is applied

|  | Issued and<br>paid-up<br>share capital | Premium on<br>share capital | Unrealised<br>(gain) loss | Retained earnings |                 |                             | Total          |
|--|--|-----------------------------|---------------------------|-------------------|-----------------|-----------------------------|----------------|
|  |  |                             |                           | Appropriated for  |                 | Unappropriated<br>(deficit) |                |
|  |  |                             |                           | Statutory reserve | General reserve |                             |                |
| <b>(Unaudited)</b>                     |  |                             |                           |                   |                 |                             |                |
| Balance as at June 30, 2009            | 455,743                                | 369,500                     | 279,993                   | 16,247            | 1,357           | (182,790)                   | 940,050        |
| Net earnings for the period            | -                                      | -                           | -                         | -                 | -               | (5,330)                     | (5,330)        |
| <b>Balance as at December 31, 2009</b> | <b>455,743</b>                         | <b>369,500</b>              | <b>279,993</b>            | <b>16,247</b>     | <b>1,357</b>    | <b>(188,120)</b>            | <b>934,720</b> |
| <b>(Unaudited / restated)</b>          |  |                             |                           |                   |                 |                             |                |
| Balance as at June 30, 2008            | 455,743                                | 369,500                     | 279,993                   | 16,247            | 1,357           | (185,830)                   | 937,010        |
| Net earnings for the period            | -                                      | -                           | -                         | -                 | -               | (2,991)                     | (2,991)        |
| <b>Balance as at December 31, 2008</b> | <b>455,743</b>                         | <b>369,500</b>              | <b>279,993</b>            | <b>16,247</b>     | <b>1,357</b>    | <b>(188,821)</b>            | <b>934,019</b> |

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



ASIA FIBER PUBLIC COMPANY LIMITED

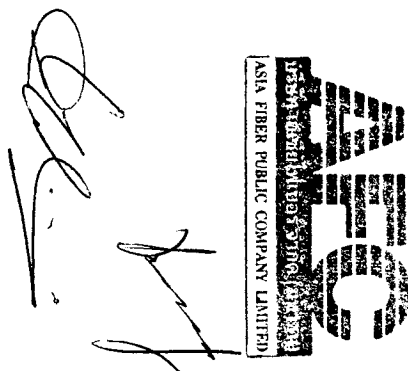
(Unaudited / but reviewed)

**Asia Fiber Public Company Limited**  
**Statements of changes in shareholders' equity**  
**For each of the six-month periods ended December 31, 2009 and 2008**

(Unit : Thousand Baht)

|  | Separate financial statements          |                             |                           |                   |                 |                             | Total          |
|--|--|-----------------------------|---------------------------|-------------------|-----------------|-----------------------------|----------------|
|  | Issued and<br>paid-up<br>share capital | Premium on<br>share capital | Unrealised<br>(gain) loss | Retained earnings |                 | Unappropriated<br>(deficit) |                |
|  |  |                             |                           | Appropriated for  |                 |                             |                |
|  |  |                             |                           | Statutory reserve | General reserve |                             |                |
| Balance as at June 30, 2009            | 455,743                                | 369,500                     | 279,993                   | 16,247            | 1,357           | (181,992)                   | 940,848        |
| Net earnings for the period            | -                                      | -                           | -                         | -                 | -               | (2,891)                     | (2,891)        |
| <b>Balance as at December 31, 2009</b> | <b>455,743</b>                         | <b>369,500</b>              | <b>279,993</b>            | <b>16,247</b>     | <b>1,357</b>    | <b>(184,883)</b>            | <b>937,957</b> |
| Balance as at June 30, 2008            | 455,743                                | 369,500                     | 279,993                   | 16,247            | 1,357           | (185,830)                   | 937,010        |
| Net earnings for the period            | -                                      | -                           | -                         | -                 | -               | (2,851)                     | (2,851)        |
| <b>Balance as at December 31, 2008</b> | <b>455,743</b>                         | <b>369,500</b>              | <b>279,993</b>            | <b>16,247</b>     | <b>1,357</b>    | <b>(188,681)</b>            | <b>934,159</b> |

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



## Asia Fiber Public Company Limited

## Statements of cash flow

For each of the six-month periods ended December 31, 2009 and 2008

(Unit : Thousand Baht)

|  | Financial statements<br>in which equity<br>method is applied |                          | Separate financial statements |                              |
|--|--|--------------------------|-------------------------------|------------------------------|
|  | 2009   | 2008                     | 2009                          | 2008                         |
|  | (Unaudited)  | (Unaudited<br>/Restated) | (Unaudited/<br>but reviewed)  | (Unaudited/<br>but reviewed) |
| <b>Cash flows from operating activities</b>  |  |                          |                               |                              |
| Net - earnings before corporate income tax   | (5,330)  | (2,991)                  | (2,891)                       | (2,851)                      |
| Adjustments to reconcile net profit (loss)<br>to net cash provided by (used in) operating activities : |  |                          |                               |                              |
| Depreciation and disposal of spare parts for machinery   | 15,302   | 19,988                   | 15,302                        | 19,988                       |
| Amortized expenses   | 1  | -                        | 1                             | -                            |
| Gain on disposal of fixed assets   | (3,677)  | (999)                    | (3,677)                       | (999)                        |
| Reversal of allowance for doubtful accounts  | (133)  | -                        | (133)                         | -                            |
| Reversal of allowance for diminution<br>in value of inventories  | (2,336)  | (2,171)                  | (2,336)                       | (2,171)                      |
| Reversal of allowance for slow-moving<br>spare parts for machinery-net                                 | (3)  | (99)                     | (3)                           | (99)                         |
| Share of loss from investment in associate   | 2,439  | 140                      | -                             | -                            |
| Unrealised (gain) loss on exchange   | 1,014  | 157                      | 1,014                         | 157                          |
| Interest expenses  | -  | 266                      | -                             | 266                          |
| Income (loss) from operating activities before changes in<br>operating assets and liabilities          | 7,277  | 14,291                   | 7,277                         | 14,291                       |
| <b>Operating assets (increase) decrease</b>  |  |                          |                               |                              |
| Trade accounts and notes receivable  | 36,097   | 63,824                   | 36,097                        | 63,824                       |
| Inventories  | (64,770)   | 3,434                    | (64,770)                      | 3,434                        |
| Other current assets   | 5,872  | 7,924                    | 5,872                         | 7,924                        |
| Other non- current assets  | -  | (13)                     | -                             | (13)                         |
| <b>Operating liabilities increase (decrease)</b>   |  |                          |                               |                              |
| Trade account payables   | (10,933)   | (8,183)                  | (10,933)                      | (8,183)                      |
| Other current liabilities  | (5,357)  | (16,640)                 | (5,357)                       | (16,640)                     |

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



## Asia Fiber Public Company Limited

## Statements of cash flow


For each of the six-month periods ended December 31, 2009 and 2008

(Unit : Thousand Baht)

|  | Financial statements |                          |                               |                              |
|--|----------------------|--------------------------|-------------------------------|------------------------------|
|  | in which equity      |                          |                               |                              |
|  | method is applied    |                          | Separate financial statements |                              |
|  | 2009                 | 2008                     | 2009                          | 2008                         |
|  | (Unaudited)          | (Unaudited<br>/Restated) | (Unaudited/<br>but reviewed)  | (Unaudited/<br>but reviewed) |
| <b>Cash receipt (paid) from operations</b>   | (31,814)             | 64,637                   | (31,814)                      | 64,637                       |
| Cash paid for interest   | -                    | (266)                    | -                             | (266)                        |
| Cash paid for corporate income tax   | (91)                 | (92)                     | (91)                          | (92)                         |
| <b>Net cash flows from (used in) operating activities</b>                                  | <b>(31,905)</b>      | <b>64,279</b>            | <b>(31,905)</b>               | <b>64,279</b>                |
| <b>Cash flows from investing activities</b>  |                      |                          |                               |                              |
| Cash paid for common shares of associated company  | (1,500)              | (21,000)                 | (1,500)                       | (21,000)                     |
| Purchases of fixed assets  | (442)                | (279)                    | (442)                         | (279)                        |
| Purchase of intangible assets  | (17)                 | -                        | (17)                          | -                            |
| Cash proceeds from disposal of fixed assets  | 3,786                | 999                      | 3,786                         | 999                          |
| <b>Net cash flows from (used in) investing activities</b>                                  | <b>1,827</b>         | <b>(20,280)</b>          | <b>1,827</b>                  | <b>(20,280)</b>              |
| <b>Cash flows from financing activity</b>  |                      |                          |                               |                              |
| Increase (decrease) in bank overdrafts and short-term loans<br>from financial institutions | -                    | (8,240)                  | -                             | (8,240)                      |
| <b>Net cash flows from financing activities</b>  | <b>-</b>             | <b>(8,240)</b>           | <b>-</b>                      | <b>(8,240)</b>               |
| <b>Effect from foreign exchange in cash and cash equivalents</b>                           | <b>(1,041)</b>       | <b>(71)</b>              | <b>(1,041)</b>                | <b>(71)</b>                  |
| Net increase (decrease) in cash and cash equivalents                                       | (31,119)             | 35,688                   | (31,119)                      | 35,688                       |
| Cash and cash equivalents at beginning of period   | 173,641              | 39,030                   | 173,641                       | 39,030                       |
| <b>Cash and cash equivalents at end of period</b>  | <b>142,522</b>       | <b>74,718</b>            | <b>142,522</b>                | <b>74,718</b>                |

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






**Asia Fiber Public Company Limited**

**Note to financial statements**

**As at December 31, 2009 (Unaudited / But reviewed) and June 30, 2009 (Audited)**

**1. General information**

Asia Fiber Public Company Limited was incorporated in Thailand on March 10, 1970 and has been listed in the Stock Exchange of Thailand on September 22, 1975. The company is engaged in manufacturing of nylon products.

The company's office and factory addresses are as follows :

Office 27th Floor, Wall Street Tower, 33/133-136 Surawongse Road, Suriyawongse, Bangrak, Bangkok.

Factory 406 - 7 Moo 7, Sukhumvit Road Km. 33.5, Tambol Bangpoornai, Muang District, Samutprakarn, Thailand.

**2. The basis of interim financial statements and accounting policies**

These interim financial statements are prepared in accordance with Thai generally accepted accounting standard principles and presented in the set abbreviated format as stipulated under accounting standard no.41 (revised 2007) concerning "Interim financial statements" (new number 34) with additional items in the basis financial statements such as the balance sheet statements of income, the changes in shareholder's equity and the cash flow statements and set out in the manner proscribed under the announcement of the Commercial Registration Department concerning "Compulsory sub-entries for financial statements" (2009).

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

The company prepares its statutory financial statements in the Thai language in conformity with generally accepted accounting principles in Thailand. The accounting principles used may be different from generally accepted accounting principles in other countries. For the convenience of the readers, the financial statement English version has been prepared by translating the statutory financial statements Thai version in order to meet the requirement of domestic reporting.



*[Handwritten signature]*

*[Handwritten signature]*

### 3. Announcement to accounting standards

In June 2009, the Federation of Accounting Professions has issued notification no.12/2552, regarding the renumbering of Thai accounting standards to match the corresponding international accounting standards. Therefore the numbers of Thai accounting standards as used in these financial statements are corresponding to those per this notification.

3.1 The Federation of Accounting Professions (FAP) has issued notifications no.9/2550, 38/2550, and 62/2550 regarding accounting standards, the amendments to new standards are mandatory for the accounting periods beginning on or after January 1, 2008, the accounting standards as follows :

TAS 25 (revised 2007) (new number 7) Cash flow statements

TAS 29 (revised 2007) (new number 17) Leases

TAS 31 (revised 2007) (new number 2) Inventories

TAS 33 (revised 2007) (new number 23) Borrowing costs

TAS 35 (revised 2007) (new number 1) Presentation of financial statements

TAS 39 (revised 2007) (new number 8) Accounting policies, changes in accounting estimates and errors

TAS 41 (revised 2007) (new number 34) Interim financial reporting

TAS 43 (revised 2007) (new number, Financial reporting standards no. 3) Business combinations

TAS 49 (revised 2007) (new number 11) Construction contracts

TAS 51 (new number 38) Intangible assets

3.2 The Federation of Accounting Professions (FAP) has issued notification no.86/2551 and 16/2552 regarding accounting standards and accounting treatment guidance, the amendments to new standards are mandatory of the accounting periods beginning on or after January 1, 2009, the accounting standards as follows :

TAS 36 (revised 2007) Impairment of assets

TFRS 5 (revised 2007) Non-current assets held for sale and discontinued operations

Accounting treatment guidance for leasehold right

Accounting treatment guidance for business combination under common control

The management believed that those new accounting standards are not material impact in this interim financial statements.

3.3 Accounting standards which are not effective for the current year

|  | <u>Effective date</u> |
|--|-----------------------|
| TAS 20 Accounting for government and disclosure of government assistance | 1 January 2012        |
| TAS 24 (revised 2007) Related party disclosures                          | 1 January 2011        |
| TAS 40 Investment property   | 1 January 2011        |



#### 4. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended June 30, 2009.

#### 5. Related party transactions

The company had significant business transactions with its associated and related companies (which are shareholders of the company and/or common director). These transactions, which were concluded on the terms and basis stated in the relevant agreement, or as agreed between the company.

As at December 31, 2009 and June 30, 2009 the related companies consisted of :

| <u>Company's name</u>                 | <u>Types of relation</u> | <u>Relationship</u>                 |
|---------------------------------------|--------------------------|-------------------------------------|
| Thai Far East Co., Ltd.               | Related company          | Directorship                        |
| T.F.E. Trading Co., Ltd.              | Related company          | Directorship                        |
| Thai Sewing Industrial Co., Ltd.      | Related company          | Directorship                        |
| Asia Garment Co., Ltd.                | Related company          | Directorship                        |
| Thai Industries Development Co., Ltd. | Related company          | Directorship                        |
| Cryothai Co., Ltd.                    | Associated company       | Associated company and directorship |

As at December 31, 2009 and June 30, 2009, trade accounts and notes receivable from related companies consisted of :

|   | (Unit : Thousand Baht) |                 |                 |                          |
|---|------------------------|-----------------|-----------------|--------------------------|
|   | <u>June 30, 2009</u>   | <u>Increase</u> | <u>Decrease</u> | <u>December 31, 2009</u> |
| <b><u>Trade accounts receivable :</u></b>   |                        |                 |                 |                          |
| Thai Far East Co., Ltd.                     | 106,078                | 172             | 173             | 106,077                  |
| T.F.E. Trading Co., Ltd.                    | 19,324                 | -               | 133             | 19,191                   |
| Thai Sewing Industrial Co., Ltd.            | -                      | 449             | 406             | 43                       |
| Thai Industries Development Co., Ltd.       | -                      | 505             | -               | 505                      |
| Total                                       | 125,402                | 1,126           | 712             | 125,816                  |
| <u>Less Allowance for doubtful accounts</u> | (71,000)               |                 |                 | (70,867)                 |
| <b>Net</b>                                  | <b>54,402</b>          |                 |                 | <b>54,949</b>            |



*(Handwritten signatures)*

The aging analysis of the above trade accounts and notes receivable from related companies as at December 31, 2009 and June 30, 2009 are as follows :

|   | (Unit : Thousand Baht) |               |
|---|------------------------|---------------|
|   | December 31, 2009      | June 30, 2009 |
| Trade accounts receivable :                 |                        |               |
| Current to 3 months                         | 581                    | 16            |
| Over 3 months to 6 months                   | 138                    | 1,104         |
| Over 6 months to 12 months                  | 1,120                  | 2,766         |
| Over 12 months                              | 123,977                | 121,516       |
| Total                                       | 125,816                | 125,402       |
| <u>Less</u> Allowance for doubtful accounts | (70,867)               | (71,000)      |
| Net   | <u>54,949</u>          | <u>54,402</u> |

As at December 31, 2009 and June 30, 2009, the company had long-outstanding (more than 6 months) trade accounts receivable from two related companies (Thai Far East Co., Ltd. and T.F.E. Trading Co., Ltd.) totalling Baht 125.10 Million and Baht 124.28 Million, respectively (the outstanding balances from these companies as at December 31, 2009 and June 30, 2009 totalling Baht 125.27 Million and Baht 125.40 Million, respectively). The land and construction thereon of such companies are mortgaged as collateral for these receivables. The appraised value based on reports of an independent appraisal firm dated June 5, 2009 amounted to Baht 91.40 Million (at market price) and Baht 54.80 Million (at force sale price). Based on conservative basis, the company provided an allowance for doubtful accounts of Baht 70.87 Million (as at June 30, 2009 : Baht 71.00 Million) as at December 31, 2009 and June 30, 2009. The management believes that such allowance is adequate to absorb possible losses on the difference of appraised value of these assets and the balance of receivables. However, the management has no policy to seize the mortgaged assets from these receivables for market auction at the present since these receivables still operate in their businesses.

The transactions with the related companies which included in the statements of income for each of the three-month and the six-month periods ended December 31, 2009 and 2008 are as follows :

|                         |                      | (Unit : Thousand Baht)          |       |                               |       |
|-------------------------|----------------------|---------------------------------|-------|-------------------------------|-------|
|                         |                      | For each of three-month periods |       | For each of six-month periods |       |
|                         |                      | ended December 31               |       | ended December 31             |       |
| Policy of pricing       |                      | 2009                            | 2008  | 2009                          | 2008  |
| Sales                   | Market price         | 543                             | 6,101 | 1,052                         | 8,925 |
| Penalty income on delay |                      |                                 |       |                               |       |
| payment from customers  | Negotiated agreement | 476                             | 722   | 953                           | 1,444 |





## 6. Cash and cash equivalents

|                             | (Unit : Thousand Baht) |                |
|-----------------------------|------------------------|----------------|
|                             | December 31, 2009      | June 30, 2009  |
| Cash                        | 300                    | 189            |
| Cash at banks - saving a/c  | 135,140                | 166,682        |
| Cash at banks - current a/c | 7,082                  | 6,770          |
| <b>Total</b>                | <b>142,522</b>         | <b>173,641</b> |

## 7. Trade accounts and notes receivable-other companies-net

The aging analysis of trade accounts and notes receivable-other companies as at December 31, 2009 and June 30,2009 are as follows :

|   | (Unit : Thousand Baht) |                |
|---|------------------------|----------------|
|   | December 31, 2009      | June 30, 2009  |
| Trade accounts receivable :                 |                        |                |
| Current to 3 months                         | 75,915                 | 114,911        |
| Notes receivable                            | 19,815                 | 17,300         |
| Total trade accounts and notes receivable   | 95,730                 | 132,211        |
| <u>Less</u> Allowance for doubtful accounts | (8,944)                | (8,944)        |
| <b>Net</b>                                  | <b>86,786</b>          | <b>123,267</b> |

As at December 31, 2009 and June 30, 2009, the allowance for doubtful accounts amounted to Baht 8.94 Million.

The management believes that such allowance is adequate to absorb possible losses on doubtful accounts.



Two handwritten signatures in black ink are located below the stamp. The signature on the left is more cursive and larger, while the one on the right is more vertical and compact.

**8. Inventories-net**

|  | (Unit : Thousand Baht) |                |
|--|------------------------|----------------|
|  | December 31, 2009      | June 30, 2009  |
| Finished goods   | 147,682                | 89,466         |
| Work in process  | 83,257                 | 70,669         |
| Raw materials  | 5,836                  | 6,427          |
| Spare parts and factory supplies                           | 10,407                 | 11,230         |
| Inventories in transit                                     | 831                    | 5,451          |
| <b>Total</b>   | <b>248,013</b>         | <b>183,243</b> |
| <b>Less</b> Allowance for decline in value of inventories  | (3,280)                | (5,616)        |
| Allowance for slow-moving spare parts and factory supplies | (480)                  | (480)          |
| <b>Net</b>   | <b>244,253</b>         | <b>177,147</b> |

**9. Other current assets**

|                                  | (Unit : Thousand Baht) |               |
|----------------------------------|------------------------|---------------|
|                                  | December 31, 2009      | June 30, 2009 |
| Tax coupon receivable            | 2,109                  | -             |
| Export incentive receivable      | 6,951                  | 5,810         |
| Advance payment for rawmaterials | 18,716                 | 27,820        |
| Others                           | 2,792                  | 2,719         |
| <b>Total</b>                     | <b>30,568</b>          | <b>36,349</b> |

**10. Investment in common shares of other company (general investment) - at cost**

|   | (Unit : Thousand Baht) |               |
|---|------------------------|---------------|
|   | December 31, 2009      | June 30, 2009 |
| Thai Caprolactum Public Company Limited   |                        |               |
| (Paid-up capital of Baht 8,576.4 Million) | 500                    | 500           |
| <b>Total</b>                              | <b>500</b>             | <b>500</b>    |






## 11. Investment in common shares of associated company

### 11.1 Detail of associate :

(Unit : Thousand Baht)

| Company's name           | Nature of business   | Country of incorporation | Relationship | % Share holding | Carrying amounts  |               |                        |               |
|--------------------------|--|--------------------------|--------------|-----------------|-------------------|---------------|------------------------|---------------|
|                          |  |                          |              |                 | Cost              |               | based on equity method |               |
|                          |  |                          |              |                 | December 31, 2009 | June 30, 2009 | December 31, 2009      | June 30, 2009 |
| Cryothai Company Limited | Manufacture of ventilate the heat for sell in the country, production to order, sell liquefied, natural gas and rent out transport vehicle | Thailand                 | Directorship | 15              | 22,500            | 21,000        | 19,263                 | 20,202        |

In November 2008, the company acquired ordinary shares of Cryothai Company Limited at 15% purchase from major shareholder at par value (the company paid for common stock of Cryothai Company Limited and already performed of condition for investment in that company).

In July 2009, the associate increased its registered capital from Baht 140 Million to Baht 150 Million by issuing 1,000,000 ordinary shares with a par value of Baht 10 per share. The company has agreed to make additional investment amounting to Baht 1.50 Million in such additional shares in order to maintain its existing interest. The company has yet to pay for these additional shares in July 2009.

The company has agent in committee who was designee from the committee of Cryothai Company Limited.

As at September 3, 2007, Cryothai Company Limited make an agreement with PTT Public Company Limited to produce LNG (liquefied natural gas), from source of production Nong Toom - A, Sukhothai province, for 10 year since accept LNG and HC.

### 11.2 Summarised financial information of associate

Financial information of the associate is summarised bellows :

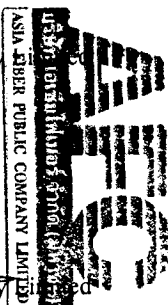
(Unit : Million Baht)

| Company's name | Paid-up capital   |               | Total assets      |               | Total liabilities |               | For the three-month period ended December 31, 2009 |                     | For the six-month period ended December 31, 2009 |                     |
|----------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|--|---------------------|--|---------------------|
|                | December 31, 2009 | June 30, 2009 | December 31, 2009 | June 30, 2009 | December 31, 2009 | June 30, 2009 | Total revenues                                     | Net earnings (loss) | Total revenues                                   | Net earnings (loss) |
|                | Cryothai Company  | 150           | 140               | 387           | 381               | 268           | 256  | 1.17                | (2.62)   | 5.28                |

Since the period from  
November 14, 2008 to December 31, 2008

| Total revenues | Net earnings (loss) |
|----------------|---------------------|
| 0.79           | (0.93)              |

Cryothai Company Limited



**12. Property, plant and equipment-net**

(Unit : Thousand Baht)

|   | <b>December 31, 2009</b> |
|---|--------------------------|
| <b>Net book value as at June 30, 2009</b>                           | 418,702                  |
| Acquisitions during period - at cost                                | 442                      |
| Disposals during period - net book value at disposal date           | (109)                    |
| Depreciation and disposal of spare parts for machinery for period   | (15,302)                 |
| Reversal of allowance for slow-moving spare parts for machinery-net | 3                        |
| <b>Net book value as at December 31, 2009</b>                       | <b>403,736</b>           |

The company appraised its land by following accounting standard no. 32 (new number 16) issued by the Federation of Accounting Professions Under The Royal Patronage of His Majesty The King which allows the valuation of property, plant and equipment at appraisal amounts for financial statements reporting purposes.

As at December 31, 2009 and June 30, 2009, the company's land is stated at the appraised value (based on report of an independent appraisal firm dated June 20, 2008). The excess of appraised value (Baht 295 Million) over cost of Baht 280 Million, is shown as "unrealised (gain) loss" under "shareholders' equity" in the balance sheets. The unrealised (gain) loss is not available for dividend distribution.

As at December 31, 2009 and June 30, 2009, certain fixed assets with

- a) The original costs totalling Baht 2,118.08 Million and Baht 2,157.22 Million, respectively, are fully depreciated but they are still in active use.
- b) The net carrying values totalling Baht 210.40 Million and Baht 216.13 Million, respectively, are mortgaged / pledged as collateral for credit facilities with financial institutions as discussed in note 13.

**13. Bank overdrafts and short-term loans from financial institutions**

As at December 31, 2009 and June 30, 2009, the company has overdraft lines with several local banks totalling Baht 25 Million. An overdraft line of Baht 25 Million is collateralized by a part of the company's land, machinery and equipment as discussed in note 12.

**14. Other current liabilities**

(Unit : Thousand Baht)

|                  | <b>December 31, 2009</b> | <b>June 30, 2009</b> |
|------------------|--------------------------|----------------------|
| Accrued expenses | 18,212                   | 21,985               |
| Others           | 6,490                    | 8,073                |
| <b>Total</b>     | <b>24,702</b>            | <b>30,058</b>        |



*(Handwritten signatures)*

## 15. Statutory reserve

According to the public limited companies Act B.E. 2535, the company is required to set aside to a legal reserve at least 5 percent of net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve can not be used for dividend payment.

## 16. Financial instruments

### Financial risk management policies

The company does not hold or issue derivative instruments for speculative or trading purposes.

### Liquidity risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitment as indicated in the financial statements. The management, based on the company's current financial position and results of operations and its forecasted financial information, believes that at present the company has no such risk.

### Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the company's operations and its cash flows. The company's exposure to interest rate risk relates primarily to its deposits with banks, bank overdrafts, and loans from financial institutions. The company have not used derivative financial instruments to hedge such risk.

### Foreign currency risk

The company's exposure to foreign currency risk relates primarily to its receivables, payables and loans that are denominated in foreign currencies. The management has regularly considered entering into the derivative agreement to hedge the foreign currency risk.

A summary of un-hedged foreign currency assets and liabilities as at December 31, 2009 and June 30, 2009 is set out below :

|                | Financial assets  |               | Financial liabilities |               |
|----------------|-------------------|---------------|-----------------------|---------------|
|                | (Million)         |               | (Million)             |               |
|                | December 31, 2009 | June 30, 2009 | December 31, 2009     | June 30, 2009 |
| U.S. Dollars   | 3.20              | 3.86          | 0.08                  | 0.20          |
| Pound sterling | -                 | -             | -                     | 0.001         |
| Euro           | -                 | -             | 0.01                  | 0.05          |



*[Handwritten signature]*

*[Handwritten signature]*

**Credit risk**

Credit risk is the risk that a counterparty is unable or unwilling to meet a commitment that it entered into with the company. The risk is controlled by the application of credit approvals, limits and monitoring procedures.

The carrying amount of accounts receivable recorded in the balance sheet, net of allowance for doubtful accounts represents the maximum exposure to credit risk.

**Fair value of financial instruments**

Since the majority of the company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.



Two handwritten signatures are present below the AFC logo. The signature on the left is larger and more prominent, while the one on the right is smaller and more compact.

### 17. Segmentation of business

The company's financial information for each of the six-month periods ended December 31, 2009 and 2008 are as follows :

(Unit : Thousand Baht)

|   | Local            |                  | Export           |                  | Total            |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2009             | 2008             | 2009             | 2008             | 2009             | 2008             |
| Sales                                     | 201,974          | 302,311          | 291,704          | 342,498          | 493,678          | 644,809          |
| Services income                           | 6,265            | 8,522            | -                | -                | 6,265            | 8,522            |
| <b>Total</b>                              | <b>208,239</b>   | <b>310,833</b>   | <b>291,704</b>   | <b>342,498</b>   | <b>499,943</b>   | <b>653,331</b>   |
| Cost of sales                             | (192,676)        | (300,348)        | (280,062)        | (334,394)        | (472,738)        | (634,742)        |
| Cost of services                          | (6,331)          | (5,379)          | -                | -                | (6,331)          | (5,379)          |
| <b>Total</b>                              | <b>(199,007)</b> | <b>(305,727)</b> | <b>(280,062)</b> | <b>(334,394)</b> | <b>(479,069)</b> | <b>(640,121)</b> |
| Gross profit (loss)                       | 9,232            | 5,106            | 11,642           | 8,104            | 20,874           | 13,210           |
| Other income                              |                  |                  |                  |                  | 9,618            | 15,990           |
| Selling expenses                          |                  |                  |                  |                  | (12,824)         | (16,268)         |
| Administrative expenses                   |                  |                  |                  |                  | (15,639)         | (10,809)         |
| Management benefit expenses               |                  |                  |                  |                  | (4,313)          | (4,209)          |
| Other expenses                            |                  |                  |                  |                  | (607)            | (499)            |
| Finance costs                             |                  |                  |                  |                  | -                | (266)            |
| <b>Net earnings (loss) for the period</b> |                  |                  |                  |                  | <b>(2,891)</b>   | <b>(2,851)</b>   |
| Property, plant and equipment, net        |                  |                  |                  |                  | 403,736          | 434,063          |
| Others                                    |                  |                  |                  |                  | 582,237          | 550,657          |
| <b>Total assets</b>                       |                  |                  |                  |                  | <b>985,973</b>   | <b>984,720</b>   |



*(Handwritten signatures)*

## 18. Additional information of the nature by expenses

(Unit : Thousand Baht)

|  | For each of the three-month periods |                | For each of the six-month periods |                |
|--|-------------------------------------|----------------|-----------------------------------|----------------|
|  | ended December 31,                  |                | ended December 31,                |                |
|  | 2009                                | 2008           | 2009                              | 2008           |
| Changes in inventories of              |                                     |                |                                   |                |
| finished goods and work in progress    | (57,068)                            | 26,688         | (76,431)                          | (25,458)       |
| Raw materials and consumables used     | 213,261                             | 199,264        | 403,997                           | 479,400        |
| Management benefit expenses            | 2,367                               | 2,296          | 4,313                             | 4,209          |
| Employee benefit expenses              | 36,603                              | 44,035         | 75,295                            | 80,944         |
| Depreciation and amortization expenses | 7,267                               | 9,514          | 14,720                            | 19,363         |
| Other expenses                         | 45,407                              | 55,625         | 90,558                            | 113,448        |
| <b>Total expenses</b>                  | <b>247,837</b>                      | <b>337,422</b> | <b>512,452</b>                    | <b>671,906</b> |

## 19. Obligation commitments

### 19.1 Guarantees

As at December 31, 2009 and June 30, 2009, the company had letter of guarantee issued by a local bank in favor of the customs department of Baht 1 Million.

### 19.2 Letter of credit

As at June 30, 2009, the company has letter of credits amounting to Euro 0.04 Million.

## 20. Approval of interim financial statements

These interim financial statements have been approved by the company's director on February 9, 2010



*(Handwritten signatures)*



RECEIVED

2010 FEB 18 P 1:26

**Asia Fiber Public Company Limited**

**The financial statements**

**and**

**Auditor's report**

**As at December 31, 2009 (Unaudited / but reviewed)**

**and as at June 30, 2009 (Audited)**



**C&A Accounting Firm**

2210/51 Narativatrachanakarin Rd., Chongnonsee, Yannawa, Bangkok 10120, Thailand

Tel. 66-2678-0750-4 Fax. 66-2678-0661 e-mail : ca\_cpa@ksc.th.com



## C&A Accounting Firm

2210/51 Narativatrachanakarin 39 Rd.,  
Chongnonsee, Yannawa, Bangkok 10120, Thailand  
Tel. 66-2678-0750-4 Fax. 66-2678-0661 e-mail : ca\_cpa@ksc.th.com

### Auditor's report on review of interim financial statements

To the shareholders and the board of directors of  
Asia Fiber Public Company Limited

I have reviewed the balance sheet of Asia Fiber Public Company Limited as at December 31, 2009, and the related statements of income for the three-month and the six-month periods ended December 31, 2009 and 2008 and the statements of changes in shareholders' equity and cash flows for the six-month periods then ended. These financial statements are the responsibility of the company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I have not reviewed the financial statements of an associated company which are included in the financial statements in which the equity method is applied. The value of the investment in this associate which was accounted for using equity method as at December 31, 2009 was Baht 19.26 Million, and the share of loss of associate for the three-month and the six-month period ended December 31, 2009 was Baht 0.39 Million and Baht 2.44 Million respectively (for the three-month and the six-month period ended December 31, 2008 was Baht 0.14 Million and Baht 0.14 Million respectively). The financial statements of this associate were prepared by the management.

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

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

I have previously audited the financial statements in which the equity method is applied and the separate financial statements of Asia Fiber Public Company Limited for the year ended June 30, 2009, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated August 25, 2009. The balance sheet in which the equity method is applied and the separate balance sheet as at June 30, 2009, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.



C&A Accounting Firm

(Mrs. Chintana Techamontrikul)

Certified public accountant (Thailand) no. 5131

Bangkok : February 9, 2010

## Asia Fiber Public Company Limited

## Balance sheets

As at December 31, 2009 and June 30, 2009

(Unit : Thousand Baht)

|   | Note   | Financial statements in        |                  | Separate financial statements |                  |
|---|--------|--------------------------------|------------------|-------------------------------|------------------|
|   |        | which equity method is applied |                  | December 31, 2009             | June 30, 2009    |
|   |        | December 31, 2009              | June 30, 2009    | December 31, 2009             | June 30, 2009    |
|   |        | (Unaudited)                    | (Audited)        | (Unaudited/<br>but reviewed)  | (Audited)        |
| <b>Assets</b>   |        |                                |                  |                               |                  |
| <b>Current assets</b>   |        |                                |                  |                               |                  |
| Cash and cash equivalents   | 6      | 142,522                        | 173,641          | 142,522                       | 173,641          |
| Trade accounts and notes receivable-net                                   |        |                                |                  |                               |                  |
| - Related companies   | 5      | 54,949                         | 54,402           | 54,949                        | 54,402           |
| - Other companies   | 7      | 86,786                         | 123,267          | 86,786                        | 123,267          |
| Inventories-net   | 8      | 244,253                        | 177,147          | 244,253                       | 177,147          |
| Other current assets  | 9      | 30,568                         | 36,349           | 30,568                        | 36,349           |
| <b>Total current assets</b>   |        | <b>559,078</b>                 | <b>564,806</b>   | <b>559,078</b>                | <b>564,806</b>   |
| <b>Non-current assets</b>   |        |                                |                  |                               |                  |
| Investment in common shares of associated company                         | 11     | 19,263                         | 20,202           | 22,500                        | 21,000           |
| Investment in common shares of other company (general investment)-at cost | 10     | 500                            | 500              | 500                           | 500              |
| Property, plant and equipment-net   | 12, 13 | 403,736                        | 418,702          | 403,736                       | 418,702          |
| Intangible assets   |        | 15                             | -                | 15                            | -                |
| Other non-current assets  |        | 144                            | 144              | 144                           | 144              |
| <b>Total non-current assets</b>   |        | <b>423,658</b>                 | <b>439,548</b>   | <b>426,895</b>                | <b>440,346</b>   |
| <b>Total assets</b>   |        | <b>982,736</b>                 | <b>1,004,354</b> | <b>985,973</b>                | <b>1,005,152</b> |

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



## Asia Fiber Public Company Limited

## Balance sheets

As at December 31, 2009 and June 30, 2009

(Unit : Thousand Baht)

|  | Note   | Financial statements in        |                  |                               |                  |
|--|--------|--------------------------------|------------------|-------------------------------|------------------|
|  |        | which equity method is applied |                  | Separate financial statements |                  |
|  |        | December 31, 2009              | June 30, 2009    | December 31, 2009             | June 30, 2009    |
|  |        | (Unaudited)                    | (Audited)        | (Unaudited/<br>but reviewed)  | (Audited)        |
| <b>Liabilities and shareholders' equity</b>                      |        |                                |                  |                               |                  |
| <b>Current liabilities</b>                                       |        |                                |                  |                               |                  |
| Bank overdrafts and short-term loans from financial institutions | 12, 13 | -                              | -                | -                             | -                |
| Trade accounts payable   |        | 23,314                         | 34,246           | 23,314                        | 34,246           |
| Other current liabilities  | 14     | 24,702                         | 30,058           | 24,702                        | 30,058           |
| <b>Total current liabilities</b>                                 |        | <b>48,016</b>                  | <b>64,304</b>    | <b>48,016</b>                 | <b>64,304</b>    |
| <b>Total liabilities</b>   |        | <b>48,016</b>                  | <b>64,304</b>    | <b>48,016</b>                 | <b>64,304</b>    |
| <b>Shareholders' equity</b>                                      |        |                                |                  |                               |                  |
| Share capital  |        |                                |                  |                               |                  |
| Authorized share capital   |        |                                |                  |                               |                  |
| 100,000,000 ordinary shares of Baht 10 each                      |        | 1,000,000                      | 1,000,000        | 1,000,000                     | 1,000,000        |
| Issued and paid-up share capital                                 |        |                                |                  |                               |                  |
| 45,574,266 ordinary shares of Baht 10 each                       |        | 455,743                        | 455,743          | 455,743                       | 455,743          |
| Premium on share capital   |        | 369,500                        | 369,500          | 369,500                       | 369,500          |
| Unrealised (gain) loss   |        | 279,993                        | 279,993          | 279,993                       | 279,993          |
| Retained earnings (deficits)                                     |        |                                |                  |                               |                  |
| Appropriated for :   |        |                                |                  |                               |                  |
| Statutory reserve  | 15     | 16,247                         | 16,247           | 16,247                        | 16,247           |
| General reserve  |        | 1,357                          | 1,357            | 1,357                         | 1,357            |
| Unappropriated (deficit)   |        | (188,120)                      | (182,790)        | (184,883)                     | (181,992)        |
| <b>Total shareholders' equity</b>                                |        | <b>934,720</b>                 | <b>940,050</b>   | <b>937,957</b>                | <b>940,848</b>   |
| <b>Total liabilities and shareholders' equity</b>                |        | <b>982,736</b>                 | <b>1,004,354</b> | <b>985,973</b>                | <b>1,005,152</b> |

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



## Asia Fiber Public Company Limited

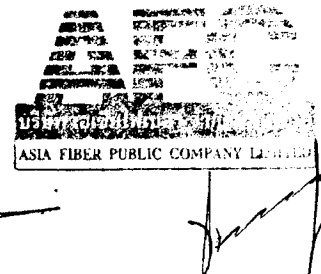
## Statements of income

For each of the three-month periods ended December 31, 2009 and 2008

(Unit : Thousand Baht)

|   | Note | Financial statements |                          |                               |                              |
|---|------|----------------------|--------------------------|-------------------------------|------------------------------|
|   |      | in which equity      |                          | Separate financial statements |                              |
|   |      | method is applied    |                          |                               |                              |
|   |      | 2009                 | 2008                     | 2009                          | 2008                         |
|   |      | (Unaudited)          | (Unaudited<br>/Restated) | (Unaudited/<br>but reviewed)  | (Unaudited/<br>but reviewed) |
| Revenue from sales or revenue from services                       | 5    | 234,763              | 307,267                  | 234,763                       | 307,267                      |
| Cost of sales or cost of services                                 |      | (233,934)            | (319,973)                | (233,934)                     | (319,973)                    |
| <b>Gross profit (loss)</b>  |      | <b>829</b>           | <b>(12,706)</b>          | <b>829</b>                    | <b>(12,706)</b>              |
| Other income  | 5    | 4,243                | 6,505                    | 4,243                         | 6,505                        |
| <b>Profit (loss) before expenses</b>                              |      | <b>5,072</b>         | <b>(6,201)</b>           | <b>5,072</b>                  | <b>(6,201)</b>               |
| Selling expenses  |      | (6,388)              | (8,140)                  | (6,388)                       | (8,140)                      |
| Administrative expenses   |      | (4,693)              | (6,780)                  | (4,693)                       | (6,780)                      |
| Management benefit expenses                                       |      | (2,367)              | (2,296)                  | (2,367)                       | (2,296)                      |
| Other expenses  |      | (455)                | (233)                    | (455)                         | (233)                        |
| <b>Total expenses</b>   |      | <b>(13,903)</b>      | <b>(17,449)</b>          | <b>(13,903)</b>               | <b>(17,449)</b>              |
| <b>Profit (loss) before share of profit (loss)</b>                |      |                      |                          |                               |                              |
| <b>from investment in associate</b>                               |      | <b>(8,831)</b>       | <b>(23,650)</b>          | <b>(8,831)</b>                | <b>(23,650)</b>              |
| Share of profit (loss) from investment in associate               |      | (393)                | (140)                    | -                             | -                            |
| <b>Profit (loss) before finance costs and income tax expenses</b> |      | <b>(9,224)</b>       | <b>(23,790)</b>          | <b>(8,831)</b>                | <b>(23,650)</b>              |
| Finance costs   |      | -                    | (181)                    | -                             | (181)                        |
| <b>Net earnings (loss) for the period</b>                         |      | <b>(9,224)</b>       | <b>(23,971)</b>          | <b>(8,831)</b>                | <b>(23,831)</b>              |
| <b>Earnings (loss) per share (Baht)</b>                           |      |                      |                          |                               |                              |
| Net earnings (loss) for the period                                |      | (0.20)               | (0.53)                   | (0.19)                        | (0.52)                       |
| <b>Weighted average number of ordinary shares</b>                 |      |                      |                          |                               |                              |
| (Unit : Thousand shares)  |      | 45,574               | 45,574                   | 45,574                        | 45,574                       |

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



## Asia Fiber Public Company Limited

## Statements of income

For each of the six-month periods ended December 31, 2009 and 2008

(Unit : Thousand Baht)

|   | Note | Financial statements<br>in which equity<br>method is applied |                                  | Separate financial statements        |                                      |
|---|------|--|----------------------------------|--------------------------------------|--------------------------------------|
|   |      | 2009<br>(Unaudited)  | 2008<br>(Unaudited<br>/Restated) | 2009<br>(Unaudited/<br>but reviewed) | 2008<br>(Unaudited/<br>but reviewed) |
| Revenue from sales or revenue from services                       | 5    | 499,943  | 653,331                          | 499,943                              | 653,331                              |
| Cost of sales or cost of services                                 |      | (479,069)  | (640,121)                        | (479,069)                            | (640,121)                            |
| <b>Gross profit (loss)</b>  |      | <b>20,874</b>  | <b>13,210</b>                    | <b>20,874</b>                        | <b>13,210</b>                        |
| Other income  | 5    | 9,618  | 15,990                           | 9,618                                | 15,990                               |
| <b>Profit (loss) before expenses</b>                              |      | <b>30,492</b>  | <b>29,200</b>                    | <b>30,492</b>                        | <b>29,200</b>                        |
| Selling expenses  |      | (12,824)   | (16,268)                         | (12,824)                             | (16,268)                             |
| Administrative expenses   |      | (15,639)   | (10,809)                         | (15,639)                             | (10,809)                             |
| Management benefit expenses                                       |      | (4,313)  | (4,209)                          | (4,313)                              | (4,209)                              |
| Other expenses  |      | (607)  | (499)                            | (607)                                | (499)                                |
| <b>Total expenses</b>   |      | <b>(33,383)</b>  | <b>(31,785)</b>                  | <b>(33,383)</b>                      | <b>(31,785)</b>                      |
| <b>Profit (loss) before share of profit (loss)</b>                |      |  |                                  |                                      |                                      |
| <b>from investment in associate</b>                               |      | <b>(2,891)</b>   | <b>(2,585)</b>                   | <b>(2,891)</b>                       | <b>(2,585)</b>                       |
| Share of profit (loss) from investment in associate               |      | (2,439)  | (140)                            | -                                    | -                                    |
| <b>Profit (loss) before finance costs and income tax expenses</b> |      | <b>(5,330)</b>   | <b>(2,725)</b>                   | <b>(2,891)</b>                       | <b>(2,585)</b>                       |
| Finance costs   |      | -  | (266)                            | -                                    | (266)                                |
| <b>Net earnings (loss) for the period</b>                         |      | <b>(5,330)</b>   | <b>(2,991)</b>                   | <b>(2,891)</b>                       | <b>(2,851)</b>                       |
| <b>Earnings (loss) per share (Baht)</b>                           |      |  |                                  |                                      |                                      |
| Net earnings (loss) for the period                                |      | (0.12)   | (0.07)                           | (0.06)                               | (0.06)                               |
| <b>Weighted average number of ordinary shares</b>                 |      |  |                                  |                                      |                                      |
| (Unit : Thousand shares)  |      | 45,574   | 45,574                           | 45,574                               | 45,574                               |

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



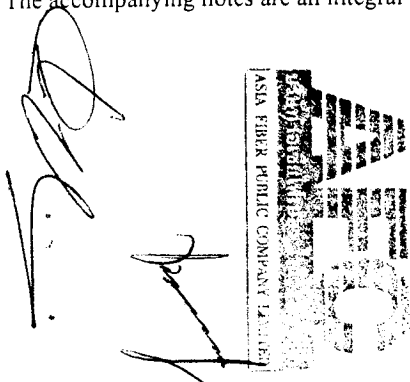
**Asia Fiber Public Company Limited**  
**Statements of changes in shareholders' equity**  
**For each of the six-month periods ended December 31, 2009 and 2008**

(Unit : Thousand Baht)

## Financial statements in which equity method is applied

|  | Issued and<br>paid-up<br>share capital | Premium on<br>share capital | Unrealised<br>(gain) loss | Retained earnings |                 |                             | Total          |
|--|--|-----------------------------|---------------------------|-------------------|-----------------|-----------------------------|----------------|
|  |  |                             |                           | Appropriated for  |                 | Unappropriated<br>(deficit) |                |
|  |  |                             |                           | Statutory reserve | General reserve |                             |                |
| <b>(Unaudited)</b>                     |  |                             |                           |                   |                 |                             |                |
| Balance as at June 30, 2009            | 455,743                                | 369,500                     | 279,993                   | 16,247            | 1,357           | (182,790)                   | 940,050        |
| Net earnings for the period            | -                                      | -                           | -                         | -                 | -               | (5,330)                     | (5,330)        |
| <b>Balance as at December 31, 2009</b> | <b>455,743</b>                         | <b>369,500</b>              | <b>279,993</b>            | <b>16,247</b>     | <b>1,357</b>    | <b>(188,120)</b>            | <b>934,720</b> |
| <b>(Unaudited / restated)</b>          |  |                             |                           |                   |                 |                             |                |
| Balance as at June 30, 2008            | 455,743                                | 369,500                     | 279,993                   | 16,247            | 1,357           | (185,830)                   | 937,010        |
| Net earnings for the period            | -                                      | -                           | -                         | -                 | -               | (2,991)                     | (2,991)        |
| <b>Balance as at December 31, 2008</b> | <b>455,743</b>                         | <b>369,500</b>              | <b>279,993</b>            | <b>16,247</b>     | <b>1,357</b>    | <b>(188,821)</b>            | <b>934,019</b> |

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



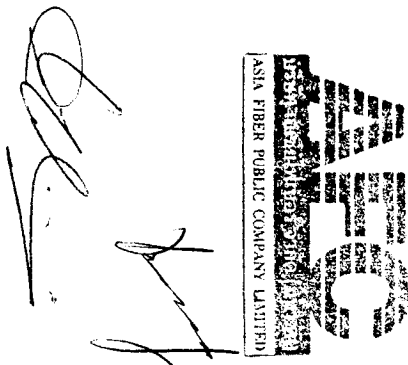
(Unaudited / but reviewed)

**Asia Fiber Public Company Limited**  
**Statements of changes in shareholders' equity**  
**For each of the six-month periods ended December 31, 2009 and 2008**

(Unit : Thousand Baht)

|  | Separate financial statements          |                             |                           |                                       |  |                  |                |
|--|--|-----------------------------|---------------------------|---------------------------------------|--|------------------|----------------|
|  | Issued and<br>paid-up<br>share capital | Premium on<br>share capital | Unrealised<br>(gain) loss | Retained earnings                     |  | Total            |                |
|  |  |                             |                           | Appropriated for<br>Statutory reserve | Unappropriated<br>General reserve<br>(deficit) |                  |                |
| Balance as at June 30, 2009            | 455,743                                | 369,500                     | 279,993                   | 16,247                                | 1,357  | (181,992)        | 940,848        |
| Net earnings for the period            | -                                      | -                           | -                         | -                                     | -  | (2,891)          | (2,891)        |
| <b>Balance as at December 31, 2009</b> | <b>455,743</b>                         | <b>369,500</b>              | <b>279,993</b>            | <b>16,247</b>                         | <b>1,357</b>                                   | <b>(184,883)</b> | <b>937,957</b> |
| Balance as at June 30, 2008            | 455,743                                | 369,500                     | 279,993                   | 16,247                                | 1,357  | (185,830)        | 937,010        |
| Net earnings for the period            | -                                      | -                           | -                         | -                                     | -  | (2,851)          | (2,851)        |
| <b>Balance as at December 31, 2008</b> | <b>455,743</b>                         | <b>369,500</b>              | <b>279,993</b>            | <b>16,247</b>                         | <b>1,357</b>                                   | <b>(188,681)</b> | <b>934,159</b> |

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





## Asia Fiber Public Company Limited

## Statements of cash flow

For each of the six-month periods ended December 31, 2009 and 2008

(Unit : Thousand Baht)

|  | Financial statements<br>in which equity<br>method is applied |                          | Separate financial statements |                              |
|--|--|--------------------------|-------------------------------|------------------------------|
|  | 2009   | 2008                     | 2009                          | 2008                         |
|  | (Unaudited)  | (Unaudited<br>/Restated) | (Unaudited/<br>but reviewed)  | (Unaudited/<br>but reviewed) |
| <b>Cash flows from operating activities</b>  |  |                          |                               |                              |
| Net - earnings before corporate income tax   | (5,330)  | (2,991)                  | (2,891)                       | (2,851)                      |
| Adjustments to reconcile net profit (loss)<br>to net cash provided by (used in) operating activities : |  |                          |                               |                              |
| Depreciation and disposal of spare parts for machinery   | 15,302   | 19,988                   | 15,302                        | 19,988                       |
| Amortized expenses   | 1  | -                        | 1                             | -                            |
| Gain on disposal of fixed assets   | (3,677)  | (999)                    | (3,677)                       | (999)                        |
| Reversal of allowance for doubtful accounts  | (133)  | -                        | (133)                         | -                            |
| Reversal of allowance for diminution<br>in value of inventories  | (2,336)  | (2,171)                  | (2,336)                       | (2,171)                      |
| Reversal of allowance for slow-moving<br>spare parts for machinery-net                                 | (3)  | (99)                     | (3)                           | (99)                         |
| Share of loss from investment in associate   | 2,439  | 140                      | -                             | -                            |
| Unrealised (gain) loss on exchange   | 1,014  | 157                      | 1,014                         | 157                          |
| Interest expenses  | -  | 266                      | -                             | 266                          |
| Income (loss) from operating activities before changes in<br>operating assets and liabilities          | 7,277  | 14,291                   | 7,277                         | 14,291                       |
| <b>Operating assets (increase) decrease</b>  |  |                          |                               |                              |
| Trade accounts and notes receivable  | 36,097   | 63,824                   | 36,097                        | 63,824                       |
| Inventories  | (64,770)   | 3,434                    | (64,770)                      | 3,434                        |
| Other current assets   | 5,872  | 7,924                    | 5,872                         | 7,924                        |
| Other non- current assets  | -  | (13)                     | -                             | (13)                         |
| <b>Operating liabilities increase (decrease)</b>   |  |                          |                               |                              |
| Trade account payables   | (10,933)   | (8,183)                  | (10,933)                      | (8,183)                      |
| Other current liabilities  | (5,357)  | (16,640)                 | (5,357)                       | (16,640)                     |

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



## Asia Fiber Public Company Limited

## Statements of cash flow

For each of the six-month periods ended December 31, 2009 and 2008

(Unit : Thousand Baht)

|  | Financial statements<br>in which equity<br>method is applied |                          | Separate financial statements |                              |
|--|--|--------------------------|-------------------------------|------------------------------|
|  | 2009   | 2008                     | 2009                          | 2008                         |
|  | (Unaudited)  | (Unaudited<br>/Restated) | (Unaudited/<br>but reviewed)  | (Unaudited/<br>but reviewed) |
| <b>Cash receipt (paid) from operations</b>   | (31,814)   | 64,637                   | (31,814)                      | 64,637                       |
| Cash paid for interest   | -  | (266)                    | -                             | (266)                        |
| Cash paid for corporate income tax   | (91)   | (92)                     | (91)                          | (92)                         |
| <b>Net cash flows from (used in) operating activities</b>                                  | <b>(31,905)</b>  | <b>64,279</b>            | <b>(31,905)</b>               | <b>64,279</b>                |
| <b>Cash flows from investing activities</b>  |  |                          |                               |                              |
| Cash paid for common shares of associated company  | (1,500)  | (21,000)                 | (1,500)                       | (21,000)                     |
| Purchases of fixed assets  | (442)  | (279)                    | (442)                         | (279)                        |
| Purchase of intangible assets  | (17)   | -                        | (17)                          | -                            |
| Cash proceeds from disposal of fixed assets  | 3,786  | 999                      | 3,786                         | 999                          |
| <b>Net cash flows from (used in) investing activities</b>                                  | <b>1,827</b>   | <b>(20,280)</b>          | <b>1,827</b>                  | <b>(20,280)</b>              |
| <b>Cash flows from financing activity</b>  |  |                          |                               |                              |
| Increase (decrease) in bank overdrafts and short-term loans<br>from financial institutions | -  | (8,240)                  | -                             | (8,240)                      |
| <b>Net cash flows from financing activities</b>  | <b>-</b>   | <b>(8,240)</b>           | <b>-</b>                      | <b>(8,240)</b>               |
| <b>Effect from foreign exchange in cash and cash equivalents</b>                           | <b>(1,041)</b>   | <b>(71)</b>              | <b>(1,041)</b>                | <b>(71)</b>                  |
| Net increase (decrease) in cash and cash equivalents                                       | (31,119)   | 35,688                   | (31,119)                      | 35,688                       |
| Cash and cash equivalents at beginning of period   | 173,641  | 39,030                   | 173,641                       | 39,030                       |
| <b>Cash and cash equivalents at end of period</b>  | <b>142,522</b>   | <b>74,718</b>            | <b>142,522</b>                | <b>74,718</b>                |

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



Signature of the representative of Asia Fiber Public Company Limited.

**Asia Fiber Public Company Limited****Note to financial statements****As at December 31, 2009 (Unaudited / But reviewed) and June 30, 2009 (Audited)****1. General information**

Asia Fiber Public Company Limited was incorporated in Thailand on March 10, 1970 and has been listed in the Stock Exchange of Thailand on September 22, 1975. The company is engaged in manufacturing of nylon products.

The company's office and factory addresses are as follows :

Office 27th Floor, Wall Street Tower, 33/133-136 Surawongse Road, Suriyawongse, Bangrak, Bangkok.

Factory 406 - 7 Moo 7, Sukhumvit Road Km. 33.5, Tambol Bangpoomai, Muang District, Samutprakarn, Thailand.

**2. The basis of interim financial statements and accounting policies**

These interim financial statements are prepared in accordance with Thai generally accepted accounting standard principles and presented in the set abbreviated format as stipulated under accounting standard no.41 (revised 2007) concerning "Interim financial statements" (new number 34) with additional items in the basis financial statements such as the balance sheet statements of income, the changes in shareholder's equity and the cash flow statements and set out in the manner proscribed under the announcement of the Commercial Registration Department concerning "Compulsory sub-entries for financial statements" (2009).

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

The company prepares its statutory financial statements in the Thai language in conformity with generally accepted accounting principles in Thailand. The accounting principles used may be different from generally accepted accounting principles in other countries. For the convenience of the readers, the financial statement English version has been prepared by translating the statutory financial statements Thai version in order to meet the requirement of domestic reporting.



ASIA FIBER PUBLIC COMPANY LIMITED

### 3. Announcement to accounting standards

In June 2009, the Federation of Accounting Professions has issued notification no.12/2552, regarding the renumbering of Thai accounting standards to match the corresponding international accounting standards. Therefore the numbers of Thai accounting standards as used in these financial statements are corresponding to those per this notification.

3.1 The Federation of Accounting Professions (FAP) has issued notifications no.9/2550, 38/2550, and 62/2550 regarding accounting standards, the amendments to new standards are mandatory for the accounting periods beginning on or after January 1, 2008, the accounting standards as follows :

TAS 25 (revised 2007) (new number 7) Cash flow statements

TAS 29 (revised 2007) (new number 17) Leases

TAS 31 (revised 2007) (new number 2) Inventories

TAS 33 (revised 2007) (new number 23) Borrowing costs

TAS 35 (revised 2007) (new number 1) Presentation of financial statements

TAS 39 (revised 2007) (new number 8) Accounting policies, changes in accounting estimates and errors

TAS 41 (revised 2007) (new number 34) Interim financial reporting

TAS 43 (revised 2007) (new number, Financial reporting standards no. 3) Business combinations

TAS 49 (revised 2007) (new number 11) Construction contracts

TAS 51 (new number 38) Intangible assets

3.2 The Federation of Accounting Professions (FAP) has issued notification no.86/2551 and 16/2552 regarding accounting standards and accounting treatment guidance, the amendments to new standards are mandatory of the accounting periods beginning on or after January 1, 2009, the accounting standards as follows :

TAS 36 (revised 2007) Impairment of assets

TFRS 5 (revised 2007) Non-current assets held for sale and discontinued operations




Accounting treatment guidance for leasehold right

Accounting treatment guidance for business combination under common control

The management believed that those new accounting standards are not material impact in this interim financial statements.

3.3 Accounting standards which are not effective for the current year

|  | <b>Effective date</b> |
|--|-----------------------|
| TAS 20 Accounting for government and disclosure of government assistance | 1 January 2012        |
| TAS 24 (revised 2007) Related party disclosures                          | 1 January 2011        |
| TAS 40 Investment property   | 1 January 2011        |


  
  
 ASIA FIBER PUBLIC COMPANY LIMITED

#### 4. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended June 30, 2009.

#### 5. Related party transactions

The company had significant business transactions with its associated and related companies (which are shareholders of the company and/or common director). These transactions, which were concluded on the terms and basis stated in the relevant agreement, or as agreed between the company.

As at December 31, 2009 and June 30, 2009 the related companies consisted of :

| <u>Company's name</u>                 | <u>Types of relation</u> | <u>Relationship</u>                 |
|---------------------------------------|--------------------------|-------------------------------------|
| Thai Far East Co., Ltd.               | Related company          | Directorship                        |
| T.F.E. Trading Co., Ltd.              | Related company          | Directorship                        |
| Thai Sewing Industrial Co., Ltd.      | Related company          | Directorship                        |
| Asia Garment Co., Ltd.                | Related company          | Directorship                        |
| Thai Industries Development Co., Ltd. | Related company          | Directorship                        |
| Cryothai Co., Ltd.                    | Associated company       | Associated company and directorship |

As at December 31, 2009 and June 30, 2009, trade accounts and notes receivable from related companies consisted of :

|   | (Unit : Thousand Baht) |                 |                 |                          |
|---|------------------------|-----------------|-----------------|--------------------------|
|   | <u>June 30, 2009</u>   | <u>Increase</u> | <u>Decrease</u> | <u>December 31, 2009</u> |
| <b><u>Trade accounts receivable :</u></b> |                        |                 |                 |                          |
| Thai Far East Co., Ltd.                   | 106,078                | 172             | 173             | 106,077                  |
| T.F.E. Trading Co., Ltd.                  | 19,324                 | -               | 133             | 19,191                   |
| Thai Sewing Industrial Co., Ltd.          | -                      | 449             | 406             | 43                       |
| Thai Industries Development Co., Ltd.     | -                      | 505             | -               | 505                      |
| Total                                     | 125,402                | 1,126           | 712             | 125,816                  |
| Less Allowance for doubtful accounts      | (71,000)               |                 |                 | (70,867)                 |
| Net                                       | <u>54,402</u>          |                 |                 | <u>54,949</u>            |



The aging analysis of the above trade accounts and notes receivable from related companies as at December 31, 2009 and June 30, 2009 are as follows :

|                                      | (Unit : Thousand Baht) |               |
|--------------------------------------|------------------------|---------------|
|                                      | December 31, 2009      | June 30, 2009 |
| Trade accounts receivable :          |                        |               |
| Current to 3 months                  | 581                    | 16            |
| Over 3 months to 6 months            | 138                    | 1,104         |
| Over 6 months to 12 months           | 1,120                  | 2,766         |
| Over 12 months                       | 123,977                | 121,516       |
| Total                                | 125,816                | 125,402       |
| Less Allowance for doubtful accounts | (70,867)               | (71,000)      |
| Net                                  | <b>54,949</b>          | <b>54,402</b> |

As at December 31, 2009 and June 30, 2009, the company had long-outstanding (more than 6 months) trade accounts receivable from two related companies (Thai Far East Co., Ltd. and T.F.E. Trading Co., Ltd.) totalling Baht 125.10 Million and Baht 124.28 Million, respectively (the outstanding balances from these companies as at December 31, 2009 and June 30, 2009 totalling Baht 125.27 Million and Baht 125.40 Million, respectively). The land and construction thereon of such companies are mortgaged as collateral for these receivables. The appraised value based on reports of an independent appraisal firm dated June 5, 2009 amounted to Baht 91.40 Million (at market price) and Baht 54.80 Million (at force sale price). Based on conservative basis, the company provided an allowance for doubtful accounts of Baht 70.87 Million (as at June 30, 2009 : Baht 71.00 Million) as at December 31, 2009 and June 30, 2009. The management believes that such allowance is adequate to absorb possible losses on the difference of appraised value of these assets and the balance of receivables. However, the management has no policy to seize the mortgaged assets from these receivables for market auction at the present since these receivables still operate in their businesses.

The transactions with the related companies which included in the statements of income for each of the three-month and the six-month periods ended December 31, 2009 and 2008 are as follows :

|                         |                      | (Unit : Thousand Baht)          |       |                               |       |
|-------------------------|----------------------|---------------------------------|-------|-------------------------------|-------|
|                         |                      | For each of three-month periods |       | For each of six-month periods |       |
|                         |                      | ended December 31               |       | ended December 31             |       |
| Policy of pricing       |                      | 2009                            | 2008  | 2009                          | 2008  |
| Sales                   | Market price         | 543                             | 6,101 | 1,052                         | 8,925 |
| Penalty income on delay |                      |                                 |       |                               |       |
| payment from customers  | Negotiated agreement | 476                             | 722   | 953                           | 1,444 |



Handwritten signatures and initials are present below the stamp.

## 6. Cash and cash equivalents

|                             | (Unit : Thousand Baht) |                |
|-----------------------------|------------------------|----------------|
|                             | December 31, 2009      | June 30, 2009  |
| Cash                        | 300                    | 189            |
| Cash at banks - saving a/c  | 135,140                | 166,682        |
| Cash at banks - current a/c | 7,082                  | 6,770          |
| <b>Total</b>                | <b>142,522</b>         | <b>173,641</b> |

## 7. Trade accounts and notes receivable-other companies-net

The aging analysis of trade accounts and notes receivable-other companies as at December 31, 2009 and June 30, 2009 are as follows :

|   | (Unit : Thousand Baht) |                |
|---|------------------------|----------------|
|   | December 31, 2009      | June 30, 2009  |
| Trade accounts receivable :                 |                        |                |
| Current to 3 months                         | 75,915                 | 114,911        |
| Notes receivable                            | 19,815                 | 17,300         |
| Total trade accounts and notes receivable   | 95,730                 | 132,211        |
| <u>Less</u> Allowance for doubtful accounts | (8,944)                | (8,944)        |
| <b>Net</b>                                  | <b>86,786</b>          | <b>123,267</b> |

As at December 31, 2009 and June 30, 2009, the allowance for doubtful accounts amounted to Baht 8.94 Million.

The management believes that such allowance is adequate to absorb possible losses on doubtful accounts.



*[Handwritten signatures]*

## 8. Inventories-net

|  | (Unit : Thousand Baht) |                |
|--|------------------------|----------------|
|  | December 31, 2009      | June 30, 2009  |
| Finished goods   | 147,682                | 89,466         |
| Work in process  | 83,257                 | 70,669         |
| Raw materials  | 5,836                  | 6,427          |
| Spare parts and factory supplies                           | 10,407                 | 11,230         |
| Inventories in transit                                     | 831                    | 5,451          |
| <b>Total</b>   | <b>248,013</b>         | <b>183,243</b> |
| <u>Less</u> Allowance for decline in value of inventories  | (3,280)                | (5,616)        |
| Allowance for slow-moving spare parts and factory supplies | (480)                  | (480)          |
| <b>Net</b>   | <b>244,253</b>         | <b>177,147</b> |

## 9. Other current assets

|                                  | (Unit : Thousand Baht) |               |
|----------------------------------|------------------------|---------------|
|                                  | December 31, 2009      | June 30, 2009 |
| Tax coupon receivable            | 2,109                  | -             |
| Export incentive receivable      | 6,951                  | 5,810         |
| Advance payment for rawmaterials | 18,716                 | 27,820        |
| Others                           | 2,792                  | 2,719         |
| <b>Total</b>                     | <b>30,568</b>          | <b>36,349</b> |

## 10. Investment in common shares of other company (general investment) - at cost

|   | (Unit : Thousand Baht) |               |
|---|------------------------|---------------|
|   | December 31, 2009      | June 30, 2009 |
| Thai Caprolactum Public Company Limited   |                        |               |
| (Paid-up capital of Baht 8,576.4 Million) | 500                    | 500           |
| <b>Total</b>                              | <b>500</b>             | <b>500</b>    |



*[Handwritten signature]*

*[Handwritten signature]*



## 11. Investment in common shares of associated company

(Unit : Thousand Baht)

### 11.1 Detail of associate :

| Company's name           | Nature of business   | Country of incorporation | Relationship | % Share holding | Carrying amounts  |               |                        |               |
|--------------------------|--|--------------------------|--------------|-----------------|-------------------|---------------|------------------------|---------------|
|                          |  |                          |              |                 | Cost              |               | based on equity method |               |
|                          |  |                          |              |                 | December 31, 2009 | June 30, 2009 | December 31, 2009      | June 30, 2009 |
| Cryothai Company Limited | Manufacture of ventilate the heat for sell in the country, production to order, sell liquefied, natural gas and rent out transport vehicle | Thailand                 | Directorship | 15              | 22,500            | 21,000        | 19,263                 | 20,202        |

In November 2008, the company acquired ordinary shares of Cryothai Company Limited at 15% purchase from major shareholder at par value (the company paid for common stock of Cryothai Company Limited and already performed of condition for investment in that company).

In July 2009, the associate increased its registered capital from Baht 140 Million to Baht 150 Million by issuing 1,000,000 ordinary shares with a par value of Baht 10 per share. The company has agreed to make additional investment amounting to Baht 1.50 Million in such additional shares in order to maintain its existing interest. The company has yet to pay for these additional shares in July 2009.

The company has agent in committee who was designee from the committee of Cryothai Company Limited.

As at September 3, 2007, Cryothai Company Limited make an agreement with PTT Public Company Limited to produce LNG (liquefied natural gas), from source of production Nong Toom - A, Sukhothai province, for 10 year since accept LNG and HC.

### 11.2 Summarised financial information of associate

Financial information of the associate is summarised bellows :

(Unit : Million Baht)

| Company's name | Paid-up capital   |               | Total assets      |               | Total liabilities |               | For the three-month period ended December 31, 2009 |                     | For the six-month period ended December 31, 2009 |                     |
|----------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|--|---------------------|--|---------------------|
|                | December 31, 2009 | June 30, 2009 | December 31, 2009 | June 30, 2009 | December 31, 2009 | June 30, 2009 | Total revenues                                     | Net earnings (loss) | Total revenues                                   | Net earnings (loss) |
|                | Cryothai Company  | 150           | 140               | 387           | 381               | 268           | 256  | 1.17                | (2.62)   | 5.28                |

Since the period from  
November 14, 2008 to December 31, 2008

| Total revenues | Net earnings (loss) |
|----------------|---------------------|
| 0.79           | (0.93)              |

Cryothai Company Limited

**12. Property, plant and equipment-net**

|   | (Unit : Thousand Baht)   |
|---|--------------------------|
|   | <u>December 31, 2009</u> |
| <b>Net book value as at June 30, 2009</b>                           | 418,702                  |
| Acquisitions during period - at cost                                | 442                      |
| Disposals during period - net book value at disposal date           | (109)                    |
| Depreciation and disposal of spare parts for machinery for period   | (15,302)                 |
| Reversal of allowance for slow-moving spare parts for machinery-net | 3                        |
| <b>Net book value as at December 31, 2009</b>                       | <u><u>403,736</u></u>    |

The company appraised its land by following accounting standard no. 32 (new number 16) issued by the Federation of Accounting Professions Under The Royal Patronage of His Majesty The King which allows the valuation of property, plant and equipment at appraisal amounts for financial statements reporting purposes.

As at December 31, 2009 and June 30, 2009, the company's land is stated at the appraised value (based on report of an independent appraisal firm dated June 20, 2008). The excess of appraised value (Baht 295 Million) over cost of Baht 280 Million, is shown as "unrealised (gain) loss" under "shareholders' equity" in the balance sheets. The unrealised (gain) loss is not available for dividend distribution.

As at December 31, 2009 and June 30, 2009, certain fixed assets with

- a) The original costs totalling Baht 2,118.08 Million and Baht 2,157.22 Million, respectively, are fully depreciated but they are still in active use.
- b) The net carrying values totalling Baht 210.40 Million and Baht 216.13 Million, respectively, are mortgaged / pledged as collateral for credit facilities with financial institutions as discussed in note 13.

**13. Bank overdrafts and short-term loans from financial institutions**

As at December 31, 2009 and June 30, 2009, the company has overdraft lines with several local banks totalling Baht 25 Million. An overdraft line of Baht 25 Million is collateralized by a part of the company's land, machinery and equipment as discussed in note 12.

**14. Other current liabilities**

|                  | (Unit : Thousand Baht)   |                      |
|------------------|--------------------------|----------------------|
|                  | <u>December 31, 2009</u> | <u>June 30, 2009</u> |
| Accrued expenses | 18,212                   | 21,985               |
| Others           | 6,490                    | 8,073                |
| <b>Total</b>     | <u><u>24,702</u></u>     | <u><u>30,058</u></u> |



*[Handwritten signatures]*

## 15. Statutory reserve

According to the public limited companies Act B.E. 2535, the company is required to set aside to a legal reserve at least 5 percent of net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve can not be used for dividend payment.

## 16. Financial instruments

### Financial risk management policies

The company does not hold or issue derivative instruments for speculative or trading purposes.

### Liquidity risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitment as indicated in the financial statements. The management, based on the company's current financial position and results of operations and its forecasted financial information, believes that at present the company has no such risk.

### Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the company's operations and its cash flows. The company's exposure to interest rate risk relates primarily to its deposits with banks, bank overdrafts, and loans from financial institutions. The company have not used derivative financial instruments to hedge such risk.

### Foreign currency risk

The company's exposure to foreign currency risk relates primarily to its receivables, payables and loans that are denominated in foreign currencies. The management has regularly considered entering into the derivative agreement to hedge the foreign currency risk.

A summary of un-hedged foreign currency assets and liabilities as at December 31, 2009 and June 30, 2009 is set out below :

|                | Financial assets  |               | Financial liabilities |               |
|----------------|-------------------|---------------|-----------------------|---------------|
|                | (Million)         |               | (Million)             |               |
|                | December 31, 2009 | June 30, 2009 | December 31, 2009     | June 30, 2009 |
| U.S. Dollars   | 3.20              | 3.86          | 0.08                  | 0.20          |
| Pound sterling | -                 | -             | -                     | 0.001         |
| Euro           | -                 | -             | 0.01                  | 0.05          |



ASIA FIBER PUBLIC COMPANY LIMITED



**Credit risk**

Credit risk is the risk that a counterparty is unable or unwilling to meet a commitment that it entered into with the company. The risk is controlled by the application of credit approvals, limits and monitoring procedures.

The carrying amount of accounts receivable recorded in the balance sheet, net of allowance for doubtful accounts represents the maximum exposure to credit risk.

**Fair value of financial instruments**

Since the majority of the company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.



Two handwritten signatures in black ink are positioned below the AFC logo. The signature on the left is larger and more prominent, while the one on the right is smaller and more compact.

### 17. Segmentation of business

The company's financial information for each of the six-month periods ended December 31, 2009 and 2008 are as follows :

(Unit : Thousand Baht)

|   | Local            |                  | Export           |                  | Total            |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2009             | 2008             | 2009             | 2008             | 2009             | 2008             |
| Sales                                     | 201,974          | 302,311          | 291,704          | 342,498          | 493,678          | 644,809          |
| Services income                           | 6,265            | 8,522            | -                | -                | 6,265            | 8,522            |
| <b>Total</b>                              | <b>208,239</b>   | <b>310,833</b>   | <b>291,704</b>   | <b>342,498</b>   | <b>499,943</b>   | <b>653,331</b>   |
| Cost of sales                             | (192,676)        | (300,348)        | (280,062)        | (334,394)        | (472,738)        | (634,742)        |
| Cost of services                          | (6,331)          | (5,379)          | -                | -                | (6,331)          | (5,379)          |
| <b>Total</b>                              | <b>(199,007)</b> | <b>(305,727)</b> | <b>(280,062)</b> | <b>(334,394)</b> | <b>(479,069)</b> | <b>(640,121)</b> |
| Gross profit (loss)                       | 9,232            | 5,106            | 11,642           | 8,104            | 20,874           | 13,210           |
| Other income                              |                  |                  |                  |                  | 9,618            | 15,990           |
| Selling expenses                          |                  |                  |                  |                  | (12,824)         | (16,268)         |
| Administrative expenses                   |                  |                  |                  |                  | (15,639)         | (10,809)         |
| Management benefit expenses               |                  |                  |                  |                  | (4,313)          | (4,209)          |
| Other expenses                            |                  |                  |                  |                  | (607)            | (499)            |
| Finance costs                             |                  |                  |                  |                  | -                | (266)            |
| <b>Net earnings (loss) for the period</b> |                  |                  |                  |                  | <b>(2,891)</b>   | <b>(2,851)</b>   |
| Property, plant and equipment, net        |                  |                  |                  |                  | 403,736          | 434,063          |
| Others                                    |                  |                  |                  |                  | 582,237          | 550,657          |
| <b>Total assets</b>                       |                  |                  |                  |                  | <b>985,973</b>   | <b>984,720</b>   |



*(Handwritten signatures)*

## 18. Additional information of the nature by expenses

(Unit : Thousand Baht)

|  | For each of the three-month periods |                | For each of the six-month periods |                |
|--|-------------------------------------|----------------|-----------------------------------|----------------|
|  | ended December 31,                  |                | ended December 31,                |                |
|  | 2009                                | 2008           | 2009                              | 2008           |
| Changes in inventories of              |                                     |                |                                   |                |
| finished goods and work in progress    | (57,068)                            | 26,688         | (76,431)                          | (25,458)       |
| Raw materials and consumables used     | 213,261                             | 199,264        | 403,997                           | 479,400        |
| Management benefit expenses            | 2,367                               | 2,296          | 4,313                             | 4,209          |
| Employee benefit expenses              | 36,603                              | 44,035         | 75,295                            | 80,944         |
| Depreciation and amortization expenses | 7,267                               | 9,514          | 14,720                            | 19,363         |
| Other expenses                         | 45,407                              | 55,625         | 90,558                            | 113,448        |
| <b>Total expenses</b>                  | <b>247,837</b>                      | <b>337,422</b> | <b>512,452</b>                    | <b>671,906</b> |

## 19. Obligation commitments

### 19.1 Guarantees

As at December 31, 2009 and June 30, 2009, the company had letter of guarantee issued by a local bank in favor of the customs department of Baht 1 Million.

### 19.2 Letter of credit

As at June 30, 2009, the company has letter of credits amounting to Euro 0.04 Million.

## 20. Approval of interim financial statements

These interim financial statements have been approved by the company's director on February 9, 2010

