

## **REVIEW REPORT OF THE INDEPENDENT AUDITOR**

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

I have reviewed the balance sheet of Sahamitr Pressure Container Public Company Limited as at 30 June 2008 and the related statements of income for the three – month and six – month periods ended 30 June 2008 and 2007, and changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2008 and 2007. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with auditing standard applicable to review engagement. That standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. Accordingly, I do not express such an 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 do not present fairly in all material respect in conformity with generally accepted accounting principles.

As discussed in Note 1.2 to the interim financial statements, the related company's creditors filed court cases against it demanding for loan repayments totalling approximately Baht 1,797 million. Such liabilities are guaranteed by the Company and Company's directors. Of the total amount, the Company is responsible for the guarantee of such related company's loan of approximately Baht 1,350 million. The Company took up its damage from guarantee obligation (including the losses on non – collection of advances to directors who jointly guarantee the related company's loans) in the financial statements since the year 2003. This caused the Company to have deficit of Baht 1,262.2 million and Baht 1,316.7 million as at 30 June 2008 and 31 December 2007, respectively, and capital deficiency of Baht 971.1 million and Baht 1,025.6 million, However, on 27 June 2008, the Company and the related company entered into a debts restructuring agreement with a credit bank to determine the repayment terms and the haircut of debts with conditions for the Company and associated company to fully comply with as discussed in Note 3 to the interim financial statements. The Company, therefore, has not recognized the results from the restructuring of debts under guarantee obligation for this period.

I have previously audited the financial statements of Sahamitr Pressure Container Public Company Limited for the year ended 31 December 2007 in accordance with generally accepted auditing standards and issued my report dated 22 February 2008 with a disclaimer of opinion on those statements because of the significant uncertainty on the Company's going concern. The balance sheet as at 31 December 2007, presented for comparative purposes, is a component of such audited financial statements. I have not performed any auditing procedures subsequent to such report date.



**Mr. Somckid Tiatragul**

Certified Public Accountant

Registration No. 2785

Bangkok, Thailand

11 August 2008

**SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS (CONTINUE)**  
**FOR THE SIX - MONTH PERIODS ENDED 30 JUNE 2008 AND 2007**

**(Unaudited  
but reviewed)**

	<b>Thousand Baht</b>	
	<b>2008</b>	<b>2007</b>
<b>Cash Flows from Investing Activities:</b>		
Increase in restricted deposits with bank	(59)	(5,471)
Proceed from disposal of equipment	93	3
Acquisition of equipment and building improvements	(9,697)	(4,558)
<b>Net Cash used in Investing Activities</b>	<b>(9,663)</b>	<b>(10,026)</b>
<b>Cash Flows from Financing Activities</b>		
Increase in bank overdraft and loan from bank	151,495	16,164
Repayment of long - term loan under debt restructuring agreements	(33,953)	(23,345)
Increase in short - term loan from director	3,090	17,100
Decrease in short - term loan from third party	-	(5,000)
Payments for obligation from guarantee of related company	(5,757)	(10,984)
Payments for liabilities under financial leases	(577)	(2,361)
<b>Net Cash provided from (used in) Financing Activities</b>	<b>114,298</b>	<b>(8,426)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>29,973</b>	<b>(5,881)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>6,773</b>	<b>7,131</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>36,746</b>	<b>1,250</b>

**Supplementary Disclosures for Cash Flows Information:**

2. Non - cash transactions:

Purchases of vehicles under financial lease contracts not included in investing and financing activities	-	1,440
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The accompanying notes form an integral part of these interim financial statements.

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT 30 JUNE 2008 AND 31 DECEMBER 2007

ASSETS

	Notes	Thousand Baht	
		30 June 2008 (Unaudited but reviewed)	31 December 2007 (Audited)
<b>CURRENT ASSETS</b>			
Cash and deposits with banks	4	36,746	6,773
Trade accounts and notes receivable - net	5	93,694	91,225
Inventories - net	6	416,361	186,589
Accrued interest income - related company	3	-	1,853
Refundable value - added tax		29,987	28,018
Refundable import duty	7	2,029	8,436
Other current assets		13,370	11,194
<b>Total Current Assets</b>		<b>592,187</b>	<b>334,088</b>
<b>NON - CURRENT ASSETS</b>			
Receivable from and loans to related parties under guarantee's obligation - net	3	-	-
Restricted deposits with banks	8	13,977	13,918
Property, plant and equipment - net	9	418,052	422,066
Computer software - net		7,330	7,330
Assets not used in operations - net		28,610	28,610
Other non - current assets		2,281	2,226
<b>Total Non - Current Assets</b>		<b>470,250</b>	<b>474,150</b>
<b>TOTAL ASSETS</b>		<b>1,062,437</b>	<b>808,238</b>

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

**SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED**

**BALANCE SHEETS**

**AS AT 30 JUNE 2008 AND 31 DECEMBER 2007**

**LIABILITIES AND CAPITAL DEFICIENCY**

	Notes	Thousand Baht	
		30 June 2008 (Unaudited but reviewed)	31 December 2007 (Audited)
<b>CURRENT LIABILITIES</b>			
Bank overdraft and loan from bank	10	390,915	238,570
Trade accounts payable		190,974	153,353
Short - term loan from directors	3	46,790	43,700
Current portion of			
- Long - term loans under debt restructuring agreements	11	29,080	50,898
- Liabilities from the guarantee obligation of related company's debts	3	37,000	58,234
- Liabilities under financial leases	12	617	900
Advances received from customers		45,214	1,811
Accrued commission expenses		5,429	8,172
Accrued transportation expenses		19,923	29,653
Other accrued expenses		32,888	16,467
Other current liabilities		3,743	4,122
<b>Total Current Liabilities</b>		<b>802,573</b>	<b>605,880</b>
<b>NON - CURRENT LIABILITIES</b>			
Long - term loans under debt restructuring agreements - net	11	26,512	38,647
Liabilities from the guarantee obligation of related company's debts - net	3	1,204,463	1,188,986
Liabilities under financial leases - net	12	-	294
<b>Total Non - Current Liabilities</b>		<b>1,230,975</b>	<b>1,227,927</b>
<b>Total Liabilities</b>		<b>2,033,548</b>	<b>1,833,807</b>

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

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT 30 JUNE 2008 AND 31 DECEMBER 2007

LIABILITIES AND CAPITAL DEFICIENCY (CONTINUE)

	Notes	Thousand Baht	
		30 June 2008 (Unaudited but reviewed)	31 December 2007 (Audited)
<b>CAPITAL DEFICIENCY</b>			
Share capital - common share, Baht 10 par value			
Authorized - 24,000,000 shares			
Issued and fully paid - up - 24,000,000 shares		240,000	240,000
Premium on share capital		50,000	50,000
Revaluation increment in land not used in operations		159	159
Retained earnings (Deficit)			
- Appropriated for legal reserve		983	983
- Deficit		(1,262,253)	(1,316,711)
<b>Capital Deficiency</b>		<b>(971,111)</b>	<b>(1,025,569)</b>
<b>TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY</b>			
		<b>1,062,437</b>	<b>808,238</b>

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

## SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

(Unaudited

## STATEMENTS OF INCOME

but reviewed)

FOR THE THREE - MONTH AND SIX - MONTH PERIODS ENDED 30 JUNE 2008 AND 2007

		Thousand Baht			
		Three-month Periods ended		Six-month Periods ended	
		30 June		30 June	
Note		2008	2007	2008	2007
<b>REVENUES</b>					
	Net sales	520,441	437,628	962,248	832,897
<b>COST OF SALES</b>					
	Cost of sales	(423,196)	(352,032)	(794,266)	(699,530)
<b>Gross profit</b>					
		97,245	85,596	167,982	133,367
	Selling and administrative expenses	(59,548)	(70,613)	(118,060)	(131,258)
	Directors remuneration	(30)	(30)	(60)	(60)
<b>NET INCOME FROM SALES</b>					
		37,667	14,953	49,862	2,049
	Other income	13,116	3,282	24,803	5,539
<b>Income Before Interest Expense</b>					
	<b>and Income tax</b>	50,783	18,235	74,665	7,588
	Interest expense	(5,285)	(6,924)	(10,335)	(14,288)
	Income tax	(9,872)	-	(9,872)	-
<b>NET INCOME (LOSS) FOR THE PERIOD</b>					
		35,626	11,311	54,458	(6,700)
<b>Basic Earnings per share</b>					
	Net income (loss) (Baht per shares)	1.48	0.47	2.27	(0.28)
	Weighted average number of shares (share)	24,000,000	24,000,000	24,000,000	24,000,000

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

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE SIX - MONTH PERIODS ENDED 30 JUNE 2008 AND 2007

(Unaudited  
 but reviewed)

	Thousand Baht					Total
	Share Capital - Issued and Fully Paid	Premium on Share Capital	Revaluation Increment in Land Not Used in Operations	Retained Earnings (deficit) Appropriated for Legal Reserve		
<b>Balance as at 1 January 2007</b>	240,000	50,000	159	983	(1,332,923)	(1,041,781)
Net loss for the period	-	-	-	-	(6,700)	(6,700)
<b>Balance as at 30 June 2007</b>	240,000	50,000	159	983	(1,339,623)	(1,048,481)
<b>Balance as at 1 January 2008</b>	240,000	50,000	159	983	(1,316,711)	(1,025,569)
Net income for the period	-	-	-	-	54,458	54,458
<b>Balance as at 30 June 2008</b>	240,000	50,000	159	983	(1,262,253)	(971,111)

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

**SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX - MONTH PERIODS ENDED 30 JUNE 2008 AND 2007**

**(Unaudited  
but reviewed)**

	<b>Thousand Baht</b>	
	<b>2008</b>	<b>2007</b>
<b>Cash Flows from Operating Activities</b>		
Net income (loss) before income tax	54,458	(6,700)
<b>Adjustments to reconcile net income (loss) to net cash provided from (used in) operating activities:</b>	-	-
Depreciation and amortisation	13,711	15,149
Unrealized loss on exchange rate - net	1,711	3,128
Gain from disposal of fixed assets	(93)	(3)
Interest expense	10,335	14,288
<b>Cash Provided From (Used in) Operating Activities before changes in operating assets and liabilities</b>	80,122	25,862
<b>Decrease (increase) in Operating Assets:</b>		
Trade accounts and notes receivable	(1,409)	3,403
Inventories	(229,772)	(45,468)
Refundable value - added tax	(1,969)	(6,735)
Refundable import duty	6,407	(1,353)
Other current assets	(320)	(1,781)
<b>Increase (decrease) in Operating Liabilities:</b>		
Trade accounts payable	36,485	26,659
Advances received from customers	42,618	6,122
Accrued commission expenses	(2,743)	12,395
Accrued transportation expenses	(9,730)	7,313
Other accrued expenses	16,215	(816)
Other current liabilities	(379)	(11)
<b>Cash Provided from (Used in) Operating Activities</b>	(64,475)	25,590
Payments for interest	(10,129)	(12,948)
Payments for income tax	(58)	(71)
<b>Net Cash Provided from (Used in) Operating Activities</b>	(74,662)	12,571

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

# SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

## NOTES TO INTERIM FINANCIAL STATEMENTS

30 JUNE 2008 AND 2007 (Unaudited but reviewed)

(With comparative information for 31 December 2007 (audit))

### 1. GENERAL INFORMATION

#### 1.1 Basis of Interim Financial Statement Preparation

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 (Amendment 2007) “Interim financial statements”, whereby the Company chooses to present condensed interim financial statements. However, additional line items are presented in the balance sheets, and the statements of income, changes in shareholders’ equity, and cash flows, to bring them into the full format similar to the annual financial statements.

The interim financial statements are prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial statements should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2007.

#### 1.2 Effect from Economic Crisis

The operations of the Company have been affected by the country’s economic crisis and currency volatility in the Asia Pacific region that caused the Company to default the payments of its debts in the year 2000. In addition, during the years 1998 to 2000, the related company’s creditors filed court cases against it demanding for loan repayments totalling approximately Baht 1,797 million. Such liabilities are guaranteed by the Company and Company’s directors. Of the total amount, the Company is responsible for the guarantee of such related company’s loan of approximately Baht 1,350 million. The Company took up its damage from guarantee obligation (including the losses on non – collection of advances to directors who jointly guarantee the related company’s loans) in the financial statements since the year 2003. This caused the Company to have deficit of Baht 1,262.2 million and Baht 1,316.7 million as at 30 June 2008 and 31 December 2007, respectively, and capital deficiency of Baht 971.1 million and Baht 1,025.6 million, respectively. However, on 27 June 2008, the Company and the related company entered into a debts restructuring agreement with a credit bank to determine the repayment terms and the haircut of debts with conditions for the Company and associated company to fully comply with as discussed in Note 3 to the interim financial statements. The Company, therefore, has not recognized the results from the restructuring of debts under guarantee obligation for this period.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared following the accounting policies covered by the Thai Accounting Standards using the same accounting policies as were used in the preparation of the annual financial statements, except for the accounting standards which had been amended during 2007 and are effective for the accounting periods beginning on or after 1 January 2008.

The management has assessed the effect of these revised accounting standards and believes that they do not have any significant impact on the financial statements for the year, except for TAS 51 “Intangible asset” which states that the Company does not have to amortize intangible asset if it can not identify definite period of utilization. In such event, the test of impairment should be made at least annually.

## 3. TRANSACTIONS WITH RELATED PARTIES

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

Related parties	Type of business	Relationship
Mrs. Supa Phromsaka Na Sakol Nakhorn	-	Shareholder and director
Sahamitr Steel Co., Ltd.	Manufacturing and distributing steel	Same group of shareholders and director
Mr. Thammik Ekahitanond	-	Shareholder

Significant balances with related parties from guarantee’s obligation for Sahamitr Steel Co., Ltd. and other as at 30 June 2008 and 31 December 2007 consist of :

	Thousand Baht	
	30 June 2008	31 December 2007
Receivables – directors, under guarantee obligation for Sahamitr Steel Co., Ltd.		
- Mr. Sutham Ekahitanond	450,175	450,175
- Mrs. Supa Phromsaka Na SakolNakhorn	450,175	450,175
Receivable under guarantee obligation for Sahamitr Steel Co., Ltd.	341,112	346,870
Loans to Sahamitr Steel Co., Ltd.	109,063	103,305
Total	1,350,525	1,350,525
<u>Less:</u> Allowance for doubtful accounts	(1,350,525)	(1,350,525)
Net	-	-
Accrued interest income – related company	-	1,853
Short – terms loans from directors (non – interest bearing)	46,790	43,700

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

Receivables from directors under guarantee obligation, receivable under guarantee obligation and loans to Sahamitr Steel Co., Ltd. represent receivables and loans under the conditions of the debt restructuring agreement of Sahamitr Steel Co., Ltd., which were taken up in the books by the order of the Office of Securities and Exchange Commission (SEC) together with necessary allowance for doubtful accounts. Because of the substantial doubt for the recoverabilities of receivables, the Company set up full allowance for loss in its accounts even with the loan from Mrs. Supa Promsaka Na SakolNakorn of Baht 1.9 million which is included as part of loans from directors.

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

Under a condition of the debt restructuring agreements with local credit bank, should the related company have inadequate cash flow, the Company will have to make cash loans to the related company to repay its loan principal in accordance with the repayment schedule under the debt restructuring agreement dated 24 December 2002. Such loans to the related company will be converted to share capital of the related company within 5 years from the date of the debt restructuring agreement of the Company unless with the written consent from creditors. Up to as at 30 June 2008 and 31 December 2007, the Company has made cash loans to such related company amounted to Baht 109.1 million and Baht 103.3 million, respectively. The management believes that the recoverability of such loans is very uncertain, hence, the Company provided full allowance for loss on such loans in its accounts.

On 27 June 2008, the Company and related company entered into restructuring agreement with a credit bank, which is a major creditor, for the outstanding principal amount of guarantee obligation of approximately Baht 1,241.5 million with significant conditions as follows:

- 1) The related company will have to pay the principal amount of debts of Baht 312.1 million to a bank from cash received from sales of assets within 30 December 2008.
- 2) The Company, a guarantor, agrees to pay for the principal amount of debts of Baht 437.9 million to the bank within 30 days after agreement date.
- 3) The Company, a guarantor, agrees to pay the principal amount of debts of Baht 26.7 million to the bank within 30 December 2008 by transferring the Company's share of 2.7 million at Baht 10 per share with the option for the existing shareholders in Ekahithanont, Phromsaka Na Nakorn and Laowong families to buy it share back within 3 years.
- 4) The bank will forgive the remaining principal amount of debts of Baht 464.8 million and accrued interest when the Company and related company fully complies with the conditions as described in the agreement.

As at 30 June 2008 and 31 December 2007, the outstanding balance of liabilities from the guarantee of related company's obligation are as follows :

	Thousand Baht	
	30 June 2008	31 December 2007
Liabilities of related company under the guarantee obligation	1,241,463	1,247,220
<u>Less</u> Portion due within one year	(37,000)	(58,234)
Liabilities of related company under the guarantee obligation – net	<u>1,204,463</u>	<u>1,188,986</u>

Under the condition of the debt restructuring agreements dated 27 June 2008, the Company has obtained the approval for long - term credit line from the bank to repay debt of related company of Baht 437.9 million. The Company, therefore, does not reclassify liabilities of related company under the guarantee as current liabilities.

Significant transactions with related parties for the three-month and six-month periods ended 30 June 2008 and 2007 consist of :

	Thousand Baht			
	For the three-month periods end		For the six-month periods end	
	30 June		30 June	
	2008	2007	2008	2007
Rental expense	750	750	1,500	1,500

#### 4. CASH AND DEPOSITS WITH BANKS

	Thousand Baht	
	30 June 2008	31 December 2007
Cash	200	200
Foreign currency – equivalent to Baht	143	1,822
Saving accounts with banks	28,487	2,679
Current accounts with banks	7,916	2,072
Total	<u>36,746</u>	<u>6,773</u>

5. TRADE ACCOUNTS AND NOTES RECEIVABLE – NET

As at 30 June 2008 and 31 December 2007, the aged trade accounts and notes receivable are as follows :

	Thousand Baht	
	30 June 2008	31 December 2007
Not yet due	78,894	82,931
Over due		
Less than 3 months	12,249	5,378
Overdue 3 months to 6 months	101	1,830
Overdue 6 months to 12 months	1,890	438
Overdue more than 12 months	3,374	3,462
Total	96,508	94,039
<u>Less</u> Allowance for doubtful accounts	(2,814)	(2,814)
Net	93,694	91,225

6. INVENTORIES

	Thousand Baht	
	30 June 2008	31 December 2007
Finished goods	49,848	25,063
Work in process	45,489	39,537
Raw materials and others	221,749	84,348
Goods in transit	99,931	38,297
Total	417,017	187,245
<u>Less</u> Allowance for obsolete inventories	(656)	(656)
Net	416,361	186,589

7. REFUNDABLE IMPORT DUTY

The Company imported some of materials used in the production of products for re - export. In accordance with the provision of Customs Act, the Company can refund import duty when re - exporting goods from those materials within the prescribed period.

8. RESTRICTED DEPOSITS WITH BANKS

As at 30 June 2008 and 31 December 2007, the Company fixed and saving deposits totalling Baht 14.0 million and Baht 13.9 million, respectively, have been pledged as collaterals for letters of guarantee issued by a local bank to certain state enterprises and credit lines for bank overdraft and loan from bank.

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2008, the Company has following movements in property, plant and equipment:

	(Unit : Thousand Baht)
Beginning balance – net book value	422,066
Purchases of fixed assets	9,697
Disposal and written off of fixed assets	(994)
Depreciation for the period	(13,711)
Accumulate depreciation for disposed of fixed assets	994
Ending balance – net book value	<u>418,052</u>

## 10. BANK OVERDRAFT AND LOAN FROM BANK

	Thousand Baht	
	30 June 2008	31 December 2007
Promissory notes	296,710	187,423
Liabilities under trust receipts	64,227	122
Short - term loans from bank	29,978	51,025
Total	<u>390,915</u>	<u>238,570</u>

The Company had credit lines for bank overdraft and loan from bank totalling 480 million. The loans bear interest at the rate of 6.875 – 7.25 percent per annum. Bank overdraft and loan from bank are collateralized by the mortgages of the Company's land, buildings and machinery thereon and assets not used in operations, saving account of Baht 10 million, by the pledge of the Company shares belonging to the Company's shareholders, and additionally guaranteed by the shareholder's land and by the personal guarantees of certain Company's shareholders and directors.

Short - term loans from bank are collateralized by the discounts of accounts receivable with recourse and bear interest at the rate 6.875 - 7.50 percent per annum.

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

The outstanding balance of debts as at 30 June 2008 and 31 December 2007, under debt restructuring agreement and the new credit facilities and the repayment schedules are as follows :

	Thousand Baht	
	30 June 2008	31 December 2007
Loans and accrued interest, payable by installments at the varying amounts starting from September 2001 (interest at Minimum Loan Rate with duration commencing in June 2001)	53,412	81,366
Tranche E, payable by 19 quarterly installments at the varying amounts starting from December 2002 (interest at Minimum Loan Rate plus 1% and Minimum Loan Rate per annum commencing December 2002)	2,180	8,179
Total	55,592	89,545
<u>Less</u> Portion due within one year	(29,080)	(50,898)
Net	26,512	38,647

On 27 June 2008, the Company obtained the approval for long-term loan from bank amounted to Baht 437.9 million to repay loan of related company as discussed in Note 3. Such loan from bank is collateralized by the mortgages of the Company's land, buildings and machinery, and additionally guaranteed by the shareholder's land and by the personal guarantees of certain Company's shareholders and directors.

## 12. LIABILITIES UNDER FINANCIAL LEASES

	Thousand Baht	
	30 June 2008	31 December 2007
Liabilities under financial leases	617	1,194
<u>Less</u> Portion due within one year	(617)	(900)
Liabilities under financial leases – net	-	294

The Company has financial lease agreements for vehicles that are being used in operations with installment periods of 24 - 48 months.

### 13. SEGMENTAL FINANCIAL INFORMATION

Segmental financial information for the three-month and six-month periods ended 30 June 2008 and 2007 are as follows :

	Thousand Baht					
	For the three-month periods ended 30 June					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Net sales	153,514	366,927	520,441	34,016	403,612	437,628
Cost of sales	(95,553)	(327,643)	(423,196)	(24,157)	(327,875)	(352,032)
Gross Margin	<u>57,961</u>	<u>39,284</u>	<u>97,245</u>	<u>9,859</u>	<u>75,737</u>	<u>85,596</u>
Other income			13,116			3,282
Selling and administrative expenses			(59,578)			(70,643)
Interest expense			(5,285)			(6,924)
Income tax			(9,872)			-
Net Income			<u>35,626</u>			<u>11,311</u>

	Thousand Baht					
	For the six-month periods ended 30 June					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Net sales	248,620	713,628	962,248	60,790	772,107	832,897
Cost of sales	(174,658)	(619,608)	(794,266)	(47,679)	(651,851)	(699,530)
Gross Margin	<u>73,962</u>	<u>94,020</u>	<u>167,982</u>	<u>13,111</u>	<u>120,256</u>	<u>133,367</u>
Other income			24,803			5,539
Selling and administrative expenses			(118,120)			(131,318)
Interest expense			(10,335)			(14,288)
Income tax			(9,872)			-
Net Income (Loss)			<u>54,458</u>			<u>(6,700)</u>
Trade accounts and notes receivable – net			93,694			207,459
Property, plant and equipment – net			418,052			428,268
Other assets			550,691			354,409
Total Assets			<u>1,062,437</u>			<u>990,136</u>

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

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

#### 14. CONTINGENT LIABILITIES AND COMMITMENT

- a) As at 30 June 2008, the Company has outstanding bank guarantees for the importation of steel materials for the manufacturing of products for re – export and for other matters, arising in the ordinary course of business, totalling Baht 72.0 million. The Company does not expect to incur material liabilities from these bank guarantees.
- b) As at 30 June 2008, the Company has commitment to pay for computer system maintenance fee of EUR 19,278 per annum commencing on 1 January 2005.
- c) As at 30 June 2008, the Company has a land rental agreement with a shareholder covering a period of thirty (30) years. Under the term of the agreement, the Company has to pay the annual rental of Baht 3.0 million.
- d) As at 30 June 2008, the Company has unused foreign exchange contracts of USD 9.60 million and EUR 0.18 million.

#### 15. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of directors on 11 August 2008.