

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 September 2007 and the related statements of income for the three - month and nine - month periods ended 30 September 2007 and 2006, and statements of changes in shareholders' equity and cash flows for the nine - month periods ended 30 September 2007 and 2006. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I conducted my review in accordance with auditing 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, a related company's creditors had 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 1,331.9 million and Baht 1,332.9 million and capital deficiency of Baht 1,040.8 million and Baht 1,041.8 million as at 30 September 2007 and 31 December 2006, respectively. Eventhough, the Company and its related company were successful in the negotiation for debts

restructuring, the Company going concern is still significantly uncertain which is subject to a) the ability of the related company to operate successfully in the future, to change its capital structure and to find new strategic partners, including its ability to comply with the conditions throughout the terms of its debt restructuring agreement to relieve the Company's guarantee obligation, and b) the Company ability to operate successfully in the future and to comply with the conditions throughout the terms of the debt restructuring agreement.

I have previously audited the financial statements of Sahamitr Pressure Container Public Company Limited for the year ended 31 December 2006 in accordance with generally accepted auditing standards and issued my report dated 14 February 2007, with a disclaimer of opinion on those statements because of the significant uncertainties on the Company's going concern. The balance sheet as at 31 December 2006, which is presented herein for comparative purpose, 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

9 November 2007

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

ASSETS

| | Notes | Thousand Baht | |
|--|-------|--|-------------------------------|
| | | 30 September 2007 "Unaudited" "Reviewed" | 31 December 2006 "Audited" |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 1,919 | 7,131 |
| Accounts and notes receivable - trade | 5 | 95,878 | 214,146 |
| Inventories - net | 6 | 217,349 | 190,821 |
| Refundable value - added tax | | 31,168 | 38,642 |
| Refundable import duty | | 10,148 | 6,503 |
| Other current assets | | 15,326 | 8,524 |
| Total Current Assets | | 371,788 | 465,767 |
| NON - CURRENT ASSETS | | | |
| Receivable from and loans to related parties under guarantee's obligation - net | 3 | - | - |
| Restricted deposits with banks | 7 | 13,876 | 8,158 |
| Property, plant and equipment - net | | 424,922 | 435,953 |
| Computer software - net | | 8,063 | 10,262 |
| Assets not used in operations - net | | 28,610 | 28,610 |
| Other non - current assets | | 2,226 | 2,226 |
| Total Non - Current Assets | | 477,697 | 485,209 |
| TOTAL ASSETS | | 849,485 | 950,976 |

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

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

LIABILITIES AND CAPITAL DEFICIENCY

| | Notes | Thousand Baht | |
|---|-------|--|-------------------------------|
| | | 30 September 2007 "Unaudited" "Reviewed" | 31 December 2006 "Audited" |
| CURRENT LIABILITIES | | | |
| Bank overdraft and loan from bank | 8 | 259,431 | 306,551 |
| Accounts payable - trade | | 170,547 | 178,473 |
| Short - term loan from director | 3 | 27,100 | 2,000 |
| Short - term loan from third party | 9 | - | 13,000 |
| Current portion of; | | | |
| - Long - term loans under debt restructuring agreements | 10 | 63,362 | 88,195 |
| - Obligation under the guarantee of related company's liabilities | 3 | 45,608 | 22,501 |
| - Liabilities under financial leases | 11 | 1,685 | 3,892 |
| Advances received from customers | | 13,989 | 983 |
| Accrued commission expense | | 5,563 | 6,118 |
| Accrued transportation expenses | | 26,206 | 13,806 |
| Other accrued expenses | | 18,942 | 16,589 |
| Other current liabilities | | 4,053 | 3,965 |
| Total Current Liabilities | | 636,486 | 656,073 |
| NON - CURRENT LIABILITIES | | | |
| Long - term loans under debt restructuring agreements - net | 10 | 45,976 | 89,215 |
| Obligation under the guarantee of related company's liabilities - net | 3 | 1,207,370 | 1,247,220 |
| Liabilities under financial leases - net | 11 | 456 | 249 |
| Total Non - Current Liabilities | | 1,253,802 | 1,336,684 |
| TOTAL LIABILITIES | | 1,890,288 | 1,992,757 |

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

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

LIABILITIES AND CAPITAL DEFICIENCY (CONTINUE)

| | Thousand Baht | |
|--|--------------------|--------------------|
| | 30 September 2007 | 31 December 2006 |
| | "Unaudited" | |
| | "Reviewed" | "Audited" |
| CAPITAL DEFICIENCY | | |
| Share capital - common shares, 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 | (1,331,945) | (1,332,923) |
| Capital Deficiency | (1,040,803) | (1,041,781) |
| TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY | 849,485 | 950,976 |

STATEMENTS OF INCOME

FOR THE THREE - MONTH AND NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

| | Note | In Thousand Baht | | | |
|--|------|---|----------------|--|------------------|
| | | Three - Month Periods ended 30 September | | Nine - Month Periods ended 30 September | |
| | | 2007 | 2006 | 2007 | 2006 |
| REVENUES | | | | | |
| Net sales | | 422,608 | 458,054 | 1,255,505 | 1,326,559 |
| Other income | | 3,747 | 4,085 | 9,286 | 10,155 |
| Total Revenues | | 426,355 | 462,139 | 1,264,791 | 1,336,714 |
| COSTS AND EXPENSES | | | | | |
| | 3 | | | | |
| Cost of sales | | 354,551 | 361,030 | 1,054,081 | 1,098,481 |
| Selling and administrative expenses | | 57,517 | 64,667 | 188,774 | 189,990 |
| Directors' remuneration | | 30 | 30 | 90 | 90 |
| Total Costs and Expenses | | 412,098 | 425,727 | 1,242,945 | 1,288,561 |
| Income before Interest Expense | | 14,257 | 36,412 | 21,846 | 48,153 |
| Interest expense | | 6,579 | 8,136 | 20,868 | 18,628 |
| NET INCOME | 12 | 7,678 | 28,276 | 978 | 29,525 |
| Basic Earnings per share (Baht) | | | | | |
| Net income | | 0.32 | 1.18 | 0.04 | 1.23 |

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

| | In Thousand Baht | | | | | Total |
|--|--|--------------------------------|---|---|--------------------|--------------------|
| | Share Capital - Issued and Fully Paid Up | Premium on Share Capital | Revaluation Increment in Land Not Used in Operations | Retained earnings (deficit) Appropriated for Legal Reserve | | |
| | | | | Deficit | | |
| Balance as at 1 January 2006 | 240,000 | 50,000 | 159 | 983 | (1,444,730) | (1,153,588) |
| Net income for the period | - | - | - | - | 29,525 | 29,525 |
| Balance as at 30 September 2006 | 240,000 | 50,000 | 159 | 983 | (1,415,205) | (1,124,063) |
| Balance as at 1 January 2007 | 240,000 | 50,000 | 159 | 983 | (1,332,923) | (1,041,781) |
| Net income for the period | - | - | - | - | 978 | 978 |
| Balance as at 30 September 2007 | 240,000 | 50,000 | 159 | 983 | (1,331,945) | (1,040,803) |

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

STATEMENTS OF CASH FLOWS

FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

| | In Thousand Baht | |
|---|------------------|-----------------|
| | 2007 | 2006 |
| Cash Flows from Operating Activities: | | |
| Net income | 978 | 29,525 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortisation | 22,785 | 25,560 |
| Unrealized loss on foreign exchange rate - net | 1,115 | 2,757 |
| Gain from disposal of assets | (221) | - |
| Cash provided by (used in) operating activities before changes in operating assets and liabilities | 24,657 | 57,842 |
| Decrease (increase) in Operating Assets: | | |
| Accounts and notes receivable - trade | 118,059 | (86,677) |
| Inventories | (26,528) | (14,240) |
| Refundable value - added tax | 7,474 | (14,987) |
| Refundable import duty | (3,645) | (693) |
| Other current assets | (6,802) | 1,098 |
| Other non - current assets | - | 968 |
| Increase (decrease) in Operating Liabilities: | | |
| Accounts payable - trade | (7,879) | 10,279 |
| Advances received from customers | 12,900 | (217) |
| Accrued commission expense | (555) | 1,466 |
| Accrued transportation expenses | 12,400 | (226) |
| Other accrued expenses | 2,353 | (1,239) |
| Other current liabilities | 88 | 427 |
| Net Cash Provided by (Used in) Operating Activities | 132,522 | (46,199) |

STATEMENTS OF CASH FLOWS (CONTINUE)

FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

| | In Thousand Baht | |
|---|------------------|----------------|
| | 2007 | 2006 |
| Cash Flows from Investing Activities: | | |
| Increase in restricted deposits with bank | (5,718) | (68) |
| Proceed from disposal of assets | 500 | - |
| Purchases of equipment and building improvements | (8,394) | (8,573) |
| Net Cash Used in Investing Activities | (13,612) | (8,641) |
| Cash Flows from Financing Activities: | | |
| Increase (decrease) in bank overdraft and loan from bank | (47,967) | 125,329 |
| Repayments of long - term loan under debt restructuring agreements | (68,072) | (41,206) |
| Increase in short - term loan from director | 25,100 | - |
| Decrease in short - term loan from third party | (13,000) | - |
| Payments of obligation under the guarantee of related company's liabilities | (16,743) | (16,575) |
| Repayment of liabilities under financial leases | (3,440) | (3,079) |
| Net Cash Provided by (Used in) Financing Activities | (124,122) | 64,469 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (5,212) | 9,629 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 7,131 | 3,769 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 1,919 | 13,398 |

Supplementary Disclosures for Cash Flows Information:

1. Cash paid during the periods :

| | | |
|--------------------|--------|--------|
| - Interest expense | 20,851 | 18,665 |
| - Income tax | 137 | 82 |

2. Non - cash transactions :

| | | |
|--|-------|-------|
| Purchases of vehicles under financial lease contracts not included in investing and financing activities | 1,440 | 2,682 |
|--|-------|-------|

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS

30 SEPTEMBER 2007 AND 2006 (Unaudited but reviewed)

(With comparative information for 31 December 2006 (audit))

1. GENERAL INFORMATION

1.1 Basis of Interim Financial Statement Preparation

The interim financial statements are prepared in accordance with the Accounting Standard No. 41 “Interim Financial Reporting” and announcements of the Stock Exchange of Thailand.

These interim financial statements are prepared to provide additional information to the financial statements for the year ended 31 December 2006 with the emphasis on the more current information about new activities, events, and situations to avoid repetition of information previously reported. These interim financial statements should, therefore, be read in conjunction with the financial statements for the year ended 31 December 2006.

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, a 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 1,331.9 million and Baht 1,332.9 million and capital deficiency of Baht 1,040.8 million and Baht 1,041.8 million as at 30 September 2007 and 31 December 2006, respectively. Eventhough, the Company and its related company were successful in the negotiation for debts restructuring, the Company going concern is still significantly uncertain which is subject to a) the ability of the related company to operate successfully in the future, to change its capital structure and to find new strategic partners, including its ability to comply with the conditions throughout the terms of its debt restructuring agreement to relieve the Company’s guarantee obligation, and b) the Company ability to operate successfully in the future and to comply with the conditions throughout the terms of the debt restructuring agreement.

2. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared following the accounting policies covered by Thai Accounting Standards. Accordingly, the Company prepared the interim financial statements for the three - month and nine - month periods ended 30 September 2007 with the same accounting policies used in the preparation of the annual financial statements for the year ended 31 December 2006.

3. TRANSACTIONS WITH RELATED PARTIES

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

| <u>Related parties</u> | <u>Type of business</u> | <u>Relationship</u> |
|--------------------------------------|--------------------------------------|---|
| Mrs. Supha Phromsaka Na Sakolnakhorn | - | Shareholder and Director |
| Sahamitr Steel Co., Ltd. | Manufacturing and distributing steel | Same group of Shareholders and management |
| Mr. Thammik Ekahitanond | - | Shareholder |

Significant balances with related parties from guarantee's obligation of Sahamitr Steel Co., Ltd. as at 30 September 2007 and 31 December 2006 consist of :

| | <u>Thousand Baht</u> | |
|---|--------------------------|-------------------------|
| | <u>30 September 2007</u> | <u>31 December 2006</u> |
| Receivables from directors under guarantee obligation of Sahamitr Steel Co., Ltd. | | |
| - Mr. Sutham Ekahitanond | 450,175 | 450,175 |
| - Mrs. Supha Phromsaka Na Sakolnakhorn | 450,175 | 450,175 |
| Receivable under guarantee obligation of Sahamitr Steel Co., Ltd. | 352,628 | 369,371 |
| Loans to Sahamitr Steel Co., Ltd. | 97,547 | 80,804 |
| Total | <u>1,350,525</u> | <u>1,350,525</u> |
| <u>Less:</u> Allowance for doubtful accounts | <u>(1,350,525)</u> | <u>(1,350,525)</u> |
| Net | <u>-</u> | <u>-</u> |
| Short - term loan from director (non - interest bearing) | <u>27,100</u> | <u>2,000</u> |

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

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.

The movement in loan during the period is as follow :

| | Thousand Baht | | | 30 September 2007 |
|------|------------------|----------|----------|-------------------|
| | 31 December 2006 | Increase | Decrease | |
| Loan | 80,804 | 16,743 | - | 97,547 |

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 significant doubt for the recoverabilities of receivables, the Company set up full allowance for loss in its accounts.

Under a condition of the debt restructuring agreements with a 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 (within 1 July 2006) unless with the written consent from creditors. Up to 30 September 2007 and 31 December 2006, the Company loans to such related company amounted to Baht 97.6 million and Baht 80.8 million, respectively, whereby the Company has the right to claim for refund from the responsible directors for which the Company is considering such action. However, the Company is in the process of negotiation with such responsible directors as to the basis to share the payments made by the Company. The management believes that the recoverability of such loans is very uncertain, hence, the Company provided full allowance for losses on such loans in its accounts.

As at 30 September 2007 and 31 December 2006, the outstanding balances of obligation under the guarantee of related company's liabilities are as follows :

| | Thousand Baht | |
|---|-------------------|------------------|
| | 30 September 2007 | 31 December 2006 |
| Obligation under the guarantee of related company's | | |
| Liabilities | 1,252,978 | 1,269,721 |
| <u>Less</u> : Portion due within one year | (45,608) | (22,501) |
| Obligation under the guarantee of related company's | | |
| liabilities - net | 1,207,370 | 1,247,220 |

The movement in liabilities from the guarantee of related company's obligation during the period is as follow :

| | Thousand Baht | | | |
|-----------------------------------|------------------|----------|----------|-------------------|
| | 31 December 2006 | Increase | Decrease | 30 September 2007 |
| Liabilities from the guarantee of | | | | |
| related company's obligation | 1,269,721 | - | 16,743 | 1,252,978 |

Significant transactions with related parties for the three - month and nine - month periods ended 30 September 2007 and 2006 consist of :

| | Thousand Baht | | Thousand Baht | |
|----------------|-----------------------------------|------|----------------------------------|-------|
| | For the three - month periods end | | For the nine - month periods end | |
| | 30 September | | 30 September | |
| | 2007 | 2006 | 2007 | 2006 |
| Rental expense | 750 | 750 | 2,250 | 2,250 |

4. CASH AND CASH EQUIVALENTS

| | Thousand Baht | |
|---------------------------------------|-------------------|------------------|
| | 30 September 2007 | 31 December 2006 |
| Cash | 200 | 200 |
| Foreign currency - equivalent to Baht | 105 | 817 |
| Saving accounts with banks | 67 | 4,810 |
| Current accounts with banks | 1,547 | 1,304 |
| Total | 1,919 | 7,131 |

5. ACCOUNTS AND NOTES RECEIVABLE – TRADE

As at 30 September 2007 and 31 December 2006, the aged accounts and notes receivable – trade are as follows :

| | Thousand Baht | |
|-------------------------------|-------------------|------------------|
| | 30 September 2007 | 31 December 2006 |
| Not yet due | 66,149 | 94,136 |
| Over due | | |
| Less than 3 months | 13,674 | 13,839 |
| Overdue 3 months to 6 months | 382 | 47,126 |
| Overdue 6 months to 12 months | 819 | 58,454 |
| Overdue more than 12 months | 14,854 | 591 |
| Total | 95,878 | 214,146 |

Accounts receivable aged more than 12 months totalling Baht 14.8 million represent receivables from the Government office of Iraq. The management of the Company believes that such accounts receivable can be collected in full within the year 2007. Therefore, no provision has been made.

6. INVENTORIES

| | Thousand Baht | |
|---|-------------------|------------------|
| | 30 September 2007 | 31 December 2006 |
| Finished goods | 41,331 | 42,523 |
| Work in process | 31,055 | 21,319 |
| Raw materials and others | 101,729 | 77,911 |
| Goods in transit | 43,890 | 49,724 |
| Total | 218,005 | 191,477 |
| <u>Less: Allowance for obsolete inventories</u> | (656) | (656) |
| Net | 217,349 | 190,821 |

7. RESTRICTED DEPOSITS WITH BANK

As at 30 September 2007 and 31 December 2006, the Company fixed deposits and saving deposit totalling Baht 13.9 million and Baht 8.2 million, respectively, have been pledged as collaterals for letters of guarantee issued by local banks to certain State Enterprises and credit lines for bank overdraft and loan from bank.

8. BANK OVERDRAFT AND LOAN FROM BANK

| | Thousand Baht | |
|----------------------------------|-------------------|------------------|
| | 30 September 2007 | 31 December 2006 |
| Promissory notes | 157,970 | 247,968 |
| Liabilities under trust receipts | 68,635 | 844 |
| Short - term loans from bank | 32,826 | 57,739 |
| Total | 259,431 | 306,551 |

As at 30 September 2007 and 31 December 2006, the Company has credit lines for bank overdraft and loan from bank totalling Baht 480.0 million. The loan bears interest at rate of 6.875 percent per annum. Bank overdraft and loan from bank are collateralized by the mortgage of the Company's land, buildings and machinery thereon and assets not used in operations, by the pledge of the Company shares belonging to the Company's shareholders, fixed deposit totalling Baht 5.0 million 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 discounted of accounts receivable with recourse and bear interest at the rate of 6.875 percent per annum.

9. SHORT - TERM LOAN FROM THIRD PARTY

As at 31 December 2006, the Company has short - term loan from third party totalling Baht 13.0 million, for its working capital. The loan bears interest at the rate of 12.00 percent per annum. The Company has repaid the loan during the period.

10. LONG - TERM LOANS UNDER DEBT RESTRUCTURING

The Company entered into debt restructuring agreement dated 29 September 2001, with the first amendment dated 2 October 2001 and the second amendment dated 24 December 2002, with its creditors for the liabilities totalling Baht 820 million (including accrued interest expense up to 31 May 2001 of Baht 314.8 million).

The outstanding balance of debts as at 30 September 2007 and 31 December 2006 under debt restructuring agreement and the new credit facilities and the repayment schedules are as follows :

| | Thousand Baht | |
|--|-------------------|------------------|
| | 30 September 2007 | 31 December 2006 |
| Loans and interest, payable by installments at the varying amounts starting from September 2001 (interest at Minimum Loan Rate with duration commencing in September 2001) | 100,158 | 147,531 |
| Loan, 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) | 9,180 | 29,879 |
| Total | 109,338 | 177,410 |
| <u>Less: Portion due within one year</u> | (63,362) | (88,195) |
| Net | 45,976 | 89,215 |

The movement of long - term loans during the period is as follow :

| | Thousand Baht | | | |
|-------------------|------------------|----------|----------|-------------------|
| | 31 December 2006 | Increase | Decrease | 30 September 2007 |
| Long - term loans | 177,410 | - | 68,072 | 109,338 |

11. LIABILITIES UNDER FINANCIAL LEASES

| | Thousand Baht | |
|---|-------------------|------------------|
| | 30 September 2007 | 31 December 2006 |
| Liabilities under financial leases | 2,141 | 4,141 |
| <u>Less : Portion due within one year</u> | (1,685) | (3,892) |
| Liabilities under financial leases - net | 456 | 249 |

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

12. INCOME TAX

No income tax was payable on the Company's net income for the three-month and nine-month periods ended 30 September 2007 and 2006 as the Company can utilize tax losses carried forward from previous years

13. SEGMENT FINANCIAL INFORMATION

Segmental financial information for the three - month and nine - month periods ended 30 September 2007 and 2006 are as follows :

| | Thousand Baht | | | | | |
|-------------------------------------|--|---------------|---------------|---------------|---------------|---------------|
| | For the three - month periods ended 30 September | | | | | |
| | 2007 | | | 2006 | | |
| | Domestic | Foreign | Total | Domestic | Foreign | Total |
| Net sales | 66,771 | 355,837 | 422,608 | 131,048 | 327,006 | 458,054 |
| Cost of sales | (52,923) | (301,628) | (354,551) | (93,711) | (267,319) | (361,030) |
| Gross Margin | <u>13,848</u> | <u>54,209</u> | <u>68,057</u> | <u>37,337</u> | <u>59,687</u> | <u>97,024</u> |
| Other income | | | 3,747 | | | 4,085 |
| Selling and administrative expenses | | | (57,547) | | | (64,697) |
| Interest expense | | | (6,579) | | | (8,136) |
| Net Income | | | <u>7,678</u> | | | <u>28,276</u> |

| | Thousand Baht | | | | | |
|---------------------------------------|---|----------------|----------------|---------------|----------------|----------------|
| | For the nine - month periods ended 30 September | | | | | |
| | 2007 | | | 2006 | | |
| | Domestic | Foreign | Total | Domestic | Foreign | Total |
| Net sales | 127,562 | 1,127,943 | 1,255,505 | 262,185 | 1,064,374 | 1,326,559 |
| Cost of sales | (100,602) | (953,479) | (1,054,081) | (180,534) | (917,947) | (1,098,481) |
| Gross Margin | <u>26,960</u> | <u>174,464</u> | <u>201,424</u> | <u>81,651</u> | <u>146,427</u> | <u>228,078</u> |
| Other income | | | 9,286 | | | 10,155 |
| Selling and administrative expenses | | | (188,864) | | | (190,080) |
| Interest expense | | | (20,868) | | | (18,628) |
| Net Income | | | <u>978</u> | | | <u>29,525</u> |
| Accounts and notes receivable - trade | | | 95,878 | | | 252,296 |
| Property, plant and equipment - net | | | 424,922 | | | 441,691 |
| Other assets | | | 328,685 | | | 296,177 |
| Total Assets | | | <u>849,485</u> | | | <u>990,164</u> |

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

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

14. CONTINGENT LIABILITIES AND COMMITMENT

- a) As at 30 September 2007, the Company has contingent liabilities under bank and other guarantees for the importation of steel materials for the manufacturing of products for re-export and other matters arising in the ordinary course of business totalling Baht 39.2 million. The Company does not expect to incur any damage from each guarantee.
- b) As at 30 September 2007, the Company has commitment to pay for maintenance fee of EUR 19,278 per annum commencing on 1 January 2005.
- c) As at 30 September 2007, 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, which shareholders had given a ratification at the Annual Ordinary Meeting for the year 2005 held on 29 April 2005.

15. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors on 9 November 2007.