

(TRANSLATION)

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors of **RICH ASIA STEEL PUBLIC COMPANY LIMITED**

I have reviewed the balance sheets as of March 31, 2007 the related statements of income, the statements of changes in shareholders' equity and the statements of cash flow for the quarter then ended of **RICH ASIA STEEL PUBLIC COMPANY LIMITED**. These financial statements are the responsibility of the company's management as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my reviews.

I conduct my review in accordance with the standards on auditing applicable to review engagements. These standards require that I plan and perform the reviews to obtain moderate assurance about whether the financial statements are free of significant misstatement. A review is limited primarily to inquire to company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, I do not express an opinion.

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

The financial statements for the year ended on December 31, 2006 of **RICH ASIA STEEL PUBLIC COMPANY LIMITED**, were audited by another auditor, who gave an unqualified report thereon dated on February 26, 2007. The comparative balance sheets as of December 31, 2006 are an integral part of those financial statement.

Otherwise the comparative related statements of income, the changes in shareholders' equity, and the statements of cash flows for the quarter ended on March 31, 2006 were reviewed by another auditor as report dated on May 9, 2006 who reported that nothing had come to her attention that caused her to believe that the financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

My report as per mentioned in the paragraph 3 still remains unchanged, I ask for your attention on the note to the financial statements no.21. The Company rectified the financial statements for the quarter ended on March 31, 2007, which I ever reviewed and presented the reviewed report dated on May 15, 2007 and newly replaced by these attached financial statements since the Company was faced with inability to call for debt repayment from one trading account receivable in amount of Baht 180.07 millions in February 2007. The Company's Chief Executive Officer has expressed responsibility to compensate damage to the Company since the board of directors is the person to approve the credit line of merchandise sale to such trading account receivable while there is the term of installment to the Company as installment until the Company will receive repayment in full amount plus interest in the rate of 8% per annum which is equivalent to interest receivable throughout the period of installment in total amount of Baht17.76 millions. It is repayable in number of 28 installments for the first installment in amount of Baht 18.0 millions, for the 2nd – 27th installment in amount of Baht6.0 millions per installment, for the 28th installment, the whole remaining balance is repayable. However, if during the period of installment, the Company can follow-up debt returned from account receivable by any amount, the followed up amount is taken to deduct from the final installment balance. The Company still holds the right in the follow-up procedure and proceeds with the prosecution against such trading account receivable until it will completely receive the money. When the Company completely received debt repayment, the claimant right in the whole debt value which the trading account receivable due to the Company is further transferred to be the right of the Chief Executive Officer that is complied with the minute of the board of directors meeting no. 3/2007 held on April 24, 2007. The Company reclassified such type of trading account receivable by reflecting as account receivable from compensation of damage. However, the responsibility expression to compensation damage could not be considered as debt repayment receipt on behalf of such trading account receivable; therefore, it has to consider the set-up of doubtful debt allowance. Hence, the Company has restated the financial statements for the quarter ended March 31, 2007 by classified such debtor from damage compensation to trade account receivable and considered the record of allowance of doubtful debt for such trading account receivable in whole amount of Baht180.07 millions Moreover, The Company will record to recognize the amount received in each installment debt repayment from the Chief Executive Officer as other revenue under the caption of "other revenue from debt repayment receipt from management instead of trading account receivable". The Company received the 1st installment debt repayment in amount of Bath 18.0 millions on May 14, 2007. The result from such rectification enables the trading account receivable as of March 31, 2007 reduced by amount of Baht 180.07 millions. Net profit for the quarter ended March 31, 2007 decrease in amount of Baht 180.07 millions.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED

(Somchai Kurujitkosol)

Authorized Auditor No. 3277

Bangkok,

October 1, 2007.

RICH ASIA STEEL PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of March 31, 2007 and December 31, 2006

		2007	2006
		'000 Baht	'000 Baht
		Unaudited	Audited
		Limited review only	
		(Restated)	
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents Items		115,857	28,516
Accounts and Notes Receivable Other Companies-Net	(Note 3)	499,756	606,559
Accounts and Notes Receivable Related Companies-Net	(Note 2.2,4)	85,275	12,764
Inventories-Net	(Note 5)	378,887	472,504
Other Current Assets			
Advance Payment - Goods		46,974	131,207
Other		9,184	8,439
TOTAL CURRENT ASSETS		1,135,933	1,259,989
NON-CURRENT ASSETS			
Pledged Deposit at Financial Institution	(Note 6)	219,764	207,000
Investment in Property	(Note 7)	39,702	39,702
Property Plant and Equipment - Net	(Note 8)	194,163	177,207
Intangible Asset	(Note 9)	2,785	2,785
Other Non-Current Assets		402	402
TOTAL NON-CURRENT ASSETS		456,816	427,096
TOTAL ASSETS		1,592,749	1,687,085

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of March 31, 2007 and December 31, 2006

		2007	2006
		'000 Baht	'000 Baht
		Unaudited	Audited
		Limited review only	
		(Restated)	
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Bank Overdrafts and Short-Term Loans from Financial Institutions	(Note 11)	853,033	728,191
Accounts and Notes Payable Other Companies		81,582	177,613
Accounts and Notes Payable Related Companies	(Note 2.2)	2,407	670
Current Portion of Liabilities Under Financial Lease Agreement	(Note 12)	1,684	2,782
Current Portion of Long Term Loans	(Note 13)	8,250	-
Other Current Liabilities			
Deposit Receipt for Land	(Note 7)	20,000	15,000
Accrued Corporate Income Tax		8,808	6,272
Others		12,604	13,571
TOTAL CURRENT LIABILITIES		988,368	944,099
NON-CURRENT LIABILITIES			
Long Term Loans from Financial Institutions	(Note 13)	36,750	-
Liabilities under Financial Lease Agreement - Net	(Note 12)	1,413	1,413
TOTAL NON-CURRENT LIABILITIES		38,163	1,413
TOTAL LIABILITIES		1,026,531	945,512

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of March 31, 2007 and December 31, 2006

	2007	2006
	<u>'000 Baht</u>	<u>'000 Baht</u>
	Unaudited	Audited
	Limited review only	
	(Restated)	
SHAREHOLDERS' EQUITY		
Share Capital (Note 14)		
Authorized Share Capital		
500,000,000 Ordinary Share @ 1.00 Baht	500,000	500,000
Issued and Paid-up Share Capital		
500,000,000 Ordinary Share @ 1.00 Baht	500,000	500,000
Premiums on Share Capital	118,250	118,250
Retained Earnings(Deficit)		
Appropriated		
Legal Reserve	4,585	4,585
Unappropriated	(56,617)	118,738
TOTAL SHAREHOLDERS' EQUITY	566,218	741,573
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,592,749	1,687,085

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED

INCOME STATEMENTS

For the Quarter ended on March 31, 2007 and 2006

Unaudited

Limited review only

	2007	2006
	<u>'000 Baht</u>	<u>'000 Baht</u>
	(Restated)	
REVENUES FROM OPERATION		
Sales	1,283,939	1,270,595
Other Income	7,176	3,717
TOTAL REVENUES	1,291,115	1,274,312
EXPENSES FROM OPERATION		
Cost of Goods Sold	1,248,082	1,198,323
Selling and Administrative Expenses	22,007	21,101
Doubtful Debt (Note 3)	180,067	-
Directors' Remuneration (Note 16)	100	-
TOTAL EXPENSES	1,450,256	1,219,424
PROFIT(LOSS) BEFORE INTEREST EXPENSES		
AND CORPORATE INCOME TAX	(159,141)	54,888
INTEREST EXPENSES	(13,559)	(6,922)
CORPORATE INCOME TAX (Note 17)	(2,655)	(11,596)
NET PROFIT(LOSS)	(175,355)	36,370
 BASIC EARNINGS(LOSS) PER SHARE (BAHT)	 (0.35)	 0.09
ORDINARY SHARES (THOUSAND SHARES)	500,000	400,000

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the Quarters ended on March 31, 2007 and 2006

Unaudited
Limited review only

	ISSUED AND PAID-UP SHARE CAPITAL	PREMIUMS ON SHARE CAPITAL	RETAINED EARNINGS(DEFICIT)		TOTAL
			APPROPRIATED LEGAL RESERVE	UNAPPROPRIATED	
	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Balance as of December 31, 2006	500,000	118,250	4,585	118,738	741,573
Net profit(loss) for the period (Restated)	-	-	-	(175,355)	(175,355)
Balance as of March 31, 2007	500,000	118,250	4,585	(56,617)	566,218
Balance as of December 31, 2005	400,000	-	-	91,702	491,702
Dividend paid (Note 15)	-	-	-	(50,000)	(50,000)
Legal reserves (Note 15)	-	-	4,585	(4,585)	-
Net profit for the period	-	-	-	36,370	36,370
Balance as of March 31, 2006	400,000	-	4,585	73,487	478,072

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED

CASH FLOW STATEMENTS

For the Quarter ended on March 31, 2007 and 2006

	Unaudited	
	Limited review only	
	2007	2006
	'000 Baht	'000 Baht
	(Restated)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit(Loss)	(175,355)	36,370
Adjustments to Net Profit(loss) for Cash Provided (Used) from Operation:		
Depreciation	5,133	5,246
Doubtful Debt	180,067	-
Interest Payment from Liabilities under Financial Lease Agreement	230	-
Deferred Expense	76	-
Loss from Declining in Value of Inventories	1,058	-
Profit from Operating Activities before Change in Operating Assets and Liabilities	11,209	41,616
(Increase) Decrease in Accounts and Notes Receivable-Other Companies	(73,264)	367,527
(Increase) Decrease in Accounts and Notes Receivable-Related Companies	(72,511)	(48,525)
(Increase) Decrease in Inventories	92,559	(372)
(Increase) Decrease in Advance Payment - Goods	84,232	(40,000)
(Increase) Decrease in Other Current Assets	(821)	(6,573)
Increase(Decrease) in Accounts and Notes Payable-Other Companies	(96,030)	(320,882)
Increase(Decrease) in Accounts and Notes Payable-Related Companies	1,737	(3,787)
Increase (Decrease) in Advance Receipt for Goods	-	(128,972)
Increase(Decrease) in Accrued Corporate Income Tax	2,536	11,547
Increase(Decrease) in Other Current Liabilities	(967)	(2,051)
Cash Provided(Used) from Operating Activities - Net	(51,320)	(130,472)
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) Decrease in Pledged Deposit at Financial Institution	(12,764)	(7,863)
(Increase) Decrease in Non Other Current Assets	1	-
Cash Received from Deposit Receipt for Land	5,000	-
Cash Payment for Purchased of Fixed Assets	(22,089)	(5,226)
Cash Provided(Used) from Investing Activities - Net	(29,852)	(13,089)

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED

CASH FLOW STATEMENTS

For the Quarter ended on March 31, 2007 and 2006

	Unaudited	
	Limited review only	
	2007	2006
	'000 Baht	'000 Baht
	(Restated)	
CASH FLOW FROM FINANCING ACTIVITIES		
Increase (Decrease) in Bank Overdrafts and Short-Term Loans from Financial Institution	124,841	214,085
Increase (Decrease) in Long -Term Loans from Financial Institution	45,000	-
Increase (Decrease) in Liabilities under Financial Lease Agreement	(1,328)	(1,093)
Dividend paid	-	(50,000)
Cash Providend (Used) from Financing Activities - Net	168,513	162,992
CASH AND ITS EQUIVALENT INCREASE (DECREASE)-NET	87,341	19,431
CASH AND ITS EQUIVALENT ITEMS AT BEGINNING OF THE PERIOD	28,516	35,306
CASH AND ITS EQUIVALENT ITEMS AT ENDING OF THE PERIOD	115,857	54,737

Additional Disclosure of Cash Flow Data.

1. Cash Payment During the Period :

- Interest Expenses	13,878	10,437
- Corporate Income Tax	119	10,223

2. Cash and Its Equivalent Item, Consist of :-

- Cash	137	80
- Bank Deposit - Current Deposit	107,707	54,207
- Bank Deposit - Saving Deposit	8,012	450
- Bank Deposit - Fixed Deposit	1	-
Total	115,857	54,737

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****March 31, 2007 (Unaudited / Limited Review Only)****And December 31, 2006 (Audited)****1. The Basis of Preparation of the Financial Statements****1.1 Basis of preparation of the interim financial statements.**

These interim financial statements of the Company were prepared according to local generally accepted accounting principles and presented in the set abbreviated format as stipulated under accounting standard No. 41 concerning Interim Financial Statement with additional items in the basic financial statements such as the Balance Sheet, Income Statement, the Changes in Shareholder's Equity Statement and the Cash Flow Statement and set out in the manner proscribed under the announcement of the Commercial Registration Department concerning "Compulsory Sub-Entries for Financial Statement" (2001) and in order to comply with the announcement of the Securities and Exchange Commission and the regulations of the Stock Exchange of Thailand.

In order to prepare the financial statements to comply with generally accepted accounting standards, the company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenue, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ the estimated amount.

These interim financial statements were prepared to provide additional information over the latest previous financial statements, therefore they emphasize the latest business information, new events and situations so as not to duplicate information already reported on and so they should be used in conjunction with the latest annual financial statements available.

For the convenience of the user, and English translation of the company financial statements has been prepared from the financial statements that are issued in the Thai language.

1.2 Summary of Significant Accounting Policy

These interim financial statements were prepared under the same accounting policy and calculation methods as used in the financial statements ending on December 31, 2006.

2. Inter-Transactions

The significant inter-transactions between the company and the related companies were as follows:

2.1 Inter – Sales and Expenses

	Pricing policy	For the Quarter	
		Ended on March 31,	
		2007	2006
		'000 Baht	'000 Baht
<u>Inter - Sales</u>			
GENIUS TECH TRADING CO., LTD.	(1)	157,299	151,541
CHAICHANA STEEL CENTER CO., LTD.	(1)	-	7,588
P.A.P EXIM CO., LTD.	(1)	12,128	22,834
CHAI SUPON CO., LTD.	(1)	3,992	1,043
MAHALAP METAL CO., LTD.	(1)	4,588	5,588
HARNSAWAT LTD. PART.	(1)	608	817
SIAM FERRO INDUSTRY CO., LTD.	(1)	19	-
EMPIRE STEEL CENTER CO., LTD.	(1)	-	51,830
Total		178,634	241,241
<u>Inter – Transportation Revenue</u>			
G.T. STEEL WORKS CO., LTD.	(3)	4	-
EMPIRE STEEL CENTER CO., LTD.	(3)	-	494
Total		4	494
<u>Inter – Purchases</u>			
SIAM FERRO INDUSTRY CO., LTD.	(1)	28	-
Total		28	-
<u>Inter – Assets Acquisition</u>			
TEAM VIS CONSTRUCTION CO., LTD.	(4)	-	1,761
SIAM FERRO INDUSTRY CO., LTD.	(4)	-	1
GENIUS TECH TRADING CO., LTD.	(4)	-	25
G.T. STEEL WORKS CO., LTD.	(4)	-	26
Total		-	1,813
<u>Inter – Subcontract</u>			
SIAM FERRO INDUSTRY CO., LTD.	(3)	7,747	14,161
CHAICHANA STEEL CENTER CO., LTD.	(3)	-	570
Total		7,747	14,731

		For the Quarter Ended on March 31,	
Pricing policy		2007	2006
		'000 Baht	'000 Baht
<u>Inter – Directors' Remuneration</u>			
DIRECTORS	(2)	100	-
<u>Inter – Other Expenses</u>			
SIAM FERRO INDUSTRY CO., LTD.	(4)	3,410	1,789
GENIUS TECH TRADING CO., LTD.	(4)	-	293
A.T. STEEL CO., LTD.	(4)	294	-
G.T. STEEL WORKS CO., LTD.	(4)	82	94
Total		3,786	2,176

Pricing policy is determined in accordance with the criteria as follows:

- (1) Price is complied with the price mutually agreed upon which can be comparative against outside parties.
- (2) Annual general meeting of the shareholders
- (3) Price is complied with the prices in accordance with the contract.
- (4) Price is complied with the prices which are mutually agreed upon.

2.2 Inter – Assets and Liabilities

		As of March 31, 2007	As of December 31, 2006
		'000 Baht	'000 Baht
<u>Inter – Accounts and Notes Receivable</u>			
P.A.P EXIM CO., LTD.		1,274	1,615
MAHALAP METAL CO., LTD.		1,264	-
HARNSAWAT LTD. PART.		28	-
CHAIUPON CO., LTD.		-	391
GENIUS TECH TRADING CO., LTD.		82,709	-
EMPIRE STEEL CENTER CO., LTD.		-	10,758
THANASUB PAISARN CO., LTD.		9,904	9,904
Total		95,179	22,668
<u>Less</u> Allowance for Doubtful Debt - THANASUB PAISARN CO., LTD.		(9,904)	(9,904)
Net		85,275	12,764

	As of March 31, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
<u>Inter – Accounts and Notes Payable</u>		
SIAM FERRO INDUSTRY CO., LTD.	2,322	438
GENIUS TECH TRADING CO., LTD.	-	133
G.T. STEEL WORKS CO., LTD.	85	99
Total	2,407	670
<u>Inter - Accrued Expenses</u>		
SIAM FERRO INDUSTRY CO., LTD.	258	-
A.T. STEEL CO., LTD.	1	1
CHAICHANA STEEL CENTER CO., LTD.	-	321
Total	259	322

2.3 The Company's Relationship

Consist of :

<u>Name</u>	<u>Activities</u>	<u>Relationship</u>
TARGET STEEL CO., LTD.	Distribution of coil steel and sheet steel	Joint directors . (The company gave up it's business on September 30, 2005)
SIAM FERRO INDUSTRY CO., LTD.	Engagement of steel production and steel cut -off	Director of company is executive planner for restructure company.
TANTIVIRUN F.M. HOLDING CO., LTD.	Management of investment	Closed cousin of executive officer are director and shareholders.
G.T. STEEL WORKS CO., LTD.	Production and distribution of steel	Closed cousin of executive officer are director and shareholders.
GENIUS TECH TRADING CO., LTD.	Production and distribution of steel	G.T. Steel Works Co., Ltd. and closed cousin are major shareholders.
TEAM VIS CONSTRUCTION CO., LTD.	Construction contractor	Director of company is director and shareholder.
SAHAKOLNLOHAKIJ LTD. PART	Engagement, production of machinery and line steel plates	Joint shareholders.
CHAIUPON CO., LTD.	Distribution of PVC pipes, water, and steel	Closed cousin of executive officer are director and shareholders.
MAHALAP METAL CO., LTD.	Distribution of PVC pipes, water, and steel	Closed cousin of executive officer are director and shareholders.
HARNSAWAT LTD. PART.	Distribution of PVC pipes, water, and steel	Closed cousin of executive officer are director and shareholders.
P.A.P EXIM CO., LTD.	Distribution of shape steel	Closed cousin of executive officer are director and shareholders.
THANASUB PAISARN CO., LTD.	Distribution of shape steel	Closed cousin of executive officer are director and shareholders.
A.T. STEEL CO., LTD.	Distribution of line steel	Closed cousin of executive officer are director and shareholders.
CHAICHANA STEEL CENTER CO., LTD.	Distribution of steel pipe, line steel and sheet steel	Joint directors . (at present are retired on May, 2005)
EMPIRE STEEL CENTER CO., LTD.	Distribution of shape steel, line steel and steel	Joint directors . (at present are retired on May, 2005)

3. Accounts and Notes Receivable Other Companies - Net

An aging analysis of accounts receivable other companies as of March 31, 2007 and December 31, 2006 are as follows :

	As of March 31, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Notes Receivable	206,772	175,823
Account Receivable		
Within credit term	154,909	258,717
Over due 1 to 30 days	108,395	162,856
Over due 31 to 60 days	109,083	9,163
Over due 61 to 90 days	44,479	-
Over due over 91 days	56,185	-
Total Account Receivable	679,823	430,736
<u>Less</u> Allowance for Doubtful Debt – Account Receivable	(180,067)	-
Net	499,756	606,559

As of March 31, 2007, one trade account receivable in amount of Baht 180.07 million, the Company was faced with inability to call for debt repayment in February 2007. However, the Chief Executive Officer has expressed responsibility to compensate damage to the Company because of the board of directors approved the credit line of selling to such trade account receivable, while there is the term of installment to the Company as installment until the Company will receive repayment in full amount plus interest in the rate of 8% per annum as mention in note no. 21. However, the responsibility expression to compensation damage could not be considered as debt repayment receipt on behalf of such trading account receivable; therefore, it has to consider the set-up of doubtful debt allowance. Thus, the Company has restated the financial statements for the quarter ended March 31, 2007 by record of allowance for doubtful debt of trade account receivable in whole amount.

As of December 31, 2006, the Company took post dated cheque in amount of Baht 87.69 million to pledge against loan due to merchant bank.

4. Accounts and Notes Receivable Related Companies - Net

An aging analysis of accounts receivable related companies as of March 31, 2007 and December 31, 2006 are as follows :

	As of March 31, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Notes Receivable	1,043	4,452
Account Receivable		
Within credit term	84,232	8,145
Over due 1 to 30 days	-	167
Over due 31 to 60 days	-	-
Over due 61 to 90 days	-	-
Over due over 91 days	9,904	9,904
Total Account Receivable	94,136	18,216
Total	95,179	22,668
<u>Less</u> Allowance for Doubtful Debt – Account Receivable	(9,904)	(9,904)
Net	85,275	12,764

5. Inventories - Net

Consist of :

	As of March 31, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Finished Goods	264,948	216,941
Raw Materials	115,621	106,238
Goods-in-Transit	-	149,950
Total	380,569	473,129
<u>Less</u> Allowance from Declining in Value of Goods	(1,682)	(625)
Net	378,887	472,504

6. Pledged Deposit at Financial Institution

As of March 31, 2007 and December 31, 2006, the whole amount is bank deposit in type of saving account which is taken to pledge against trust receipt payable and loan in form of promissory note at the merchant bank according to note no.11.

7. Investment in Property

As of March 31, 2007 and December 31, 2006, the Company holds investment in the land in number of 9 pieces in cost prices including land improvement in amount of Baht 39.7 millions. Part of one piece of land in cost price of Baht 6.74 millions has been taken to pledge so as to be collateral of loan due to the bank in the pledged amount of Baht 10.0 millions.

As of September 5, 2005, the Company performed the contract of purchase and sell partly in number of 6 pieces in cost price of Baht 29.81 millions. There is price according to the contract of land purchase and sell in amount of Baht 35 millions, the purchaser has repaid deposit in amount of Baht 5.0 millions while the rest of Baht 30.0 millions is agreed to be posted date cheques in 5 versions to the Company with the detail as follows:

- Version no. 1 In amount of Bath 5.0 million is cheque date on March 5, 2006.
- Version no. 2 In amount of Bath 5.0 million is cheque date on August 5, 2006.
- Version no. 3 In amount of Bath 5.0 million is cheque date on January 5, 2007.
- Version no. 4 In amount of Bath 5.0 million is cheque date on June 5, 2007.
- Version no. 5 In amount of Bath 10.0 million is cheque date on December 30, 2007.

Moreover, it is agreed to transfer ownership of land within December 30, 2007.

As of March 31, 2007 and December 31, 2006, the Company received deposit for land from purchaser in total amount of Baht 20.00 millions and Baht 15.00 millions respectively.

8. Property, Plant and Equipment – Net

For the quarter ended on March 31, 2007 as follows :

	As of March 31, 2007 <u>'000 Baht</u>
Beginning Book Value - Net	177,207
Purchases	22,089
Transfer in	2,169
Sales	-
Transfer out	(2,169)
Depreciation for portion shown in Statement of Income	(5,133)
Ending Book Value - Net	<u>194,163</u>

As of March 31, 2007 and December 31, 2006, the Company mortgaged land plus property as guarantee against short – term loans from the financial institute according to note no. 11.

As of March 31, 2007 and December 31, 2006, the Company had assets with the depreciation fully calculated but still operate which had a cost value of Baht 13.93 million and Baht 1.08 million respectively. The net book value of which was now Baht 24.0 and Baht 16.0 respectively.

9. Intangible Asset

As of March 31, 2007 and December 31, 2006, the Company has computer program during the systems test.

10. Credit Facilities and Guarantee

As of March 31, 2007 and December 31, 2006 the Company has credit line from commercial bank and financial institution in form overdraft, trust receipts, short-term loan, note receivable discount by granted the total credit line amount of Baht 1,132.54 million and Baht 866.80 million respectively. It is pledged by the Company's mortgage register of land plus property in Note 7, 8 land plus property of a director and deposit bank.

11. Bank Overdrafts and Short-Term Loans from Financial Institutions

Consists of :

	As of March 31, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Trust Receipts	336,072	497,191
Promissory Note	516,000	231,000
Note Receivable Discount	961	-
Total	<u>853,033</u>	<u>728,191</u>

As of March 31, 2007 and December 31, 2006, trust receipt payable is carried by interest rates of 6.25 – 6.50% per annum and 4.75 – 7.50% per annum respectively.

As of March 31, 2007 and December 31, 2006, the whole amount of short term loan from the financial institutes is borrowing in form of promissory note, carried interest rate of 5.25 – 7.50% and 4.75 – 7.50% per annum respectively.

As of March 31, 2007, Note receivable discount is carried by interest rates of 7.50% per annum.

Loan due to above finance institute is guaranteed by mortgaging the Company's land plus property, machinery and equipment according to note no. 7, 8 the director's land plus property and the Company bank deposit.

12. Liabilities under Financial Lease Agreement – Net

Consist of :

	As of March 31, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Liabilities under Financial Lease Agreement	3,328	4,656
<u>Less</u> Interest Payment from Financial Lease Agreement	(231)	(461)
Current Portion of Financial Lease Agreement	<u>(1,684)</u>	<u>(2,782)</u>
Net	<u>1,413</u>	<u>1,413</u>

As of March 31, 2007 and December 31, 2006, the Company comprises asset under the financial leased contract in type of vehicle and machinery. There is net book value by amount of Baht 7.98 millions and Baht 9.05 millions respectively. The Company will receive ownership in such asset when the Company completely repays debt to creditors in accordance with the financial leased contract.

13. Long Term Loans from Financial Institutions – Net

Consist of :

	As of March 31, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Long Term Loans from Financial Institutions	45,000	-
<u>Less</u> Current Portion	(8,250)	-
Net	<u>36,750</u>	<u>-</u>

As of March 31, 2007, the loan credit line of Baht 45.0 millions is loan due to one finance institute which the principle is monthly repayable in number 60 installments each of which is Baht 0.75 millions. The first installment is repayable on May 31, 2007. Interest is monthly repayable. Interest is carried in the rate of MLR which during this contract performance, interest rate is 7.50% per annum.

The Company mortgaged land plus property of the Company according to note no. 8 and the Company director is guarantor.

14. Capital Stock

In accordance with the minute of the Annual General Shareholders' Meeting for the year 2006 which held on March 14, 2006, it is unanimously resolved that the Company approved to increase its registered capital to Baht 100 million to Baht 500.0 million, by issuing 100,000,000 new Common Shares at 1 Baht par value to be offered to the public. In addition, the par value of its Common Shares was also changed from 100 to 1 Baht per share. The capital increase was already registered at The Ministry Of Commerce on March 27, 2006.

As of August 30, 2006, the Company sold increase Common Shares to the public by issuing 100,000,000 new Common Shares at Baht 2.25 per share totaling amount Baht 225.0 million. There are premium on share capital amount Baht 118.25 million (Net from underwriting expense amount Baht 6.75 million)

15. Dividend Payment and Legal Reserve

In accordance with the minute of Annual General Shareholders' Meeting for the year 2006 which held on March 14, 2006, it is unanimously resolved that the Company appropriates net profit for 2005 as dividend to shareholders in number of 4.0 million shares in the rate of Baht 12.50 per share aggregating to amount of Baht 50.0 million and resolved to appropriate legal reserved amount of Baht 4.58 million while it is repayable on March 15, 2006, whereby the Company has already paid dividend.

16. Directors' Remuneration

Directors' Remuneration was paid to the company's directors under Section 90 of Public Company Limited Act which did not include salaries and related benefits paid to the company's management directors.

17. Corporate Income Tax

For the quarter ended on March 31, 2007 and 2006, the company calculated the income tax at the rate of 30% of net profit after making adjustment transactions in accordance with the Revenue Code.

18. Provident Fund

The Company has been established the provident fund which is managed by external fund manager, that staff and the company has to contribute to the fund at the rate of 3 percent of basic salary according with the funds regulation. This fund is managed by a Financial Institution as a fund manager. The company has payment the provident fund for the quarters ended on March 31, 2007 in amount of Baht 0.89 million.

19. Presentation of Financial Data Segregated by Business Sector

The Company is operate in only one business sector, i.e. distribution of steel pipe and steel products and operate in one geographical area only in Thailand. Thus all income, profit and entire assets shown in the financial statements are related to the said business sector and geographical area.

20. Obligations and Contingent Liabilities

- 20.1 Apart from liabilities shown on the balance sheets as of March 31, 2007 and December 31, 2006 the Company still remains other obligations and contingent liabilities with commercial banks as follows :

	As of March 31, 2007	As of December 31, 2006
- Letters of Credit		
Credit Line 600.0 Million, Credit Unused	237.77	207.23
- Letters of Guarantee	1.54	0.80

- 20.2 As of March 31, 2007 and December 31, 2006, the Company holds the forward contract remained in amount of USD 1.0 millions and USD 3.09 millions respectively while the value according to the forward contract equal to Baht 36.10 millions and Baht 111.85 millions respectively. Moreover, there is fair value of the forward contract in amount of Baht 35.02 millions and Baht 111.30 millions respectively. This forward contract holds the period of maturity within July 2007 and April, 2007 respectively while there is merchant bank is counter party.

- 20.3 As of March 31, 2007 and December 31, 2006, the Company comprises obligation commitment from the contract performance of the warehouse building construction with other persons in amount of Baht 0.15 millions and Baht 1.29 millions.

- 20.4 The Company holds obligation commitment according to the leased contract as follows:

- The contract of land lease with other persons. The contract is carried the life of 3 years ended on May 31, 2008. The leased fee is in the rate of Baht 100,000 per month.
- The contract of land, plant and equipment lease with one related company. The contract is carried the life of 3 years ended on November 30, 2007. The leased fee is in the rate of Baht 100,000 per month.
- The contract of sublet of building area with one other company. The contract is carried the life of 3 years ended on May 31, 2009. The leased fee and service fee is in the rate of Baht 112,200 per month.
- The contract of sublet of building area with one other company. The contract holds the life of 3 years ended on March 31, 2009. The leased fee and service fee are in the rate of Baht 54,400 per month.

- The contract of truck lease of 5 vehicles with one other company. The contract holds the life of one year. The leased fee is in the rate of Baht 126,000 per month.

As of March 31, 2007 and December 31, 2006, the Company holds the total leased fee amount which has to completely repay in amount of Baht 7.40 millions and Baht 8.87 millions respectively.

20.5 The Company comprises obligation commitment according to the contract of labour engagement to produce steel with one related company. The contract holds the life of one year ended on August 31, 2006. It is determined that the life is automatically renewed for the period of 1 year. The engagement fee is in the rate of Baht 190,000 per month. In April, 2006, the production quantity is increased; the annex of the contract is recorded and the engagement fee is increased to Baht 300,000 per month. As of March 31, 2007 and December 31, 2006, the Company holds the total engagement fee which has to fully repay until the contract is complete in amount of Baht 1.50 millions and Baht 2.40 millions respectively.

21. Restatement of Interim Financial Statements

In accordance with note to financial statements no. 3, The Company was faced with inability to call for debt repayment from one trading account receivable in amount of Baht 180.07 millions in February 2007. The Company's Chief Executive Officer has expressed responsibility to compensate damage to the Company since the board of directors is the person to approve the credit line of merchandise sale to such trading account receivable while there is the term of installment to the Company as installment until the Company will receive repayment in full amount plus interest in the rate of 8% per annum which is equivalent to interest receivable throughout the period of installment in total amount of Baht 17.76 millions. It is repayable in number of 28 installments for the first installment in amount of Baht 18.0 millions, for the 2nd – 27th installment in amount of Baht 6.0 millions per installment, for the 28th installment, the whole remaining balance is repayable. However, if during the period of installment, the Company can follow-up debt returned from account receivable by any amount, the followed up amount is taken to deduct from the final installment balance. The Company still holds the right in the follow-up procedure and proceeds with the prosecution against such trading account receivable until it will completely receive the money. When the Company completely received debt repayment, the claimant right in the whole debt value which the trading account receivable due to the Company is further transferred to be the right of the Chief Executive Officer that is complied with the minute of the board of directors meeting no. 3/2007 held on April 24, 2007. The

Company reclassified such type of trading account receivable by reflecting as account receivable from compensation of damage. However, the responsibility expression to compensation damage could not be considered as debt repayment receipt on behalf of such trading account receivable; therefore, it has to consider the set-up of doubtful debt allowance. Hence, the Company has restated the financial statements for the quarter ended March 31, 2007 by classified such debtor from damage compensation to trade account receivable and considered the record of allowance of doubtful debt for such trading account receivable in whole amount of Baht 180.07 millions. Moreover, The Company will record to recognize the amount received in each installment debt repayment from the Chief Executive Officer as other revenue under the caption of “other revenue from debt repayment receipt from management instead of trading account receivable”. The Company received the 1st installment debt repayment in amount of Baht 18.0 millions on May 14, 2007. The result from such rectification enables the trading account receivable as of March 31, 2007 reduced by amount of Baht 180.07 millions. Net profit for the quarter ended March 31, 2007 decrease in amount of Baht 180.07 millions.

As a result, the Company corrected and re-prepared the financial statements for the quarter ended on March 31, 2007 in replacement of the financial statements which ever presented.

22. Subsequent Events

In accordance with the minute of Annual General Shareholders’ Meeting for the year 2007 which held on April 3, 2007, it is unanimously resolved that the Company appropriates net profit for 2006 as dividend to shareholders in number of 500.0 million shares in the rate of Baht 0.10 per share aggregating to amount of Baht 50.0 million and resolved to appropriate legal reserved amount of Baht 4.08 million while it is repayable on April 24, 2007.

23. Approval of the Interim Financial Statement

These interim financial statements have been approved by authorized directors of the Company on October 1, 2007.
