

(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 June 30, 2007 the related statements of income for the quarter and for the six months period ended on June 30, 2007 the statements of changes in shareholders' equity and the statements of cash flow for the six months period 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, for the quarter and for the six months period ended on June 30, 2006, the changes in shareholders' equity and the statements of cash flows for six months period then ended were reviewed by another auditor as report dated on August 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 as follows:

In accordance with note to financial statements No. 2 The Company has restated the balance sheet as of December 31, 2006, the statements of income for the quarter and the six months period ended on June 30, 2006 and the statements of changes in shareholders' equity and the statements of cash flow for the six months period ended on June 30, 2006 is presented herein for reflect the change in accounting policy involve with inventories are valued at cost under FIFO method to valued at cost under MOVING AVERAGE method, In my opinion, the adjustments are appropriate and have been properly applied.

In accordance with note to financial statements no. 24, The Company rectified the financial statements for the quarter and for the six months period ended on June 30, 2007, which I ever reviewed and presented the reviewed report dated on August 10, 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 Baht18.0 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 transferred account receivable from damage compensation to be trading account receivable and considered the record of allowance of doubtful debt for such trading account receivable in whole amount of Baht180.07 millions in the financial statements for the quarter ended on March 31, 2007 (new adjusted version) 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. As a result, the Company will record such instead amount received as other revenue in the statement of income for the quarter and for the six months period ended on June 30, 2007 in amount of Baht18.0 millions. The result from such rectification enables the trading account receivable as of June 30, 2007 reduced by amount of Baht 180.07 millions. Net profit for the quarter is increased by amount of Baht 18.0 millions and for the six months period ended on June 30, 2007, it is reduced by amount of Baht162.07 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 June 30, 2007 and December 31, 2006

		2007	2006
		'000 Baht	'000 Baht
		Unaudited	Audited
		Limited review only	
		(Restated)	(Restated)
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents Items		27,136	28,516
Accounts and Notes Receivable Other Companies-Net	(Note 4)	775,402	606,559
Accounts and Notes Receivable Related Companies-Net	(Note 3.2,5)	84,925	12,765
Inventories-Net	(Note 6)	374,568	475,019
Other Current Assets			
Advance Payment - Goods		46,729	131,207
Other Account Receivable - Security Company	(Note 7)	26,478	-
Other		10,135	8,410
		1,345,373	1,262,476
NON-CURRENT ASSETS			
Pledged Deposit at Financial Institution	(Note 8)	213,000	207,000
Investment in Property	(Note 9)	39,702	39,702
Property Plant and Equipment - Net	(Note 10)	195,902	177,207
Intangible Asset	(Note 11)	3,836	2,785
Other Non-Current Assets			
Deposit Paid for Land	(Note 12)	50,000	-
Other		666	402
		503,106	427,096
		1,848,479	1,689,572

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of June 30, 2007 and December 31, 2006

		2007	2006
		'000 Baht	'000 Baht
		Unaudited	Audited
		Limited review only	
		(Restated)	(Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-Term Loans from Financial Institutions	(Note 14)	1,035,763	728,191
Accounts and Notes Payable Other Companies		160,492	177,613
Accounts and Notes Payable Related Companies	(Note 3.2)	5,094	670
Current Portion of Liabilities Under Financial Lease Agreement	(Note 15)	1,579	2,782
Current Portion of Long Term Loans	(Note 16)	9,000	-
Other Current Liabilities			
Deposit Receipt for Land	(Note 9)	25,000	15,000
Accrued Corporate Income Tax		9,377	6,272
Other Account Payable		9,200	7,043
Others		6,204	6,528
		1,261,709	944,099
NON-CURRENT LIABILITIES			
Long Term Loans from Financial Institutions - Net	(Note 16)	33,750	-
Liabilities under Financial Lease Agreement - Net	(Note 15)	958	1,413
		34,708	1,413
		1,296,417	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 June 30, 2007 and December 31, 2006

	2007	2006
	'000 Baht	'000 Baht
	Unaudited	Audited
	Limited review only	
	(Restated)	(Restated)
SHAREHOLDERS' EQUITY		
Share Capital	(Note 17)	
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	8,667	4,585
Unappropriated	-74,855	121,225
TOTAL SHAREHOLDERS' EQUITY	552,062	744,060
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,848,479	1,689,572

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED
INCOME STATEMENTS

Unaudited
Limited review only

	For the Quarter ended on June 30		For the six months ended on June 30	
	2007	2006	2007	2006
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
	(Restated)	(Restated)	(Restated)	(Restated)
REVENUES FROM OPERATION				
Sales	1,071,696	1,004,698	2,355,635	2,275,293
Other Income				
Interest Revenue	2,327	1,976	4,752	2,329
Gain from Sale of Investment in Trading Security	1,478	-	1,478	-
Other revenue from debt repayment receipt from management instead of trading account receivable (Note 24)	18,000	-	18,000	-
Others	3,124	1,717	7,875	5,082
TOTAL REVENUES	1,096,625	1,008,391	2,387,740	2,282,704
EXPENSES FROM OPERATION				
Cost of Goods Sold	1,022,882	928,576	2,270,964	2,124,631
Selling and Administrative Expenses	19,941	18,811	41,948	39,913
Doubtful Debt (Note 4)	-	-	180,067	-
Directors' Remuneration (Note 19)	260	380	360	380
TOTAL EXPENSES	1,043,083	947,767	2,493,339	2,164,924
PROFIT(LOSS) BEFORE INTEREST EXPENSES				
AND CORPORATE INCOME TAX	53,542	60,624	-105,599	117,780
INTEREST EXPENSES	(13,317)	(9,254)	-26,876	(16,176)
CORPORATE INCOME TAX (Note 20)	(6,868)	(14,868)	-9,523	(26,464)
NET PROFIT(LOSS)	33,357	36,502	-141,998	75,140
BASIC EARNINGS(LOSS) PER SHARE (BAHT)	0.07	0.09	-0.28	0.19
ORDINARY SHARES (THOUSAND SHARES)	500,000	400,000	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 six months period ended on June 30, 2007 and 2006

		Unaudited				
		Limited review only				
		ISSUED AND	PREMIUMS	RETAINED EARNINGS(DEFICIT)		
		PAID-UP SHARE	ON SHARE	APPROPRIATED	UNAPPROPRIATED	TOTAL
		CAPITAL	CAPITAL	LEGAL RESERVE		
		'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
Adjustment from Changing in the Accounting Policy	(Note 2)	-	-	-	2,487	2,487
Balance as of December 31, 2006 (After Adjustment)		500,000	118,250	4,585	121,225	744,060
Dividend paid	(Note 18)	-	-	-	(50,000)	(50,000)
Legal reserves	(Note 18)	-	-	4,082	(4,082)	-
Net profit(loss) for the period (Restated)		-	-	-	-141,998	-141,998
Balance as of June 30, 2007		500,000	118,250	8,667	-74,855	552,062
Balance as of December 31, 2005		400,000	-	-	91,702	491,702
Adjustment from Changing in the Accounting Policy	(Note 2)	-	-	-	(2,380)	(2,380)
Balance as of December 31, 2005 (After Adjustment)		400,000	-	-	89,322	489,322
Dividend paid	(Note 18)	-	-	-	(50,000)	(50,000)
Legal reserves	(Note 18)	-	-	4,585	(4,585)	-
Net profit for the period (Restated)		-	-	-	75,140	75,140
Balance as of June 30, 2006		400,000	-	4,585	109,877	514,462

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 six months period ended on June 30, 2007 and 2006

	Unaudited	
	Limited review only	
	2007	2006
	'000 Baht	'000 Baht
	(Restated)	(Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit(Loss)	(141,998)	75,140
Adjustments to Net Profit for Cash Provided (Used) from Operation:		
Depreciation	10,331	11,068
Doubtful Debt	180,067	-
Interest Payment from Liabilities under Financial Lease Agreement	292	-
Deferred Expense	219	-
Amortisation of Intangible Asset	32	
Gain from Sale of Investment	(1,478)	-
Gain from Sale of Property, Plant and Equipment	(9)	-
Loss from Declining in Value of Inventories (Reversal)	1,315	(11,244)
Profit from Operating Activities before Change in Operating Assets and Liabilities	48,771	74,964
(Increase) Decrease in Accounts and Notes Receivable-Other Companies	(348,910)	431,688
(Increase) Decrease in Accounts and Notes Receivable-Related Companies	(72,160)	23,132
(Increase) Decrease in Inventories	99,136	(162,536)
(Increase) Decrease in Advance Payment - Goods	84,477	(2,602)
(Increase) Decrease in Other Account Receivable - Security Company	(25,000)	-
(Increase) Decrease in Other Current Assets	(1,901)	(15,761)
Increase(Decrease) in Accounts and Notes Payable-Other Companies	(17,121)	(317,864)
Increase(Decrease) in Accounts and Notes Payable-Related Companies	4,423	(5,185)
Increase (Decrease) in Advance Receipt for Goods	-	(128,972)
Increase(Decrease) in Accrued Corporate Income Tax	3,105	15,736
Increase(Decrease) in Other Account Payable	(3,775)	-
Increase(Decrease) in Other Current Liabilities	(323)	(5,338)
Cash Provided(Used) from Operating Activities - Net	(229,278)	(92,738)

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 six months period ended on June 30, 2007 and 2006

	Unaudited	
	Limited review only	
	2007	2006
	'000 Baht	'000 Baht
	(Restated)	(Restated)
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) Decrease in Pledged Deposit at Financial Institution	(6,000)	(7,863)
(Increase) Decrease in Non Other Current Assets	(263)	(111)
(Increase) Decrease in Intangible Asset	(7)	(2,335)
Cash Received from Deposit Receipt for Land	10,000	5,000
Cash Received from Sale of Property, Plant and Equipment	11	-
Cash Payment for Deposit for Purchased Land	(50,000)	-
Cash Payment for Purchased of Fixed Assets	(24,215)	(11,244)
Cash Provided(Used) from Investing Activities - Net	(70,474)	(16,553)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase (Decrease) in Short-Term Loans from Financial Institution	307,572	175,870
Increase (Decrease) in Long -Term Loans from Financial Institution	42,750	-
Increase (Decrease) in Liabilities under Financial Lease Agreement	(1,950)	(2,656)
Dividend paid	(50,000)	(50,000)
Cash Providend (Used) from Financing Activities - Net	298,372	123,214
CASH AND ITS EQUIVALENT INCREASE (DECREASE)-NET	(1,380)	13,923
CASH AND ITS EQUIVALENT ITEMS AT BEGINNING OF THE PERIOD	28,516	35,304
CASH AND ITS EQUIVALENT ITEMS AT ENDING OF THE PERIOD	27,136	49,227
Additional Disclosure of Cash Flow Data.		
1. Cash Payment During the Period :		
- Interest Expenses	27,048	19,375
- Corporate Income Tax	6,418	20,856
2. Cash and Its Equivalent Item, Consist of :-		
- Cash	173	80
- Bank Deposit - Current Deposit	5,786	48,608
- Bank Deposit - Saving Deposit	21,122	539
- Bank Deposit - Fixed Deposit	55	-
Total	27,136	49,227
3. Non-cash items which are not shown in cash flows statement		
- For the six months period ended on June 30, 2007 the Company purchased fixed assets from other accounts payable in amount of Baht 4.86 million.		
- For the six months period ended on June 30, 2007 the Company purchased intangible assets from other accounts payable in amount of Baht 1.08 million.		

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

RICH ASIA PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
June 30, 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 except the change in the Accounting Policy involve with valuation of inventories according to note no.2.

2. Changing in the Accounting Policy

In 2007, the Company had changed the Accounting Policy involve with valuation of inventories from valued at cost under FIFO method to valued at cost under MOVING AVERAGE method. The Company was approved by the Revenue Department on April 18, 2007. However, the Company have retroactive to the financial statement that was compared as same as in used MOVING AVERAGE method. This change has effected the increasing of inventories and retained earning as of December 31, 2006 by Baht 2.49 million (effect to retained earning beginning in year 2006 decreased in amount of Baht 2.38 million, effect to net Profit for the quarter and the six months period ended on June 30, 2006 increased in amount of Baht 1.13 million : Baht 0.003 per share and increased in amount of Baht 3.39 million : Baht 0.008 per share respectively and effect to net profit for the year 2006 increased in amount of Baht 4.87 million : Baht 0.01 per share) The Cumulative effect of change in accounting policy has been presented under the heading of “Adjustment from changing in the Accounting Policy” in the statements of changes in shareholders’ equity.

3. Inter-Transactions

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

3.1 Inter – Sales and Expenses

	Pricing policy	For the Quarter		For the Six months period	
		Ended on June 30,		Ended on June 30,	
		2007	2006	2007	2006
		'000 Baht	'000 Baht	'000 Baht	'000 Baht
<u>Inter - Sales</u>					
GENIUS TECH TRADING CO., LTD.	(1)	-	-	157,299	151,541
P.A.P EXIM CO., LTD.	(1)	8,615	17,045	20,744	39,879
CHAI SUPON CO., LTD.	(1)	2,415	2,518	6,408	3,561
MAHALAP METAL CO., LTD.	(1)	2,177	6,983	6,764	12,571
HARNSAWAT LTD. PART.	(1)	370	697	978	1,514
SIAM FERRO INDUSTRY CO., LTD.	(1)	-	-	19	-
G.T. STEEL WORKS CO., LTD.	(1)	88	-	88	-
Total		13,665	27,243	192,300	209,066
<u>Inter – Transportation Revenue</u>					
G.T. STEEL WORKS CO., LTD.	(3)	-	-	4	-
Total		-	-	4	-
<u>Inter – Purchases</u>					
SIAM FERRO INDUSTRY CO., LTD.	(1)	-	-	28	-
GENIUS TECH TRADING CO., LTD.	(1)	3,547	-	3,547	-
Total		3,547	-	3,575	-
<u>Inter – Assets Acquisition</u>					
TEAM VIS CONSTRUCTION CO., LTD.	(4)	-	1,971	-	3,732
SIAM FERRO INDUSTRY CO., LTD.	(4)	-	-	-	1
GENIUS TECH TRADING CO., LTD.	(4)	-	-	-	25
G.T. STEEL WORKS CO., LTD.	(4)	-	153	-	179
Total		-	2,124	-	3,937
<u>Inter – Subcontract</u>					
SIAM FERRO INDUSTRY CO., LTD.	(3)	5,011	6,779	14,595	20,940
Total		5,011	6,779	14,595	20,940
<u>Inter – Directors' Remuneration</u>					
DIRECTORS	(2)	260	380	360	380
Total		260	380	360	380

	Pricing policy	For the Quarter		For the Six months period	
		Ended on June 30,		Ended on June 30,	
		2007	2006	2007	2006
		'000 Baht	'000 Baht	'000 Baht	'000 Baht
<u>Inter – Other Expenses</u>					
SIAM FERRO INDUSTRY CO., LTD.	(4)	1,676	4,247	2,582	6,036
A.T. STEEL CO., LTD.	(4)	297	293	590	585
G.T. STEEL WORKS CO., LTD.	(4)	65	368	147	462
Total		<u>2,038</u>	<u>4,908</u>	<u>3,319</u>	<u>7,083</u>

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.

3.2 Inter – Assets and Liabilities

	As of	As of
	June 30, 2007	December 31, 2006
	'000 Baht	'000 Baht
<u>Inter – Accounts and Notes Receivable</u>		
P.A.P EXIM CO., LTD.	-	1,615
G.T. STEEL WORKS CO., LTD.	57	-
MAHALAP METAL CO., LTD.	18	-
HARNSAWAT LTD. PART.	31	-
CHAI SUPON CO., LTD.	2,110	392
GENIUS TECH TRADING CO., LTD.	82,709	10,758
THANASUB PAISARN CO., LTD.	9,904	9,904
Total	<u>94,829</u>	<u>22,669</u>
<u>Less</u> Allowance for Doubtful Debt - THANASUB PAISARN CO., LTD.	<u>(9,904)</u>	<u>(9,904)</u>
Net	<u>84,925</u>	<u>12,765</u>

	As of June 30, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Inter – Accounts and Notes Payable		
SIAM FERRO INDUSTRY CO., LTD.	1,229	438
GENIUS TECH TRADING CO., LTD.	3,796	133
G.T. STEEL WORKS CO., LTD.	66	99
A.T. STEEL CO., LTD.	3	-
Total	<u>5,094</u>	<u>670</u>
Inter - Accrued Expenses		
SIAM FERRO INDUSTRY CO., LTD.	2,262	-
A.T. STEEL CO., LTD.	-	1
Total	<u>2,262</u>	<u>1</u>

3.3 The Company's Relationship

Consist of :

Name	Activities	Relationship
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.
CHAI SUPON 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.

4. Accounts and Notes Receivable Other Companies - Net

An aging analysis of accounts receivable other companies as of June 30, 2007 and December 31, 2006 are as follows :

	As of June 30, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Notes Receivable	102,221	175,822
Account Receivable		
Within credit term	613,788	258,717
Over due 1 to 30 days	57,233	162,856
Over due 31 to 60 days	457	9,163
Over due 61 to 91 days	222	-
Over due over 91 days	181,548	-
Total Account Receivable	853,248	430,736
<u>Less</u> Allowance for Doubtful Debt - Account Receivable	(180,067)	-
Total	775,402	606,559

As of June 30, 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. 24. 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 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.

5. Accounts and Notes Receivable Related Companies - Net

An aging analysis of accounts receivable related companies as of June 30, 2007 and December 31, 2006 are as follows :

	As of June 30, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Notes Receivable	54,859	4,452
Account Receivable		
Within credit term	2,198	8,145
Over due 1 to 30 days	18	168
Over due 31 to 60 days	-	-
Over due 61 to 90 days	27,850	-
Over due over 91 days	9,904	9,904
Total Account Receivable	39,970	18,217
Total	94,829	22,669
<u>Less</u> Allowance for Doubtful Debt	(9,904)	(9,904)
Net	84,925	12,765

6. Inventories - Net

Consist of :

	As of June 30, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Finished Goods	265,252	217,087
Raw Materials	109,669	108,577
Goods-in-Transit	989	149,950
Spare Part	598	30
Total	376,508	475,644
<u>Less</u> Allowance from Declining in Value of Goods	(1,940)	(625)
Net	374,568	475,019

7. Other Account Receivable – Security Company

The whole amount is other account receivable – security company from sale Investment of trading security which the Company has already received the whole amount on July 2,2007.

8. Pledged Deposit at Financial Institution

As of June 30, 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.14.

9. Investment in Property

As of June 30, 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 June 30, 2007 and December 31, 2006, the Company received deposit for land from purchaser in total amount of Baht 25.00 millions and Baht 15.00 millions respectively.

10. Property, Plant and Equipment – Net

For the six months period ended on June 30, 2007 as follows :

	As of June 30, 2007 <u>'000 Baht</u>
Beginning Book Value - Net	177,207
Purchases	29,071
Transfer in	2,175
Sales	(69)
Transfer out	(2,217)
Accumulated Depreciation for Sales Assets	66
Depreciation for portion shown in Statement of Income	(10,331)
Ending Book Value - Net	<u>195,902</u>

As of June 30, 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. 14.

As of June 30, 2007 and December 31, 2006, the Company had assets with the depreciation fully calculated but still operate which had a cost value of Baht 14.17 million and Baht 1.08 million respectively. The net book value of which was now Baht 30.0 and Baht 16.0 respectively.

11. Intangible Asset

For the six months period ended on June 30, 2007 as follows :

	As of June 30, 2007 <u>'000 Baht</u>
Beginning Book Value - Net	2,785
Purchases	1,083
Amortization for portion shown in Statement of Income	(32)
Ending Book Value - Net	<u>3,836</u>

As of June 30, 2007 and December 31, 2006, the Company has computer software is valued at cost on the transaction date deducted accumulated amortization; amortization is calculated by reference to its cost on a straight line method over the 5 years useful lives.

12. Deposit Paid for Land

As of June 30, 2007, the whole amount is deposit of land according to the contract of purchase and sale of land plus property. There is the price according to the contract of Baht55 millions in estimated area of 15 Rais. Moreover, if the measurement of the land is completed, the deficit or exceeded area from the above specified, the counter party agrees to the land price on behalf of deficit or exceeded area in Baht 7,000.- per Square War. The remaining balance will be repayable to the seller on the date of land ownership transfer which it is agreed to transfer within 30 days commenced from the date the seller has completed with the land separated measurement filing.

13. Credit Facilities and Guarantee

As of June 30, 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 1,362.54 million and Baht 866.80 million respectively. It is pledged by the Company's mortgage register of land plus property in Note 9, 10 land plus property of a director and deposit bank.

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

Consists of :

	As of June 30, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Trust Receipts	519,763	497,191
Promissory Note	516,000	231,000
Total	<u>1,035,763</u>	<u>728,191</u>

As of June 30, 2007 and December 31, 2006, trust receipt payable is carried by interest rates of 5.50 – 6.50% per annum and 4.75 – 7.50% per annum respectively.

As of June 30, 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 5.30 – 7.00% and 4.75 – 7.50% per annum respectively.

Loan due to above finance institute is guaranteed by mortgaging the Company's land plus property, machinery and equipment according to note no. 9 and 10, the director's land plus property and the Company bank deposit.

15. Liabilities under Financial Lease Agreement – Net

Consist of :

	As of June 30, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Liabilities under Financial Lease Agreement	2,706	4,656
<u>Less</u> Interest Payment from Financial Lease Agreement	(169)	(461)
Current Portion of Financial Lease Agreement	(1,579)	(2,782)
Net	<u>958</u>	<u>1,413</u>

As of June 30, 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 4.45 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.

16. Long Term Loans from Financial Institutions – Net

Consist of :

	As of June 30, 2007 <u>'000 Baht</u>	As of December 31, 2006 <u>'000 Baht</u>
Long Term Loans from Financial Institutions	42,750	-
<u>Less</u> Current Portion	(9,000)	-
Net	<u>33,750</u>	<u>-</u>

As of June 30, 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 7.00% per annum.

The Company mortgaged land plus property of the Company according to note no. 10 and the Company director is guarantor.

17. 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)

18. Dividend Payment and Legal Reserve

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, whereby the Company has already paid dividend.

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.

19. 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.

20. Corporate Income Tax

For the six months period ended on June 30, 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.

21. 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 six months period ended on June 30, 2007 in amount of Baht 0.11 million.

22. 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.

23. Obligations and Contingent Liabilities

23.1 Apart from liabilities shown on the balance sheets as of June 30, 2007 and December 31, 2006 the Company still remains other obligations and contingent liabilities with commercial banks as follows :

	As of June 30, 2007	As of December 31,2006
- Letters of Credit		
Credit Line 600.0 Million, Credit Unused	28.54	207.23
Credit Line 230.0 Million, Credit Unused	211.69	-
- Letters of Guarantee	1.54	0.80

23.2 As of June 30, 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 34.53 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.

23.3 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 4 vehicles with one other company. The contract holds the life of one year. The leased fee is in the rate of Baht 104,000.- per month.

As of June 30, 2007 and December 31, 2006, the Company holds the total leased fee amount which has to completely repay in amount of Baht 6.39 millions and Baht 8.87 millions respectively.

23.4 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 350,000.- per month. As of June 30, 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 0.70 millions and Baht 2.40 millions respectively.

23.5 As of June 30, 2007 and December 31, 2006, The Company comprises obligation commitment from the contract performance of the warehouse building construction in amount of Baht 6.65 millions and Baht 1.29 millions.

24. Restatement of Interim Financial Statements

In accordance with note to financial statements no. 4, 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 transferred account receivable from damage compensation to be trading account receivable and considered the record of allowance of doubtful debt for such trading account receivable in whole amount of Baht 180.07 millions in the financial statements for the quarter ended on March 31, 2007 (new adjusted version) 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. As a result, the Company will record such instead amount received as other revenue in the statement of income for the quarter and for the six months period ended on June 30, 2007 in amount of Baht18.0 millions. The result from such rectification enables the trading account receivable as of June 30, 2007 reduced by amount of Baht 180.07 millions. Net profit for the quarter is increased by amount of Baht 18.0 millions and for the six months period ended on June 30, 2007, it is reduced by amount of Baht162.07 millions.

As a result, the Company corrected and re-prepared the financial statements for the quarter and for the six months period ended on June 30, 2007 in replacement of the financial statements which ever presented.

25. Approval of the Interim Financial Statement

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