

(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, 2008 the related statements of income, the statements of changes in shareholders' equity and the statements of cash flow for the quarter ended on March 31, 2008 and 2007 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.

I have previously audited, in accordance with the generally accepted auditing standards, the financial statements for the year ended on December 31, 2007 of **RICH ASIA STEEL PUBLIC COMPANY LIMITED** and expressed an unqualified opinion in my report dated February 28, 2008. The balance sheets as of December 31, 2007, presented herein for comparison, have been derived from such financial statement which I have audited and reported on. I have not performed any other audit procedures subsequent to such report date.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED

(Somchai Kurujitkosol)

Authorized Auditor No. 3277

Bangkok,

May 15, 2008

RICH ASIA STEEL PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of March 31, 2008 and December 31, 2007

		2008	2007
		'000 Baht	'000 Baht
		Unaudited	Audited
		Limited review only	
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents Items	(Note 5)	400,739	32,373
Temporary Investment	(Note 6)	27,612	37,886
Accounts and Notes Receivable Other Companies-Net	(Note 7)	991,404	881,407
Accounts and Notes Receivable Related Companies-Net	(Note 4.2,8)	3,874	153
Inventories-Net	(Note 9)	313,227	441,113
Other Current Assets			
Advance Payment - Goods		518,279	91,378
Account Receivable - Revenue Department		33,372	12,705
Other		3,025	7,427
		2,291,532	1,504,442
NON-CURRENT ASSETS			
Pledged Deposit at Financial Institution	(Note 10)	224,761	230,769
Investment in Property	(Note 11)	9,890	9,890
Property Plant and Equipment - Net	(Note 12)	328,836	277,703
Deposit Payment for Investment	(Note 13)	200,000	-
Other Non-Current Assets			
Deposit Paid for Land	(Note 14)	-	50,000
Other		2,252	2,333
		765,739	570,695
		3,057,271	2,075,137

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, 2008 and December 31, 2007

		2008	2007
		'000 Baht	'000 Baht
		Unaudited	Audited
		Limited review only	
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-Term Loans from Financial Institutions	(Note 15,16)	1,166,266	1,187,127
Short-Term Loans from Security Company	(Note 17)	13,992	24,768
Accounts and Notes Payable Other Companies		72,770	179,442
Accounts and Notes Payable Related Companies	(Note 4.2)	502	962
Current Portion of Liabilities Under Financial Lease Agreement		1,124	1,413
Current Portion of Long Term Loans	(Note 18)	9,000	9,000
Other Current Liabilities			
Accrued Corporate Income Tax		23,107	8,186
Exceed of Cash Reserve for Increasing Share Capital	(Note 19)	54,050	-
Others		23,826	33,071
		1,364,637	1,443,969
NON-CURRENT LIABILITIES			
Long Term Loans from Financial Institutions - Net	(Note 18)	27,000	29,250
		27,000	29,250
		1,391,637	1,473,219

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, 2008 and December 31, 2007

	2008	2007
	<u>'000 Baht</u>	<u>'000 Baht</u>
	Unaudited	Audited
	Limited review only	
SHAREHOLDERS' EQUITY		
Share Capital		
Authorized Share Capital		
1,000,000,000 Ordinary Share @ 1.00 Baht	1,000,000	1,000,000
Issued and Paid-up Share Capital		
1,000,000,000 Ordinary Share @ 1.00 Baht (Note 20)	1,000,000	-
500,000,000 Ordinary Share @ 1.00 Baht	-	500,000
Premiums on Share Capital (Note 20)	571,792	72,292
Retained Earnings		
Unappropriated	93,842	29,626
TOTAL SHAREHOLDERS' EQUITY	1,665,634	601,918
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,057,271	2,075,137

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 31,2008 and 2007

		Unaudited	
		Limited review only	
		2008	2007
		'000 Baht	'000 Baht
Sales		1,614,710	1,283,939
Cost of Sales		1,497,184	1,247,588
Gross Profit		117,526	36,351
Other Revenue from Debt Repayment Receipt from			
Management instead of Trading Account Receivable	(Note 7)	20,656	-
Gain on Exchange Rate		10,534	1,304
Others Income		8,201	5,872
Selling and Administrative Expenses		(28,160)	(21,396)
Doubtful Debt	(Note 7)	-	(180,067)
Loss from Investment of Trading Security		(18,229)	-
Interest and Financial Expenses		(31,258)	(14,764)
PROFIT(LOSS) BEFORE CORPORATE INCOME TAX		79,270	(172,700)
CORPORATE INCOME TAX	(Note 21)	(15,054)	(2,655)
NET PROFIT(LOSS)		64,216	(175,355)
BASIC EARNINGS(LOSS) PER SHARE (BAHT)		0.12	(0.35)
ORDINARY SHARES (THOUSAND SHARES)	(Note 22)	554,945	500,000

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 31,2008 and 2007

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, 2007	500,000	72,292	-	29,626	601,918
Increase capital (Note 20)	500,000	499,500	-	-	999,500
Net profit(loss) for the period	-	-	-	64,216	64,216
Balance as of March 31, 2008	1,000,000	571,792	-	93,842	1,665,634
Balance as of December 31, 2006	500,000	118,250	4,585	121,225	744,060
Net profit(loss) for the period	-	-	-	(175,355)	(175,355)
Balance as of March 31, 2007	500,000	118,250	4,585	(54,130)	568,705

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, 2008 and 2007

	Unaudited	
	Limited review only	
	2008	2007
	'000 Baht	'000 Baht
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit(Loss)	64,216	(175,355)
Adjustments to Net Profit(loss) for Cash Provided (Used) from Operation:		
Depreciation	7,978	5,133
Doubtful Debt	-	180,067
Interest Payment from Liabilities under Financial Lease Agreement	22	230
Deferred Expense	85	76
Loss from Sale of Investment in Trading Security	18,064	-
Loss from Unrealized of Investment in Trading Security	165	-
Unrealized Gain on Exchange Rate	(12,468)	-
Loss from Declining in Value of Inventories (Reversal)	(1,361)	1,058
Interest Revenue	(5,151)	(2,425)
Interest Expenses	18,143	13,329
Corporate Income Tax	15,054	2,655
Profit from Operating Activities before Change in Operating Assets and Liabilities	104,747	24,768
Cash Received from Sale of Temporary Investment	23,734	-
Cash Payment for Purchase of Temporary Investment	(27,864)	-
(Increase) Decrease in Accounts and Notes Receivable-Other Companies	(113,822)	(73,264)
(Increase) Decrease in Accounts and Notes Receivable-Related Companies	(3,721)	(72,510)
(Increase) Decrease in Inventories	129,246	92,559
(Increase) Decrease in Advance Payment - Goods	(426,900)	84,232
(Increase) Decrease in Accounts Receivable - Revenue Department	(20,667)	-
(Increase) Decrease in Other Current Assets	353	(5,135)
Increase(Decrease) in Accounts and Notes Payable-Other Companies	(106,671)	(96,030)
Increase(Decrease) in Accounts and Notes Payable-Related Companies	(461)	1,737
Increase(Decrease) in Other Current Liabilities	(9,184)	(743)
Cash Payment Corporate Income Tax and Withholding Tax	(133)	(119)
Cash Received in Interest Revenue	9,290	6,832
Cash Provided(Used) from Operating Activities - Net	(442,053)	(37,673)

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, 2008 and 2007

	Unaudited	
	Limited review only	
	2008	2007
	'000 Baht	'000 Baht
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) Decrease in Pledged Deposit at Financial Institution	6,009	(12,764)
(Increase) Decrease in Non Other Current Assets	(4)	1
Cash Payment for Deposit Payment for Investment	(200,000)	-
Cash Received from Deposit Receipt for Land	-	5,000
Cash Payment for Purchased of Property, Plant and Equipment	(8,832)	(22,089)
Cash Provided(Used) from Investing Activities - Net	(202,827)	(29,852)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase (Decrease) in Short-Term Loans from Financial Institution	(8,393)	124,841
Increase (Decrease) in Short-Term Loans from Security Company	(10,776)	-
Increase (Decrease) in Long -Term Loans from Financial Institution	(2,250)	45,000
Increase (Decrease) in Liabilities under Financial Lease Agreement	(311)	(1,328)
Cash Payment in Interest Expenses	(18,574)	(13,647)
Cash Received from Exceed of Cash Reserve for Increasing Share Capital	54,050	-
Cash Received from Premiums on Share Capital	499,500	-
Cash Received from Increasing Capital	500,000	-
Cash Providend (Used) from Financing Activities - Net	1,013,246	154,866
CASH AND ITS EQUIVALENT INCREASE (DECREASE)-NET	368,366	87,341
CASH AND ITS EQUIVALENT ITEMS AT BEGINNING OF THE PERIOD	32,373	28,516
CASH AND ITS EQUIVALENT ITEMS AT ENDING OF THE PERIOD	400,739	115,857
Non-cash items which are not shown in cash flows		
- Fixed Asset Increases from Transfer Deposit for Purchase Land plus Property	50,000	-
- Purchases Assets in Credit	279	-
- Received Debt from One Trade Account Receivable by the Receipt of the Transfer Investment in Trading Security	3,825	-

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****March 31, 2008 (Unaudited / Limited Review Only)****And December 31, 2007 (Audited)****1. General Information**

The Company has registered in accordance with the Civil and Commercial Law Code that is juristic person in type of Company Limited since May 10, 1999, registered number 0107549000050 and registered as public company on March 27, 2006

- Head office 272 Watchannog Lane, Phraram 3 Road, Kwaeng Bangkoleam, Khet Bangkoleam, Bangkok.
- Branch1 64/7 Moo 1 Phraram 2 Road, Thambon Khogkrabuo, Amphur Mounsamuthsakorn, Changwat Samuthsakorn.
- Branch2 33/8 Moo 5 Tepharak Road, Thambon Bangpleeyai, Amphur Bangplee, Changwat Samuthprakarn.
- Branch3 207/1 Moo 3 Thambon Lumsai, Amphur Wangnoi, Changwat Pranakornsriyudhaya.
- Branch4 116/7 Moo 5 Thambon Pantainorasing, Amphur Mounsamuthsakorn, Changwat Samuthsakorn.

The Company operated the distribution of steel pipe and steel products.

2. The Basis of Preparation of the Financial Statements

2.1 This interim financial statements are prepared according to generally accepted accounting principle. The Company selects to present the condensed interim financial statements in accordance with that determined in the accounting standard no. 41 (revised in 2007) on the subject of interim financial statements. However, the Company reflects transactions in the balance sheet, statement of income and statement of change in shareholders equity and statement of cash flow according to format in the accounting standard no. 35 (revised in 2007) on the subject of presentation of financial statements.

2.2 In order to prepare the financial statement 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.

2.3 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.

2.4 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.

2.5 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, 2007.

2.6 The financial statements for the quarter ended on March 31, 2007, have been reclassified in order to facilitate comparative with the financial statements for this period, which previously have no effect on the net profit (loss) or shareholders' equity of the report, as follows:

		Amount
		<u>'000 Baht</u>
Interest and Financial Expenses	Increase	1,204
Selling and Administrative Expenses	Decrease	(1,204)

3. Adoption of New Accounting Standards

Thai Accounting Standards which are effective for the year 2008 as follows:

TAS 25 (revised in 2007)	Cash Flow Statements
TAS 29 (revised in 2007)	Leases
TAS 31(revised in 2007)	Inventories
TAS 33 (revised in 2007)	Borrowing Costs
TAS 35 (revised in 2007)	Presentation of Financial Statements
TAS 39 (revised in 2007)	Accounting Policies, Changes in Accounting Estimates and Errors

TAS 41(revised in 2007)	Interim Financial Statements
TAS 43 (revised in 2007)	Business Combination
TAS 49 (revised in 2007)	Construction Contracts
TAS 51 (revised in 2007)	Intangible Asset

The new released and revised accounting standards shall not impact significantly to the financial statements.

4. Inter-Transactions

The Company constitutes important business transaction with the Company and related companies. Such business transactions are complied with trading term and criteria as per mutually agreed between the Company and related companies which is complied with the normal course of business whereby it can be summarized as follows:

4.1 Inter – Sales and Expenses

	<u>Pricing policy</u>	For the Quarter	
		Ended on March 31,	
		2008	2007
		<u>'000 Baht</u>	<u>'000 Baht</u>
<u>Inter - Sales</u>			
GENIUS TECH TRADING CO., LTD.	(1)	-	157,299
P.A.P EXIM CO., LTD.	(1)	4,171	12,128
CHAI SUPON CO., LTD.	(1)	1,037	3,992
MAHALAP METAL CO., LTD.	(1)	20,863	4,588
HARNSAWAT LTD. PART.	(1)	244	608
SIAM FERRO INDUSTRY CO., LTD.	(1)	16	19
Total		<u>26,331</u>	<u>178,634</u>
<u>Inter – Other revenue from debt repayment</u>			
<u>Receipt from management instead of trading</u>			
<u>Account receivable</u>			
MISS ANGKAKARN TANTIVIROON	(2)	20,656	-
Total		<u>20,656</u>	<u>-</u>
<u>Inter – Interest Revenue</u>			
MISS ANGKAKARN TANTIVIROON	(2,3)	3,344	-
Total		<u>3,344</u>	<u>-</u>

		For the Quarter	
		Ended on March 31,	
	<u>Pricing policy</u>	2008	2007
		<u>'000 Baht</u>	<u>'000 Baht</u>
<u>Inter – Transportation Revenue</u>			
G.T. STEEL WORKS CO., LTD.	(4)	3	4
Total		3	4
<u>Inter – Purchases</u>			
SIAM FERRO INDUSTRY CO., LTD.	(1)	-	28
Total		-	28
<u>Inter – Subcontract</u>			
SIAM FERRO INDUSTRY CO., LTD.	(4)	6,235	7,747
G.T. STEEL WORKS CO., LTD.	(4)	6	-
Total		6,241	7,747
<u>Inter – Directors' Remuneration</u>			
DIRECTORS	(6)	240	100
Total		240	100
<u>Inter – Other Expenses</u>			
SIAM FERRO INDUSTRY CO., LTD.	(5)	1,967	3,410
A.T. STEEL CO., LTD.	(5)	296	294
G.T. STEEL WORKS CO., LTD.	(5)	279	82
GENIUS TECH TRADING CO., LTD.	(5)	125	-
Total		2,667	3,786

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

- (1) Price which can be comparative against outside parties.
- (2) Accordance with the minute of the board of directors meeting.
- (3) Interest rate 8.00% per annum.
- (4) Price is complied with the prices in accordance with the contract.
- (5) Price is complied with the prices which are mutually agreed upon.
- (6) Annual general meeting of the shareholders.

4.2 Inter – Assets and Liabilities

	As of March 31, 2008 <u>'000 Baht</u>	As of December 31, 2007 <u>'000 Baht</u>
<u>Inter – Accounts and Notes Receivable</u>		
P.A.P EXIM CO., LTD.	735	-
G.T. STEEL WORKS CO., LTD.	-	24
MAHALAP METAL CO., LTD.	3,095	88
SIAM FERRO INDUSTRY CO., LTD.	-	1
HARNSAWAT LTD. PART.	44	40
THANASUB PAISARN CO., LTD.	9,905	9,905
Total	<u>13,779</u>	<u>10,058</u>
<u>Less</u> Allowance for Doubtful Debt - THANASUB PAISARN CO., LTD.	<u>(9,905)</u>	<u>(9,905)</u>
Net	<u>3,874</u>	<u>153</u>
<u>Advance Payment - Goods</u>		
GENIUS TECH TRADING CO., LTD.	70	-
Total	<u>70</u>	<u>-</u>
<u>Inter – Accounts and Notes Payable</u>		
SIAM FERRO INDUSTRY CO., LTD.	502	926
GENIUS TECH TRADING CO., LTD.	-	36
Total	<u>502</u>	<u>962</u>
<u>Inter – Accrued and Note Expenses</u>		
SIAM FERRO INDUSTRY CO., LTD.	182	186
GENIUS TECH TRADING CO., LTD.	56	97
G.T. STEEL WORKS CO., LTD.	208	162
Total	<u>446</u>	<u>445</u>

4.3 The Company's Relationship

Consist of:

<u>Name</u>	<u>Activities</u>	<u>Relationship</u>
SIAM FERRO INDUSTRY CO., LTD.	Engagement of steel production and steel cut -off	Director of company is executive planner for restructure company.
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.
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.
MISS ANGKAKARN TANTIVIROON		Chief Executive Officer

5. Cash and Cash Equivalents Items

Consist of:

	As of March 31, 2008 <u>'000 Baht</u>	As of December 31, 2007 <u>'000 Baht</u>
Cash	149	76
Bank Deposit – Saving Deposit	124,839	22,989
Bank Deposit – Current Deposit	275,751	9,308
Total	400,739	32,373

6. Temporary Investment

Consist of:

	As of March 31, 2008 <u>'000 Baht</u>	As of December 31, 2007 <u>'000 Baht</u>
Investment of Trading Security – Cost Value	27,777	49,390
<u>Less</u> Unrealized Loss in Investment of Trading Security	(165)	(11,504)
Investment of Trading Security – Fair Value	27,612	37,886

7. Accounts and Notes Receivable Other Companies - Net

An aging analysis of accounts receivable other companies as of March 31, 2008 and December 31, 2007 are as follows:

	As of March 31, 2008 <u>'000 Baht</u>	As of December 31, 2007 <u>'000 Baht</u>
Notes Receivable	694,392	539,953
Account Receivable		
Within credit term	227,612	239,728
Over due 1 to 30 days	49,027	95,641
Over due 31 to 60 days	10,304	6,086
Over due 61 to 90 days	7,257	-
Over due over 91 days	182,879	180,066
Total	<u>1,171,471</u>	<u>1,061,474</u>
<u>Less</u> Allowance of Doubtful – Account Receivable	<u>(180,067)</u>	<u>(180,067)</u>
Net	<u><u>991,404</u></u>	<u><u>881,407</u></u>

As of March 31, 2008 and December 31, 2007 trade account receivable over due over 91 days in amount of Baht 180.07 million, was trade account receivable with inability to call for debt repayment in February 2007. The Company has recorded of allowance of doubtful debt in whole amount. 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 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.” For the quarter ended March 31, 2008, the Company received principal debt repayment and interest in amount of Baht 20.66 millions and in amount of Baht 3.34 millions respectively includes the cumulative effect received principal debt repayment and interest amount of Baht 68.03 millions and Baht 9.97 millions respectively.

As of March 31, 2008 and December 31, 2007, the Company factored some posted dates cheques receivable in amount of Baht 19.92 millions and Baht 77.73 millions to pledge against loan due to merchant bank.

8. Accounts and Notes Receivable Related Companies - Net

An aging analysis of accounts receivable related companies as of March 31, 2008 and December 31, 2007 are as follows:

	As of March 31, 2008 <u>'000 Baht</u>	As of December 31, 2007 <u>'000 Baht</u>
Notes Receivable	-	40
Account Receivable		
Within credit term	2,826	113
Over due 1 to 30 days	1,048	-
Over due over 91 days	9,905	9,905
Total	<u>13,779</u>	<u>10,058</u>
<u>Less</u> Allowance for Doubtful Debt	<u>(9,905)</u>	<u>(9,905)</u>
Net	<u><u>3,874</u></u>	<u><u>153</u></u>

9. Inventories - Net

Consist of:

	As of March 31, 2008 <u>'000 Baht</u>	As of December 31, 2007 <u>'000 Baht</u>
Finished Goods	221,432	251,442
Raw Materials	90,853	103,617
Goods-in-Transit	-	86,587
Spare Part	1,066	951
Total	<u>313,351</u>	<u>442,597</u>
<u>Less</u> Allowance from Declining in Value of Goods	<u>(124)</u>	<u>(1,484)</u>
Net	<u><u>313,227</u></u>	<u><u>441,113</u></u>

10. Pledged Deposit at Financial Institution

As of March 31, 2008 and December 31, 2007, the whole amount is bank deposit in type of saving account by interest rates of 2.00 – 2.25% per annum and 2.00 – 3.75% per annum which is taken to pledge against trust receipt payable and loan in form of promissory note at the merchant bank.

11. Investment in Property

As of March 31, 2008 and December 31, 2007, Investment in the land apart of one piece of land in cost price and book value of Baht 6.74 millions. The Company 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.

12. Property, Plant and Equipment – Net

For the quarter ended on March 31, 2008 as follows

	<u>'000 Baht</u>
Beginning Book Value - Net	277,703
Purchases	9,111
Transfer in	132,194
Transfer out	(82,194)
Depreciation for portion shown in Statement of Income	(7,978)
Ending Book Value - Net	<u><u>328,836</u></u>

As of March 31, 2008 and December 31, 2007, the Company mortgaged land plus property in book value of Baht 132.81 million and Baht 133.59 million respectively is collateral of short – term loans from the financial institute.

As of March 31, 2008 and December 31, 2007, the Company had assets with the depreciation fully calculated but still operate which had a cost value of Baht 14.75 million and Baht 14.52 million respectively. The net book value of which was now Baht 70.00 and Baht 66.00 respectively.

As of March 31, 2008 and December 31, 2007, the Company had apart of vehicle book value of Baht 2.65 million and Baht 3.25 million respectively is asset under the financial leased contract. The Company will receive ownership in such asset when the Company completely repays debt to creditors in accordance with the financial leased contract.

13. Deposit Payment for Investment

In accordance with the board of directors meeting no. 4/2008 held on March 21, 2008, it is unanimously resolved that the board of directors approved the payment of deposit for the study of feasibility to invest in a company which the company and the seller had signed the memorandum of understanding on March 25, 2008. However, the completeness of investing is dependent on (1) The auditing result of Due Diligence in both legal and in financing and accounting which shall satisfy the Company (2) The performance of the investment contract and (3) the shareholders of the Company will have to approve to invested. The Company agrees to repay deposit in amount of Baht 200.- millions to the seller. Moreover, the seller agree to pledge machinery of the seller as collateral to the Company while there is appraised price according to the report of the price appraisal of independent appraiser in amount of Baht 337 Millions. In case that the Company exercises its right to cancel this memorandum, the seller will fully return deposit within 30 days commenced from the date the Company acknowledges cancellation of this memorandum including interest of such deposit at the average rate of MLR interest rate of Bangkok Bank Public Co., Ltd. And Krung Thai Bank Public Co., Ltd. commenced from the date the seller received deposit until the date the deposit is repayable to return. In addition, in case that the seller cannot repay deposit to the Company within the period determined, the Company can enforce the pledge and take machinery guaranteed to sell. The pledge of such machinery, the Company and seller constitute only the pledged contract while the seller did not bring machine to pledge to the registrar of machinery at the Ministry of Industry. However the Company constitutes the period to proceed with memorandum from March 25, 2008 to September 30, 2008. Presently, the Company is proceeding to study feasibility with memorandum that mutually agreed.

14. Deposit Paid for Land

As of December 31, 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 Baht 55.0 millions in estimated area of 15 Rase. 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 plus property ownership transfer. Presently, the company is already received the ownership in such land on February 15, 2008.

15. Credit Facilities and Guarantee

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 as of March 31, 2008 in amount of Baht 1,776.00 million, US Dollars 11.19 million and as of December 31, 2007 in amount of Baht 1,361.00 million, US Dollars 5.37 million. It is pledged by the Company's mortgage register of land plus property in Note 11 and 12 land plus property of a director, the Company bank deposit, post dated cheque of a company and guaranteed director.

16. Short-Term Loans from Financial Institutions

Consists of:

	As of March 31, 2008 <u>'000 Baht</u>	As of December 31, 2007 <u>'000 Baht</u>
Trust Receipts	740,266	741,127
Promissory Note	426,000	446,000
Total	1,166,266	1,187,127

As of March 31, 2008 and December 31, 2007, trust receipt payable is carried by interest rates of 3.81 – 6.01% per annum and 5.25 – 5.50% per annum respectively. The ownership of merchandise purchased from the contract performance of trust receipt is still belonged to the merchant bank until there will be repayment of trust receipt account payable to the merchant bank.

As of March 31, 2008 and December 31, 2007, the whole amount of short term loan from the financial institutes is borrowing in form of promissory note, carried interest rate of 5.00 – 6.88% and 5.10 – 6.86% per annum respectively.

Such above loan from financial institutions constitutes collateral according to note No. 15

17. Short – Term Loans from Security Company

As of March 31, 2008 and December 31, 2007, the whole amount is loan according to the contract of representative appointment and loan borrowing for securities purchase and securities borrowing for short sale in the Credit Balance System with one securities company. There is loan credit line so as to purchase securities including commission in the securities purchase or securities borrowing from securities company for short sale including commission fee in the short sale in the loan value or securities value which are shortly sold at any time not exceeding Baht 25.00 millions. There is interest rates of 6.75% per annum.

18. Long Term Loans from Financial Institutions – Net

Consist of:

	As of March 31, 2008 <u>'000 Baht</u>	As of December 31, 2007 <u>'000 Baht</u>
Long Term Loans from Financial Institutions	36,000	38,250
<u>Less</u> Current Portion	(9,000)	(9,000)
Net	<u>27,000</u>	<u>29,250</u>

As of March 31, 2008 and December 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 6.85 – 7.50% per annum and 7.00% per annum respectively.

Such above long term loan constitutes collateral by mortgaged land plus property of the Company.

19. Exceed of Cash Reserve for Increasing Share Capital

As of March 31, 2008, the whole amount is money received from shares subscription fee of increased shares capital part that exceeding from shares value which hold the rights to subscribe shares. The Company fully returns the subscribers of increased shares capital of part exceeding rights on April 1, 2008.

20. Share Capital

In accordance with the minute of the board of directors meeting no. 8/2007 held on October 24, 2007 and minute of extra-ordinary shareholders meeting no. 1/2007 held on December 14, 2007, they are unanimously resolved that registered capital is increased by another 500 millions shares to 1,000 millions shares. New ordinary shares are issued by number of 500 millions shares in par value of Baht 1.00 per share so as to offer to former shareholders in the ratio of one former share over one new share in the price of Baht 2 per share. There is the purpose in order to repay short term loan to the finance institute approximately Baht 300 millions. The remaining balance is used as working capital of the Company so as to reserve for business growth in the future. The Company has already registered the increased share capital at the Ministry of Commerce on December 27, 2007.

As of March 21, 2008, the Company sold increase common shares to older shareholder's by issuing 500,000,000 new common shares at Baht 2.00 per share totaling amount Baht 1,000.0 million. There are premium on share capital amount Baht 499.50 million (Net from underwriting expense amount Baht 0.50 million)

21. Corporate Income Tax

For the quarter ended on March 31, 2008, the Company calculates corporate income tax at 25%, which complies with resolution of the cabinet meeting to reduce corporate income tax from 30% to 25% of net profit not over Baht 300 million for the 3 consecutively accounting periods commenced from the first accounting period which commenced within or after January 1, 2008, for the companies registered according to the law of securities and securities market. For the quarter ended on March 31, 2007, the Company calculates corporate income tax at 30%. The Company computed corporate income tax of accounting net profit after adding adjusted transaction in accordance with the Revenue Code.

22. Basic Earning (Loss) Per Share

For the quarter ended on March 31, 2008, the Company calculated basic earning (loss) per share by dividing net profit(loss) with weighted average numbers of shares as follows :

<u>Date</u>	<u>Share Capital Issued and Paid-Up</u>	<u>Date(Days)</u>	<u>Weighted</u>
	<u>Share Capital</u>		<u>Average Shares</u>
Jan 1, 2008-March 21,2008	500,000,000	81	40,500,000,000
March 22, 2008 – March 31,2008	1,000,000,000	10	10,000,000,000
		91	50,500,000,000
Net Profit (Loss) (Baht)			64,215,751.65
The Weighted Average of Ordinary Shares (Shares)	(50,500,000,000 ÷ 91)		554,945,054.95
Basic Earning (Loss) Per Share (Baht)			0.12

23. 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 2 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 quarter ended March 31, 2008 and 2007 in amount of Baht 0.06 million and Baht 0.09 million.

24. 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.

25. Obligations and Contingent Liabilities

25.1 Apart from liabilities shown on the balance sheets as of March 31, 2008 and December 31, 2007, the Company still remains other obligations and contingent liabilities with commercial banks as follows :

	As of March 31, 2008 <u>Million Baht</u>	As of December 31, 2007 <u>Million Baht</u>
- Letters of Credit		
Credit Line 600.0 Million, Credit Unused	171.70	64.31
- Letters of Guarantee	2.79	2.79

25.2 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 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 November 30, 2010. The leased fee and service fee are in the rate of Baht 100,000. - 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 38,080. - 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 134,000.- per month.

As of March 31, 2008 and December 31, 2007, the Company holds the total leased fee amount which has to completely repay in amount of Baht 6.50 millions and Baht 7.30 millions respectively.

25.3 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, 2008. It is determined that the life is automatically renewed for the period of 1 year. The engagement fee is in the rate of Baht 350,000.00 per month. As of March 31, 2008 and December 31, 2007, the Company holds the total engagement fee which has to fully repay until the contract is complete in amount of Baht 1.75 million and Baht 2.80 million respectively.

26. Subsequent Events

In accordance with the minute of general shareholders meeting for the year 2008 held on April 30, 2008, it is unanimously resolved to change par value of ordinary shares of the Company from the former shares value of Baht 1.00 per share to value of Baht 0.10 per share. As a result, the ordinary shares of the company are increased from former 1,000.00 million shares to be 10,000.00 million shares. The company has completed registered the change of par value and number of ordinary shares of the Company including change in Memorandum of Association with Department of Business Development, Ministry of Commerce on May 13, 2008.

27. Approval of the Interim Financial Statement

These interim financial statements have been approved by authorized directors of the Company on May 15, 2008.
