

NPS Siam

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Review report of Certified Public Accountant

To the Board of Directors of The International Engineering Public Company Limited

I have reviewed the accompanying consolidated and separate balance sheets as at 30 September 2007, and the related statements of income for the three-month and nine-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the nine-month period then ended of The International Engineering Public Company Limited and its subsidiaries, and of The International Engineering Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews. The consolidated and the Company's statements of income for the three-month and nine-month periods ended 30 September 2006, and the related statements of changes in shareholders' equity and cash flows for the nine-month period then ended of The International Engineering Public Company Limited and its subsidiaries, and of The International Engineering Public Company Limited, respectively, were reviewed by another auditor whose report dated 14 November 2006 stated that nothing had come to his attention that causes him to believe that those financial statements referred to above were not presented fairly, in all material respects, in accordance with generally accepted accounting principles. He also drew attention in relation to 1) the new business (providing mobile casting services and agricultural business in Cambodia), 2) there were lawsuits relating to convertible debentures filed against the Company. The Company's financial statements for the three-month and nine-month periods ended 30 September 2006 have been restated for the effects of the change in accounting policy for investment in subsidiaries, jointly controlled entities and associates from the equity method of accounting to the cost method as described in Note 19 to the financial statements. I have reviewed the adjustments made to the Company's financial statements. Based on my review, nothing has come to my attention to indicate that those adjustments are not appropriate and properly applied.

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Except as described in the third paragraph, I conducted my review in accordance with the auditing standard applicable to review engagement. This standard requires that I plan and perform the reviews to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

As described in Note 2 to the financial statements, the consolidated and separate financial statements for the three-month and nine-month periods ended 30 September 2007 of The International Engineering Public Company Limited and its subsidiaries, and of The International Engineering Public Company Limited, respectively, included the financial statements and investment in a foreign subsidiary, which were based on financial statements of such subsidiary prepared by the management, and had not been reviewed by auditors. The carrying value of the investment in subsidiary as at 30 September 2007 comprised of cost value amounting to Baht 20 million less allowance for devaluation of investments of Baht 10 million in the consolidated and separate financial statements, respectively. In addition, the Board of Directors Meeting held on 14 September 2007, resolve to authorize the Company sell all investment in such subsidiary as described in Notes 8 and 23 to the financial statements.

Base on my reviews, except for the effects of such adjustments, if any, as might have been disclosed had I reviewed the financial statements of the subsidiary as described in the third paragraph, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I draw attention to Note 21 to the financial statements in relation to purchase assets of a subsidiary from third party amounted to Baht 465 million. Later on 26 February 2007, the above subsidiary was sued by the former owner of the subsidiary related to the above purchase of assets was invalid, of which the claim amount as at the sued date amounted to Baht 181 million with interest charge at 7.5 % per annum, and the criminal embezzlement. The Company's management and legal consultant provided their opinions that the purchase of assets of the subsidiary was a legal and righteous transaction. The act of the Company was not categorized as an illegal action in embezzling charge. Therefore, the management believes that there is no indemnity arisen from this issue to affect the subsidiary. As at 14 November 2007, the cases have been still in the consideration of court and a ruling has not yet been received. As described in Note 14 to the financial statements, as at 30 September 2007, the abovementioned subsidiary also failed to pay interest and did not maintain debts to equity ratio pursuant to the loan agreement with a domestic commercial bank. The above default entitles the bank to accelerate the maturity of all amounts outstanding immediately due. However, the subsidiary's management has been in the process of negotiation with the bank. These factors raise substantial doubt the ability of such subsidiary to continue as a going concern.

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The consolidated and the Company's financial statements for the year ended 31 December 2006 of The International Engineering Public Company Limited and its subsidiaries, and of The International Engineering Public Company Limited, respectively, were audited by another auditor who expressed a qualified opinion on those statements in his report dated 28 February 2007 that the 2006 consolidated financial statements of the Company included the financial statements of Crystal Agro Co., Ltd., which is a subsidiary in oversea. The financial statements of such subsidiary had been prepared by the subsidiary's personnel and had not been audited. In addition, he drew the attention to the matters regarding 1) the new business (selling software program, providing mobile casting services, purchasing and selling wood and agriculture business in Cambodia including paying consulting fee) 2) there were lawsuits relating to convertible debentures filed against the Company. The Company's financial statements for the year ended 31 December 2006 have been restated for the effects of the change in accounting policy for investments in subsidiaries, jointly controlled entities and associates from the equity method of accounting to the cost method as described in Note 19 to the financial statements. In my opinion, these adjustments made to the Company's financial statements are appropriate and have been properly applied. The consolidated balance sheet of the Company and its subsidiaries as at 31 December 2006 and the separate balance sheet as at the same date, which have been presented herein for comparative purposes, are components of those financial statements.

(Narong Luktham)
Certified Public Accountant
Registration number 4700

NPS Siam Audit Limited
Bangkok
14 November 2007

**The International Engineering Public Company
Limited and its Subsidiaries**

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month and nine-month periods ended
30 September 2007

The International Engineering Public Company Limited and its Subsidiaries

Balance sheets

As at 30 September 2007 and 31 December 2006

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 September 2007 (Unaudited)	31 December 2006	30 September 2007 (Unaudited)	31 December 2006 (Restated)
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		115,056	69,823	40,015	18,791
Current investments	6	318,497	218,493	169,491	102,813
Trade accounts receivable, net	5, 7	103,354	142,598	154,785	249,095
Short-term loans to related parties, net	5	5,949	1,102	510,486	299,872
Inventories, net		148,661	311,004	79,095	192,309
Securities receivable		-	26,282	-	-
Wood in a concession area		-	-	60,000	60,000
Prepaid expenses		50,806	8,239	35,421	4,110
Withholding tax		29,118	25,882	25,270	24,283
Value added tax recoverable		23,373	39,001	-	12,669
Other current assets		27,278	35,178	10,288	20,288
Total current assets		822,092	877,602	1,084,851	984,230
Non-current assets					
Investments in subsidiaries, jointly controlled entities and associates	8, 19	136,465	212,591	310,500	559,357
Other long-term investments, net	9	33,162	33,162	525	525
Property, plant and equipment, net		750,453	438,360	95,499	274,509
Intangible assets	10	235,961	611,839	29,252	363,629
Pledged deposits at financial institutions		275,246	125,922	274,309	123,962
Other non-current assets	11	31,046	34,000	21,366	18,114
Total non-current assets		1,462,333	1,455,874	731,451	1,340,096
Total assets		2,284,425	2,333,476	1,816,302	2,324,326

The International Engineering Public Company Limited and its Subsidiaries

Balance sheets

As at 30 September 2007 and 31 December 2006

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		30 September 2007 (Unaudited)	31 December 2006	30 September 2007 (Unaudited)	31 December 2006 (Restated)
<i>(in thousand Baht)</i>					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions		16,508	202,233	5,065	198,880
Trade accounts payable		98,997	36,896	84,049	4 6,678

The accompanying notes are an integral part of these financial statements.

Long-term loan in default	14	339,735	-	-	-
Current portion of convertible debentures	12	10,321	10,321	10,321	10,321
Short-term loans from related parties	5	1,608	538	3,313	115,764
Other short-term loans		1,680	1,680	-	-
Current portion of hire-purchase creditors		3,532	4,381	1,151	2,058
Accrued income tax		-	7,938	-	-
Securities payable		17,629	6,111	-	-
Payable to purchase of fixed assets		68,882	42,278	-	19,444
Advance received for wood in a concession area	13	50,000	50,000	50,000	50,000
Accrued expenses		64,886	39,274	25,540	14,835
Other current liabilities		36,676	20,068	23,355	8,005
Total current liabilities		710,454	421,718	202,794	425,985
<i>Non-current liabilities</i>					
Convertible debentures	12	2,574	10,295	2,574	10,295
Hire-purchase creditors		3,865	6,503	-	751
Provisions	15	130,364	108,549	126,397	101,210
Other non-current liabilities		10,852	9,700	4,654	4,654
Total non-current liabilities		147,655	135,047	133,625	116,910
Total liabilities		858,109	556,765	336,419	542,895

The International Engineering Public Company Limited and its Subsidiaries

Balance sheets

As at 30 September 2007 and 31 December 2006

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		30 September 2007 (Unaudited)	31 December 2006	30 September 2007 (Unaudited)	31 December 2006 (Restated)
<i>(in thousand Baht)</i>					
<i>Shareholders' equity</i>					
Share capital					
Registered	16	2,200,000	2,200,000	2,200,000	2,200,000
Issued and fully paid	16	1,749,229	1,749,229	1,749,229	1,749,229
Surplus					
Share premium	16	32,555	1,006,805	32,555	1,006,805
Currency translation changes		(2,563)	2,397	-	-
Fair value changes of available-for-sale of securities		23	21	23	18
Retained earnings (deficit)					
Appropriated					
Legal reserve		400	400	400	400
Deficit		(353,328)	(974,250)	(302,324)	(975,021)
Total equity attributable to the Company's shareholders		1,426,316	1,784,602	1,479,883	1,781,431
Minority interest		-	(7,891)	-	-
Total shareholders' equity		1,426,316	1,776,711	1,479,883	1,781,431
Total liabilities and shareholders equity		2,284,425	2,333,476	1,816,302	2,324,326

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statements of income

For the three-month periods ended 30 September 2007 and 2006 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
<i>(in thousand Baht)</i>					
Revenues					
Revenue from sales of goods and rendering of services	5	607,555	1,043,830	548,166	903,062
Rental income	5	10,401	7,250	-	-
Interest income	5	2,223	3,656	9,116	7,019
Net foreign exchange gain		176	-	93	-
Gain (loss) from investments		(40,151)	(6,763)	(6,278)	37,920
Gain on sales of building and equipment		66	-	211	-
Other income		19,863	14,402	7,343	12,298
Total revenues		600,133	1,062,375	558,651	960,299
Expenses					
Cost of sales of goods and rendering of services	5	575,210	1,001,351	539,004	877,340
Cost of rental		20,565	7,822	-	-
Selling and administrative expenses	5	121,780	362,750	66,017	277,503
Loss on impairment of investments		8,846	276,115	110,355	344,974
Loss on terminating airtime provider agreement	10	46,049	-	46,049	-
Share of losses from investments accounted for using the equity method		18,614	34,061	-	-
Total expenses		791,064	1,682,099	761,425	1,499,817
Loss before interest and income tax expenses		(190,931)	(619,724)	(202,774)	(539,518)
Interest expense and default interest expense	5, 14	22,853	3,326	1,792	3,084
Income tax expense		-	(25,430)	-	-
Loss after tax		(213,784)	(597,620)	(204,566)	(542,602)
Net profit of minority interest		(1,640)	(1,016)	-	-
Net loss		(215,424)	(598,636)	(204,566)	(542,602)
Basic loss per share (Baht)	18	(0.12)	(0.38)	(0.12)	(0.35)

The International Engineering Public Company Limited and its Subsidiaries

Statements of income

For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
<i>(in thousand Baht)</i>					

The accompanying notes are an integral part of these financial statements.

(in thousand Baht)

Revenues

Revenue from sales of goods and rendering of services	5	1,885,210	3,490,781	1,714,745	3,354,527
Rental income	5	29,245	16,585	-	-
Interest income	5	9,197	8,648	25,809	18,329
Net foreign exchange gain		4,085	-	4,002	-
Gain (loss) on investments		(6,821)	136,616	33,018	37,920
Gain on sales of building and equipment		48,874	-	49,017	-
Other income		37,078	32,116	18,503	24,443
Total revenues		<u>2,006,868</u>	<u>3,684,746</u>	<u>1,845,094</u>	<u>3,435,219</u>

Expenses

Cost of sales of goods and rendering of services	5	1,724,773	3,272,394	1,622,405	3,201,139
Cost of rental		54,511	21,689	-	-
Selling and administrative expenses	5	449,666	702,703	233,247	510,490
Loss on impairment of investments		25,642	276,115	237,586	418,981
Loss on terminating airtime provider agreement	10	46,049	-	46,049	-
Share of losses from investments accounted for using the equity method		22,616	62,872	-	-
Total expenses		<u>2,323,257</u>	<u>4,335,773</u>	<u>2,139,287</u>	<u>4,130,610</u>

Loss before interest and income tax expenses		(316,389)	(651,027)	(294,193)	(695,391)
Interest expense and default interest expense	5, 14	39,848	9,048	7,360	7,974
Income tax expense		-	20,318	-	-
Loss after tax		<u>(356,237)</u>	<u>(680,393)</u>	<u>(301,553)</u>	<u>(703,365)</u>
Net (profit) loss of minority interest		2,909	(6,871)	-	-
Net loss		<u>(353,328)</u>	<u>(687,264)</u>	<u>(301,553)</u>	<u>(703,365)</u>
Basic loss per share (Baht)	18	<u>(0.20)</u>	<u>(0.44)</u>	<u>(0.17)</u>	<u>(0.45)</u>

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

	Consolidated financial statements										
	<i>Note</i>	<u>Retained earnings (Deficit)</u>							Total equity attributable to the Company's shareholders	Minority interest	Total shareholders' equity
		Issued and paid-up share capital	Share premium	Advance received from share subscription	Currency translation changes	Fair value changes of available-for-sale of securities	Legal reserve	Unappropriated/ (Deficit)			
<i>(in thousand Baht)</i>											
Balance as at 1 January 2006		1,333,200	492,473	121,000	-	11	400	7,413	1,954,497	-	1,954,497
Other net changes in fair value		-	-	-	-	(59)	-	-	(59)	-	(59)
Net loss		-	-	-	-	-	-	(687,264)	(687,264)	-	(687,264)
Issue of share capital		416,029	513,492	(121,000)	-	-	-	-	808,521	-	808,521
Minority interest		-	-	-	-	-	-	-	-	6,871	6,871
Balance as at 30 September 2006		1,749,229	1,005,965	-	-	(48)	400	(679,851)	2,075,695	6,871	2,082,566
Balance as at 1 January 2007		1,749,229	1,006,805	-	2,397	21	400	(974,250)	1,784,602	(7,891)	1,776,711
Other net changes in fair value		-	-	-	-	2	-	-	2	-	2
Translation (loss) relating to financial statements of foreign operations		-	-	-	(4,960)	-	-	-	(4,960)	-	(4,960)
Net loss		-	-	-	-	-	-	(353,328)	(353,328)	-	(353,328)
Transfer share premium compensating deficit	<i>16</i>	-	(974,250)	-	-	-	-	974,250	-	-	-
Decrease in minority interest		-	-	-	-	-	-	-	-	7,891	7,891
Balance as at 30 September 2007		1,749,229	32,555	-	(2,563)	23	400	(353,328)	1,426,316	-	1,426,316

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

		Separate financial statements (Restated)					<u>Retained earnings (Deficit)</u>		
	Note	Issued and paid-up share capital	Share premium	Advance received from share subscription	Currency translation changes (in thousand Baht)	Fair value changes of available-for-sale of securities	Appropriated to legal reserve	Unappropriated/ (Deficit)	Total shareholders' equity
Balance as at 1 January 2006		1,333,200	492,473	121,000	-	11	400	7,413	1,954,497
Change in accounting policy	19	-	-	-	-	-	-	(1,918)	(1,918)
Restated balance		1,333,200	492,473	121,000	-	11	400	5,495	1,952,579
Other net changes in fair value		-	-	-	-	4	-	-	4
Net loss		-	-	-	-	-	-	(703,365)	(703,365)
Issue of share capital		416,029	513,492	(121,000)	-	-	-	-	808,521
Balance as at 30 September 2006		1,749,229	1,005,965	-	-	15	400	(697,870)	2,057,739
Balance as at 1 January 2007		1,749,229	1,006,805	-	-	18	400	(974,250)	1,782,202
Change in accounting policy	19	-	-	-	-	-	-	(771)	(771)
Restated balance		1,749,229	1,006,805	-	-	18	400	(975,021)	1,781,431
Other net changes in fair value		-	-	-	-	5	-	-	5
Net loss		-	-	-	-	-	-	(301,553)	(301,553)
Transfer share premium compensating deficit	16	-	(974,250)	-	-	-	-	974,250	-
Balance as at 30 September 2007		1,749,229	32,555	-	-	23	400	(302,324)	1,479,883

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2007	2006	2007	2006
					(Restated)
		<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>					
Net loss		(353,328)	(687,264)	(301,553)	(703,365)
<i>Adjustment</i>					
Depreciation and amortization		87,359	106,882	52,753	101,984
Interest income		(9,197)	(8,648)	(25,809)	(18,329)
Interest expense and default interest expense		39,848	9,048	7,360	7,974
Estimate loss from liabilities		15,108	16,013	14,383	15,000
Allowance for impairment of assets		-	141,500	-	134,500
Provision for loss from lawsuits		-	-	-	1,926
Doubtful accounts		15,471	24,904	45,873	90,780
Allowance for diminution in value of inventories		(101,850)	15,383	(56,343)	10,800
Amortization of goodwill		30,343	-	-	-
(Gain) loss on investments		6,821	(136,616)	(33,018)	(37,920)
Loss on impairment of investments		25,642	276,115	237,586	418,981
Loss from equipment written off		376	-	10	712
Unrealized (gain) loss on exchange		1	-	(6)	-
(Gain) loss on sales of property and equipment		(48,874)	(2,648)	(49,017)	(3,057)
Loss from terminating airtime provider agreement		46,049	-	46,049	-
Gain from redemption of debenture		-	(9,456)	-	(9,456)
Accrued interest from related parties		-	-	-	(11,717)
Share of losses from investments accounted for					
using the equity method		22,616	60,292	-	-
Loss of minority interest		7,891	-	-	-
Income tax expense		-	20,318	-	-
		<u>(215,724)</u>	<u>(174,177)</u>	<u>(61,732)</u>	<u>(1,187)</u>
<i>Change in operating assets and liabilities</i>					
Trade accounts receivable		37,620	79,696	74,707	242,693
Due from related parties		(1,211)	-	(10,911)	(414,754)
Inventories		264,192	(71,237)	169,558	141,446
Wood in a concession area		-	(60,000)	-	(60,000)
Advance payment for inventories		-	(11,771)	(31,311)	-
Securities receivable		26,282	-	-	-
Prepaid expenses		(42,566)	-	-	-
Value added tax recoverable		15,628	-	12,669	-
Other current assets		(1,072)	(84,688)	24	(28,319)
Other non-current assets		2,954	(12,633)	(3,252)	5,942
Trade accounts payable		62,095	(119,339)	77,371	(141,158)
Due to related parties		1,070	-	(23,450)	16,450
Advance received for wood in a concession area		-	50,000	-	50,000
Accrued expenses		190	2,138	10,706	(22,531)
Securities payable		11,518	-	-	-

The accompanying notes are integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
					(Restated)
		<i>(in thousand Baht)</i>			
Other current liabilities		11,646	(4,439)	15,350	(1,939)
Other non-current liabilities		1,152	(3,222)	-	-
Withholding income tax received		16,413	-	16,413	-
Income tax paid		(27,587)	(5,352)	(17,400)	(3,655)
Net cash provided by (used in)					
operating activities		162,600	(415,024)	228,742	(217,012)
<i>Cash flows from investing activities</i>					
Interest received		4,185	6,565	6,051	3,260
Pledged deposits at financial institutions		(149,324)	(78,610)	(150,348)	(78,502)
Purchase of property, plant and equipment		(498,644)	(194,791)	(3,113)	(90,154)
Sales of property and equipment		187,300	16,570	205,705	17,441
Proceed from terminating airtime provider agreement		261,000	-	261,000	-
Short-term loans to related parties		(3,500)	-	(231,890)	(283,446)
Proceeds from short-term loans					
to related parties		-	-	35,650	75,415
Purchase of equity securities		(660,524)	(586,932)	(185,231)	(67,704)
Sale of equity securities		553,607	426,780	151,483	39,955
Purchase of intangible assets		(1,125)	-	-	-
Payable to purchase of fixed assets		26,604	13,737	(19,444)	-
Advance for investments		-	(20,000)	-	(20,000)
Payment for computer software		-	(50,000)	-	(50,000)
Purchase of investment of subsidiary					
and associates		(18,323)	(511,494)	(30,824)	(707,364)
Proceeds from sale of investment		52,992	-	52,992	-
Deposit received from sales of investment					
in subsidiary		-	50,000	-	-
Net cash provided by (used in) investing activities		(245,752)	(928,175)	92,031	(1,161,099)
<i>Cash flows from financial activities</i>					
Interest paid		(14,425)	(1,423)	(7,361)	(1,359)
Bank overdrafts and short-term loans					
from financial institutions		(185,725)	187,793	(193,815)	186,023
Hire-purchase creditors		(3,486)	6,828	(1,659)	(1,857)
Long-term loans in default		339,735	-	-	-
Short-term loan from related parties		-	-	-	50,443

The accompanying notes are integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
					(Restated)
					(in thousand Baht)
Payment of short-term loan from related parties		-	-	(89,000)	(21,981)
Payment of convertible bonds		(7,721)	(36,621)	(7,721)	(38,010)
Minority interest		-	6,871	-	-
Proceeds from issue of share capital		-	805,390	-	805,390
Cash outflow on consulting fee for capital increased		-	3,132	-	3,132
Net cash provided by (used in)					
financing activities		128,378	971,970	(299,556)	981,781
Net increase (decrease) in cash and					
cash equivalents		45,226	(371,229)	21,217	(396,330)
Cash and cash equivalents at beginning of period		69,823	465,592	18,791	449,386
Effect of exchange rate changes on balances					
held in foreign currencies		7	-	7	-
Cash and cash equivalents at end of period		115,056	94,363	40,015	53,056

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements were authorized for issue by the directors on 14 November 2007.

1. General information

The International Engineering Public Company Limited (“the Company”) is incorporated in Thailand and has its registered office at 390, IEC Complex Building, Ramkhamhaeng Road, Huamark, Bangkapi, Bangkok.

The Company was listed on the Stock Exchange of Thailand on 13 May 1993.

The Company’s major shareholders as at 30 September 2007 are The Thailand Securities Depository Co., Ltd., Thailand Securities Depository Co., Ltd. for depositors and The M Group Public Company Limited who held 95.35%, 2.16% and 1.17%, respectively of total paid up share capital.

The principal activities of the Company are operating as a distributor of mobile phones and engineering products and airtime provider for a cellular telephone service (Digital PCN 1800). On 14 September 2007, the Company signed off the memorandum in order to terminate the airtime provider agreement effective from 1 August 2007.

The Company, its subsidiaries and jointly controlled entities together referred to as the “Group”. Details of the Company’s subsidiaries and joint venture are as follows:

	Business type	Country of operations	Ownership interest		31 December 2006
			30 September 2007	2006	
<i>Direct subsidiaries</i>					
1. IEC Mobile Co., Ltd	Sales of mobile phones and sim cards	Thailand	100%	100%	100%
2. IEC Technology Co., Ltd.	Information technology service	Thailand	65%	65%	65%
3. IEC Asset Co., Ltd.	Lease of property and service	Thailand	100%	100%	100%

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

	Business type	Country of operations	Ownership interest			
			30 September 2007	2006	31 December 2006	
<i>Direct subsidiaries</i>						
4.	IEC Easy Fix Co., Ltd.	Repairing services for mobile phones and accessories	Thailand	100%	100%	100%
5.	IEC Business Partners Co., Ltd.	Investment	Thailand	100%	100%	100%
6.	Crystal Agro Co., Ltd.	Agro-industry business	Cambodia	50%	-	50%
<i>Indirect subsidiaries</i>						
1	Intertrade Asia Co., Ltd.	Commercial business	Thailand	100%	100%	100%
2	Amtech E&M (Thailand) Co., Ltd. (Formerly: G.E.C International Co., Ltd.)	Electric engineering and machine business	Middle East Asia	13.75%	-	55%
3	Application Hosting Services Co., Ltd.	Sales of software	Thailand	8.9%	49%	8.9%
4	OneNet Co., Ltd. (Formerly: Info Comm (Thailand) Co., Ltd.)	Online game business	Thailand	35.58%	70.4%	49%
<i>Joint venture</i>						
1.	IEC Internet Co., Ltd.	Internet service provider (Ceased its operations)	Thailand	65%	65%	65%

2. Basis of preparation of financial statements

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. The English translation of the standards has been prepared for the convenience of readers not conversant with the Thai language.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No.41 *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2006. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2006.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month periods ended 30 September 2007 are consistent with those applied in the financial statements for the year ended 31 December 2006 except for the change in the accounting policy for investments in subsidiaries, jointly controlled entities and associates as discussed in Note 19 to the financial statements.

The consolidated financial statements include the financial statements of the Company and its subsidiaries and joint ventures, which are controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from their activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Significant intra-group transactions between the Company and subsidiaries and joint venture are eliminated on consolidation.

The consolidated and separate financial statements as at 30 September 2007 and for the three-month and nine-month periods then ended are prepared by using financial information as at 30 September 2007 and for the three-month and nine-month periods then ended of the one subsidiary in oversea, which have been prepared by the management of such subsidiary and has not been reviewed by the auditor as the management informed that the audit of 2006 financial information has not been finalized. In addition, the Board of Directors Meeting held on 14 September 2007 resolved to authorize the Company sold the investment in such subsidiary in all amounts. Later on 17 September 2007, the Company entered into the share selling agreement with third party in full amount. Please also see Notes 8 and 23 to the financial statements.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

The financial information of the subsidiary referred to above was as follows:

	Ownership interest	
	30 September 2007 (%)	30 September 2006
<i>Direct subsidiaries</i>		
Crystal Agro Co., Ltd.	50	-

Summary of balance sheet information of the above subsidiary as at 30 September 2007 was as follows:

Information of balance sheet (Before elimination)	<i>(in thousand Baht)</i>
Current assets	6,227
Non-current assets	33,689
Total assets	<u>39,916</u>
Current liabilities	61,262
Non-current liabilities	7,380
Total liabilities	<u>68,642</u>
Deficit in shareholders' equity	<u>(28,726)</u>
Total liabilities and shareholders' equity	<u>39,916</u>

	Consolidated financial statements	Separate financial statements
	30 September 2007	30 September 2007
	<i>(in thousand Baht)</i>	
Balance sheet information		
Investment in subsidiary	-	20,000
Allowance for devaluation of investments	-	10,000

Summary of statement of income information of the above subsidiary for the nine-month period ended 30 September 2007 was as follows:

Information of statement of income (Before elimination)	<i>(in thousand Baht)</i>	
Total revenues	2	
Total expenses	5,653	
Interest expense	168	
Net loss	<u>(5,819)</u>	
	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Statement of income information		
Loss on impairment of investment	-	10,000

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

3 Additional significant accounting policies from year-end financial statements

Foreign currencies – foreign entities

Assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Thai Baht at the balance sheet date.

The revenues and expenses of foreign entities are translated to Thai Baht at the rate approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognized in a separate component of equity until disposal of the investments.

4 Seasonal operations

The Group is subject to seasonal sales revenue from its telecommunication, lease of property, investing in securities and trading activities which conforms with economic environment.

5 Related party transactions and balances

Related parties are those parties linked to the Group and the Company by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

The natures of relationship with related parties

Related parties	Natures of relationship
1. IEC Mobile Co., Ltd.	Subsidiary
2. IEC Technology Co., Ltd.	Subsidiary
3. IEC Asset Co., Ltd.	Subsidiary
4. IEC Easy Fix Co., Ltd.	Subsidiary
5. IEC Business Partners Co., Ltd.	Subsidiary
6. Crystal Agro Co., Ltd.	Subsidiary
7. Intertrade Asia Co., Ltd.	Indirect subsidiary held by IEC Business Partners Co., Ltd.
8. Amtech E&M (Thailand) Co., Ltd. (Formerly: “G.E.C International Co., Ltd.”)	Related company as from 23 July 2007 Subsidiary in the period of December 2006
9. Application Hosting Services Co., Ltd.	Related company from December 2006 - 2007 Associate in the period of September 2006
10. OneNet Co., Ltd.	Associate
11. IEC Internet Co., Ltd.	Joint venture
12. Micronetic Public Company Limited	Associate
13. LOCUS Telecommunication Inc. Ltd.	Associate
14. BNB Inter Group Co., Ltd.	Associate
15. Bliss-Tel Public Company Limited	Associate and co-director
16. Ethnic Earth.Com Holdings Co., Ltd.	Related company by shareholding

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

Related parties	Natures of relationship
17. The M. Group Public Company Limited	Related company by shareholding
18. Sri U-Thong Co., Ltd	Related company by shareholding
19. Kasalong Hotel and Resort Co., Ltd.	Related company by shareholding

The pricing policies for particular types of transactions are explained further below:

	Pricing policies
Revenue from sales of goods	Market price
Rental income	Contract price
Sales of fixed assets	Higher than book value
Interest income	7.5-8.0% per annum
Purchase of goods	Cost plus margin
Rental expense	Contract price
Inventory management expense	Contract price
Interest expense	7.5-8.0% per annum
Directors' remunerations represent director bonus and meeting allowance	The amounts are approved by the Company's directors and shareholders

Significant transactions for the three-month and nine-month periods ended 30 September 2007 and 2006 with related parties were summarized as follows:

	Consolidated financial statements		Separate financial statements	
	Three-month periods		Three-month periods	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Revenue				
Subsidiaries				
Sales of goods and rendering of services	-	-	128,113	386,486
Interest income	-	-	8,094	5,426
Associates				
Sales of goods and rendering of services	14,664	10,919	14,664	10,919
Rental income	2,278	-	-	-
Interest income	43	-	-	-
Other related parties				
Interest income	656	656	656	656
Expenses				
Subsidiaries				
Purchase of goods	-	-	2,730	2,860
Interest expense	-	-	-	491
Selling and administrative expenses	-	-	6,684	1,114
Associates				
Purchase of goods	101,161	-	349,582	-
Related persons				
Directors' remuneration	2,380	2,449	1,500	1,660

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine-month periods		Nine-month periods	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Revenue				
Subsidiaries				
Sales of goods and rendering of services	-	-	351,955	1,495,158
Sale of fixed assets	-	-	19,743	12,251
Interest income	-	-	20,097	14,260
Associates				
Sales of goods and rendering of services	82,294	10,919	82,293	10,919
Rental income	5,191	-	-	-
Interest income	135	-	-	-
Other related parties				
Interest income	1,948	1,948	1,948	1,948
Expenses				
Subsidiaries				
Purchase of goods	-	-	8,143	7,876
Interest expense	-	-	1,008	491
Selling and administrative expenses	-	-	19,433	1,114
Associates				
Purchase of goods	217,725	-	466,146	-
Related persons				
Directors' remuneration	8,100	9,048	4,390	5,507

Balance as at 30 September 2007 and 31 December 2006 with related parties were as follows:

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Subsidiaries				
IEC Mobile Co., Ltd.	-	-	235,050	291,500
IEC Easy Fix Co., Ltd.	-	-	4,183	-
Associates				
Bliss-Tel Public Company Limited	7,626	2,731	6,769	1,151
OneNet Co., Ltd.	1,017	-	-	-
	<u>8,643</u>	<u>2,731</u>	<u>246,002</u>	<u>292,651</u>
<i>Less</i> allowance for doubtful accounts	-	-	(155,108)	(136,726)
Net	<u>8,643</u>	<u>2,731</u>	<u>90,894</u>	<u>155,925</u>

Doubtful account for the three-month and nine-month periods ended 30 September 2007 amounted to Baht 5,932,868.16 and Baht 18,381,781.70, respectively.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Short-term loans				
Subsidiaries				
IEC Asset Co., Ltd.	-	-	356,977	237,877
IEC Technology Co., Ltd.	-	-	78,320	52,920
IEC Business Partners Co., Ltd.	-	-	37,640	-
IEC Easy Fix Co., Ltd.	-	-	14,100	-
Crystal Agro Co., Ltd.	-	-	3,000	3,000
Associates				
OneNet Co., Ltd.	3,500	-	-	-
Micronetic Public Company Limited	18,675	18,675	18,675	18,675
Joint venture				
IEC Internet Co., Ltd.	30,356	30,356	-	-
Other related party				
Ethnic Earth.Com Holding Co., Ltd.	16,770	16,770	16,770	16,770
	<u>69,301</u>	<u>65,801</u>	<u>525,482</u>	<u>329,242</u>
<i>Less allowance for doubtful accounts</i>	<u>(65,801)</u>	<u>(65,801)</u>	<u>(101,111)</u>	<u>(88,688)</u>
Net	<u>3,500</u>	<u>-</u>	<u>424,371</u>	<u>240,554</u>
Other receivable				
Subsidiaries				
IEC Mobile Co., Ltd.	-	-	10,646	16,938
IEC Technology Co., Ltd.	-	-	6,615	3,088
IEC Asset Co., Ltd.	-	-	31,412	19,690
IEC Business Partners Co., Ltd.	-	-	807	191
Intrade Asia Co., Ltd.	-	-	61	22
IEC Easy Fix Co., Ltd.	-	-	35,651	18,280
Crystal Agro Co., Ltd.	-	-	915	3
Associates				
Bliss-Tel Public Company Limited	1,791	-	-	-
OneNet Co., Ltd.	502	-	8	4
Micronetic Public Company Limited	2,801	1,753	2,801	1,753
Other related parties				
Amtech E&M (Thailand) Co., Ltd.	156	-	-	-
Application Hosting Services Co., Ltd.	-	1,102	-	1,102
Ethnic Earth.Com Holding Co.,Ltd.	5,020	4,119	5,020	4,119
The M Group Public Company Limited	450,000	450,000	450,000	450,000
	<u>460,270</u>	<u>456,974</u>	<u>543,936</u>	<u>515,190</u>
<i>Less allowance for doubtful accounts</i>	<u>(457,821)</u>	<u>(455,872)</u>	<u>(457,821)</u>	<u>(455,872)</u>
Net	<u>2,449</u>	<u>1,102</u>	<u>86,115</u>	<u>59,318</u>
Total	<u>5,949</u>	<u>1,102</u>	<u>510,486</u>	<u>299,872</u>

Doubtful accounts derived from short-term loans to related parties for the three-month and nine-month periods ended 30 September 2007 amounted to Baht 6,384,457.57 and Baht 14,371,170.21, respectively.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

Movements of short-term loans to related parties during the nine-month period ended 30 September 2007 were as follows:

	Consolidated financial statements 2007	Separate financial statements 2007
	<i>(in thousand Baht)</i>	
At 1 January	65,801	329,242
Increase	3,500	231,890
Decrease	-	(35,650)
At 30 September	69,301	525,482

Movements of short-term loans to related parties during the year ended 31 December 2006 were as follows:

	Consolidated financial statements 2006	Separate financial statements 2006
	<i>(in thousand Baht)</i>	
At 1 January	65,801	139,242
Increase	-	274,750
Decrease	-	84,750
At 31 December	65,801	329,242

Investments in subsidiary, jointly controlled entities and associates were as details in Note 8 to the financial statements.

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Subsidiaries				
IEC Mobile Co., Ltd.	-	-	531	-
IEC Easy Fix Co., Ltd.	-	-	14,175	-
Associates				
Bliss-Tel Public Company Limited	822	-	-	-
	<u>822</u>	<u>-</u>	<u>14,706</u>	<u>-</u>

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

Short-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Short-term loans				
Subsidiary				
IEC Business Partners Co., Ltd.	-	-	-	89,000
	-	-	-	89,000
Other payable				
Subsidiaries				
IEC Technology Co., Ltd.	-	-	-	8
IEC Mobile Co., Ltd.	-	-	823	3,539
IEC Asset Co., Ltd.	-	-	147	154
IEC Easy Fix Co., Ltd.	-	-	2,093	22,622
Associates				
Bliss-Tel Public Company Limited	1,230	192	-	191
OneNet Co., Ltd.	32	-	-	-
Micronetic Public Company Limited	346	346	250	250
	<u>1,608</u>	<u>538</u>	<u>3,313</u>	<u>26,764</u>
Total	<u>1,608</u>	<u>538</u>	<u>3,313</u>	<u>115,764</u>

Directors' remuneration

The Ordinary General Meeting of Shareholders held on 18 May 2007 passed a resolution to approve the remunerations of the directors, independent directors and audit committee for the year 2007 in the amount not exceeding Baht 7 million, which will be allocated by the discretion of Board of Directors.

Significant agreements with related parties

The Company entered into an agreement for the leasing of office space and services with IEC Asset Co., Ltd. for a period of 3 years from 1 September 2006 to 31 August 2009 at the monthly rental and service charge of Baht 1,152,153.

The Company entered into service agreement with IEC Easy Fix Co., Ltd. for managing and distributing goods for a period of 3 years.

IEC Asset Co., Ltd. entered into an agreement for providing rental service to Bliss-Tel Public Company Limited for a period of 3 years at the monthly rental and service charge of Baht 552,040.

IEC Easy Fix Co., Ltd. entered into an agreement for leasing some part of office space and equipment, and service from Bliss-Tel Public Company Limited in order to operate mobile phone repairing service for a period of 2 years and 11 months commencing from 10 February 2006 to 9 February 2009 at the monthly rental and service charge of Baht 26,350.

IEC Easy Fix Co., Ltd. entered into an agreement for leasing some part of office space and equipment, and service from Bliss-Tel Public Company Limited in order to operate mobile phone repairing service for a period of 3 years commencing from 19 January 2007 to 18 January 2010 at the monthly rental and service charge of Baht 15,180.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

IEC Asset Co., Ltd. entered into an agreement for the leasing of office space and services to OneNet Co., Ltd. for a period of 3 years at the monthly rental and service charge of Baht 207,425.

On 1 July 2007, IEC Easy Fix Co., Ltd. entered into an agreement with Bliss-Tel Public Company Limited to provide the services on managing, distributing and claiming inventories for a period of 3 years ending 30 June 2010, requiring monthly service charges at Baht 20 per unit, etc.

On 25 September 2007, the Company entered into the memorandum with Bliss-Tel Public Company Limited (“Bliss-Tel”) to order one brand product for Bliss-Tel. Selling price is based on actual cost plus margin and payable compensation depended upon total purchasing volume. The memorandum covers a period of 3 years starting on 1 October 2007 onward.

Commitments to its related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in million Baht)</i>			
Commitments				
Letter of guarantee and credit facilities for Micronetic Public Company Limited	15,000	15,000	15,000	15,000
Guarantee obligations over liabilities of Locus Telecommunication Inc. Co., Ltd. to financial institution	80,000	80,000	80,000	80,000
Guarantee obligations over loans of IEC Business Partner Co., Ltd. to Financial institution	350,000	-	350,000	-
Total	445,000	95,000	445,000	95,000

6 Current investments

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Equity securities				
Securities held for trading				
NEP Realty and Industry Public Company Limited	44,850	38,378	-	-
EMC Public Company Limited	-	72,269	-	72,269
Navanakorn Public Company Limited	-	46,053	-	42,614
Power Line Engineering Public Company Limited	-	95,057	-	-
Live Incorporation Public Company Limited	154,110	-	70,172	-
Thailand Carpet Manufacturing Public Company Limited	5,434	-	-	-

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Bliss-Tel Public Company Limited	23,200	-	-	-
Total	<u>227,594</u>	<u>251,757</u>	<u>70,172</u>	<u>114,883</u>
Add (Less) allowance for devaluation of investments	<u>40,880</u>	<u>(33,901)</u>	<u>49,296</u>	<u>(12,245)</u>
Net	<u>268,474</u>	<u>217,856</u>	<u>119,468</u>	<u>102,638</u>
Securities available-for-sale				
Unit trust	50,000	157	50,000	157
Others	-	459	-	-
Add allowance for devaluation of investment	<u>23</u>	<u>21</u>	<u>23</u>	<u>18</u>
Net	<u>50,023</u>	<u>637</u>	<u>50,023</u>	<u>175</u>
Total	<u>318,497</u>	<u>218,493</u>	<u>169,491</u>	<u>102,813</u>

7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Accounts trade receivable from related parties	8,643	2,731	246,002	292,651
Accounts trade receivable from other parties	<u>108,223</u>	<u>151,756</u>	<u>76,149</u>	<u>104,208</u>
	116,866	154,487	322,151	396,859
Less allowance for doubtful accounts	<u>(13,512)</u>	<u>(11,889)</u>	<u>(167,366)</u>	<u>(147,764)</u>
Net	<u>103,354</u>	<u>142,598</u>	<u>154,785</u>	<u>249,095</u>
Within credit terms	62,623	95,175	67,007	118,085
Overdue				
Less than 3 months	37,874	32,527	64,255	84,593
3 - 6 months	3,954	12,301	2,227	7,733
6 - 12 months	2,489	5,653	4,850	177,632
Over 12 months	<u>9,926</u>	<u>8,831</u>	<u>183,812</u>	<u>8,816</u>
	54,243	59,312	255,144	278,774
Total	116,866	154,487	322,151	396,859
Less allowance for doubtful accounts	<u>(13,512)</u>	<u>(11,889)</u>	<u>(167,366)</u>	<u>(147,764)</u>
Net	<u>103,354</u>	<u>142,598</u>	<u>154,785</u>	<u>249,095</u>

The International Engineering Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

8 Investments in subsidiaries, jointly-controlled entities and associates

Movements during the nine-month period ended 30 September 2007 and the year ended 31 December 2006 were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006 (Restated)
	<i>(in thousand Baht)</i>			
Net book value at 1 January	524,052	173,745	1,302,591	575,227
Share of losses from investments accounted for using the equity method	(22,616)	(74,457)	-	-
Disposals	(52,898)	-	(52,898)	-
Acquisitions	18,323	424,764	30,824	727,364
	466,861	524,052	1,280,517	1,302,591
<i>Less</i> allowance for devaluation of investments	(330,396)	(311,461)	(970,017)	(743,234)
Net book value at 30 September and 31 December	136,465	212,591	310,500	559,357

The Group has not recognized losses relating to certain investments in associates accounted for using the equity method where its share of losses exceeds the carrying amount of those investments. The Group's cumulative share of unrecognized losses was Baht 36.10 million as at 30 September 2007, of which Baht 10.72 million was the Group's share of the current period's losses. The Group has no obligation in respect of these losses.

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Investments in subsidiaries, jointly-controlled entries and associates as at 30 September 2007 and 31 December 2006 were as follows:

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	Ownership interest		Paid-up share capital		Cost method		Equity method	
	30 September 2007 (%)	31 December 2006	30 September 2007 <i>(in thousand Baht)</i>	31 December 2006	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Associates								
Micronetic Public Company Limited	38.51	38.61	100,000	100,000	24,827	24,827	24,827	24,827
LOCUS Telecommunication Inc. Ltd.	35.88	36.36	647,227	638,790	239,234	239,234	201,115	201,115
BNB Inter Group Co., Ltd.	23.81	27.78	105,000	90,000	75,000	75,000	75,000	75,000
Bliss-Tel Public Company Limited	15.56	24.35	315,000	230,000	218,056	252,630	165,919	219,907
OneNet Co., Ltd.	40.83	49.00	12,000	10,000	4,900	4,900	-	3,203
Total							466,861	524,052
<i>Less</i> Allowance for devaluation of investments							(330,396)	(311,461)
Net							136,465	212,591

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	Separate financial statements (Restated)							
	Ownership interest		Paid-up share capital		Cost method		Dividend income	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2007	2006	2007	2006	2007	2006	2007	2006
	(%)		(in thousand Baht)					
<i>Subsidiaries</i>								
IEC Mobile Co.,Ltd.	100	100	100,000	100,000	90,900	90,900	-	-
IEC Technology Co.,Ltd.	65	65	50,000	50,000	32,500	32,500	-	-
IEC Asset Co.,Ltd.	100	100	285,000	285,000	280,000	280,000	-	-
IEC Business Partner Co., Ltd.	100	100	250,000	250,000	250,000	250,000	-	-
IEC Easy Fix Co., Ltd.	100	100	37,500	37,500	50,000	37,500	-	-
Crystal Agro Co., Ltd.	50	50	40,000	40,000	20,000	20,000	-	-
<i>Associates</i>								
Micronetic Public Company Limited	38.51	38.61	100,000	100,000	24,827	24,827	-	-
LOCUS Telecommunication Inc. Ltd.	34.95	36.36	664,410	638,790	239,234	239,234	-	-
BNB Inter Group Co., Ltd.	23.81	27.78	105,000	90,000	75,000	75,000	-	-
Bliss-Tel Public Company Limited	15.56	24.35	315,000	230,000	218,056	252,630	-	-
					<u>1,280,517</u>	<u>1,302,591</u>	<u>-</u>	<u>-</u>
<i>Less</i> Allowance for devaluation of investments					<u>(970,017)</u>	<u>(743,234)</u>	<u>-</u>	<u>-</u>
Total					<u>310,500</u>	<u>559,357</u>	<u>-</u>	<u>-</u>

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Allowance for devaluation of investments as at 30 September 2007 and 31 December 2006 comprised as follows:

	Separate financial statements	
	2007	2006
	<i>(in thousand Baht)</i>	
Subsidiaries		
IEC Mobile Co.,Ltd.	90,900	90,900
IEC Technology Co.,Ltd.	32,500	32,500
IEC Asset Co.,Ltd.	273,452	226,983
IEC Business Partner Co., Ltd.	135,701	10,547
IEC Easy Fix Co., Ltd.	26,226	-
Crystal Agro Co., Ltd.	10,000	-
Associates		
Micronetic Public Company Limited	24,827	24,827
LOCUS Telecommunication Inc. Ltd.	239,234	239,234
BNB Inter Group Co., Ltd.	75,000	75,000
Bliss-Tel Public Company Limited	62,177	43,243
	<u>970,017</u>	<u>743,234</u>

The Board of Directors Meeting held on 14 September 2007 resolved to authorize the Company sold all investment in Crystal Agro Co., Ltd. of 500 shares of US\$ 1,000 par value at the price of US\$ 1,000. On 17 September 2007, the Company entered into the share sell agreement with third party in order to sell ordinary shares of Crystal Agro Co., Ltd. of 500 shares at the price of US\$ 1,000, totalling US\$ 500,000. The buyer agrees to pay in full amount within 16 November 2007 that such day assumes as the date of settlement, and the Company will transfer ownership in ordinary shares. As at 30 September 2007, the proceeds from sale of investment have not been performed. Please also see Note 23 to the financial statements.

9 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Sri U – Thong Co., Ltd.	21,000	21,000	21,000	21,000
Kasalong Hotel and Resort Co., Ltd.	-	4,000	-	4,000
Ethnic Earth.Com Holding Co., Ltd.	8,995	8,995	8,995	8,995
Application Hosting Services Co., Ltd.	32,637	32,637	-	-
Amtech E&M (Thailand) Co., Ltd.	2,750	-	-	-
Auto Info Co., Ltd.	400	400	400	400
Electricity Generating Public Company Limited	125	125	125	125
	<u>65,907</u>	<u>67,157</u>	<u>30,520</u>	<u>34,520</u>
<i>Less</i> allowance for devaluation of investments	<u>(32,745)</u>	<u>(33,995)</u>	<u>(29,995)</u>	<u>(33,995)</u>
Net	<u>33,162</u>	<u>33,162</u>	<u>525</u>	<u>525</u>

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10 Intangible assets

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Cost of purchase of subscribers - net	-	330,411	-	330,411
Leasehold rights - net	198,116	209,892	28,011	30,816
Computer software - net	3,292	2,743	1,241	2,402
Concession on agro-industry project	33,491	38,450	-	-
Goodwill	-	30,343	-	-
Franchise fee	1,062	-	-	-
Total	235,961	611,839	29,252	363,629

Cost of purchase of subscribers

On 14 September 2007, the Company entered into the memorandum to terminate the airtime provider agreement with Total Access Communication Public Company Limited signed on 10 April 1998, requiring a period of 17 years. Both parties agreed to terminate the above agreement effective from 1 August 2007. The Company obtained compensation from termination of Baht 290 million. Therefore, for the three-month and nine-month periods, loss on terminating airtime provider agreement amounted to Baht 46.05 million was presented in the statement of income.

Concession on agro-industry project

Crystal Agro Co., Ltd was granted the concession by the Ministry of Agriculture, Forestry and Fisheries of Cambodia to utilize land of 8,000 hectares (equivalent to approximately 50,000 Rais) located in the district of Samrong, Udon Mean Chey Province, for agro-industry crops plantation and factory for a period of 70 years starting from 17 July 2006. According to the term of concession agreement, such subsidiary is committed to pay an annual fee at the rate determined by the Royal Government of Cambodia. During the year 2006, the subsidiary incurred the payments for acquisition of the concession of US\$ 1 million (equivalent to Baht 38 million). The subsidiary has a policy to amortize the acquisition cost over the term of the concession.

11 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Deposit for purchase of computer software	60,500	60,500	60,500	60,500
Others deposit	31,046	34,000	21,366	18,114
	91,546	94,500	81,866	78,614
<i>Less</i> allowance for impairment	(60,500)	(60,500)	(60,500)	(60,500)
Total	31,046	34,000	21,366	18,114

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12 Convertible debentures

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Convertible debentures	12,895	20,616	12,895	20,616
Less current portion due within one year	(10,321)	(10,321)	(10,321)	(10,321)
Net	2,574	10,295	2,574	10,295

As at 30 September 2007, the outstanding balance of convertible debentures which reached to the maturity since 2000, comprised 12,895 convertible debentures (31 December 2006: 20,616 units) of Baht 1,000 per unit totaling Baht 12.90 million (31 December 2006: Baht 20.62 million). The trustee of debenture holders filed a lawsuit to the Civil Court as described in Note 21 to the financial statements.

13 Advance received for wood in a concession area

As at 30 September 2007 and 31 December 2006, advance received for wood amounting to Baht 50 million represented advance received whereby the Company entered into the sales agreement with a local company for selling the wood, which were bought from a foreign company, to such company within 2 years at the selling price as the agreement of Baht 220 million. The term of receiving was as follows:

Within	(in million Baht)
24 July 2006	50
15 November 2006	35
30 November 2006	30
10 December 2006	30
25 December 2006	30
5 January 2007	25
15 January 2007	20

The buyer has to place a guarantee from Thai bank at least Baht 112.35 million to secure the above fourth to seventh payments within 30 November 2006.

The Company determines the policy of recognize income from sales of wood when the buyer cuts the wood and transports them outside the concession area. As at 30 September 2007, the term and process under the agreement have been not performed and there has been no progress on payments or receipt of bank guarantee from the buyer.

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14 Long-term loan in default

On 30 January 2007, IEC Business Partner Co., Ltd. (“subsidiary”) entered into a loan agreement with a local financial institution of Baht 350 million in order to acquire assets from International Gasohol Corporation Limited. The loan had a grace period of one year from the first drawdown. The principal repayment will be made in 26 quarterly installments starting from January 2008 of Baht 13 million each for the first to twenty-fifth installments and the rest for the twenty-sixth installment. The interest rate is charged at MLR+0.25% per annum. This loan is secured by the assets acquired from International Gasohol Corporation Limited. The agreement contained certain conditions on events of defaults, among other things, interest charged immediately at highest rate as an announcement by that financial institution, and/or terminating the term of agreement, and/or forces all securities or certain and maintaining debts to equity ratio.

On 29 May 2007, the Company notified to temporarily stop the payment under the loan agreement due to the Company’s assets used as collateral on the above loan have not been registered the servitude on entrance and exit established by law. Until 30 September 2007, the subsidiary failed to pay interest of Baht 11.22 million, incurred default interest of Baht 14.17 million and did not maintain debts to equity ratio pursuant to the loan agreement. Therefore, above loan was shown under long-term loan in default.

15 Provisions

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Provision for repurchasing shares of subsidiary	13,755	13,755	13,755	13,755
Provision for loss on lawsuits from the customs department	72,455	72,455	72,455	72,455
Provision for loss from others guarantee	14,383	-	14,383	-
Provisions of subsidiaries, associates and joint venture	29,771	22,339	25,804	15,000
Total	130,364	108,549	126,397	101,210

• **Provision for repurchasing shares of subsidiary**

On 6 February 2002, the Company and IEC Technology Company Limited entered into a share purchase agreement with the Industrial Estate Authority of Thailand to sell the Company’s investment in Baht 1.75 million ordinary shares of IEC Technology Company Limited at a price of Baht 7.86 each, a total of Baht 13.76 million, to the Industrial Estate Authority of Thailand. This resulted to decrease in shareholding in IEC Technology Company Limited to 65%.

The above agreement stipulates the right of the Industrial Estate Authority of Thailand to sell all or part of its investments in IEC Technology Company Limited to the Company at a price which was not less than Baht 7.86 per share if the listing of IEC Technology Company Limited on the Stock Exchange of Thailand cannot be implemented within 5 years from the date of the agreement or if the business is not able to be operated until the Company has retained earnings at the end of the fifth year from the date of the agreement. However, the Company provided for a provision for repurchasing shares of subsidiary amounted to Baht 13.76 million.

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- **Provision for loss on lawsuits from the Customs Department**

Provision for loss on lawsuits from the Customs Department amounted to Baht 72.45 million as the details in the Note 21 to the financial statements.

- **Provisions of subsidiaries, associates and joint venture**

The Company recognized provisions due to guarantee for loss of subsidiaries, associates and joint venture which were summarized as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Subsidiaries				
IEC Technology Co.,Ltd.	-	-	801	-
IEC Mobile Co.,Ltd.	-	-	3,296	-
Associates				
LOCUS Telecommunication Inc. Ltd.	6,707	-	6,707	-
Micronetic Public Company Limited	15,000	15,000	15,000	15,000
Joint venture				
IEC Internet Co., Ltd.	8,064	7,339	-	-
Total	<u>29,771</u>	<u>22,339</u>	<u>25,804</u>	<u>15,000</u>

16 Share capital / share premium

	<i>Par value (Baht)</i>	30 September 2007		31 December 2006	
		Number	Value	Number	Value
		<i>(in thousand shares / in thousand Baht)</i>			
Authorized share capital					
At the beginning of period					
- Ordinary shares	<i>1</i>	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>
At the end of period					
- Ordinary shares	<i>1</i>	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>
Issued and paid-up share capital					
At the beginning of period					
- Ordinary shares	<i>1</i>	1,749,229	1,749,229	1,333,200	1,333,200
Issue of new shares	<i>1</i>	<u>-</u>	<u>-</u>	<u>416,029</u>	<u>416,029</u>
At the end of period					
- Ordinary shares	<i>1</i>	<u>1,749,229</u>	<u>1,749,229</u>	<u>1,749,229</u>	<u>1,749,229</u>

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The Ordinary General Meeting of Shareholders held on 18 May 2007, resolved the following matters:

- To additionally change the price of increased share capital approved by the Shareholders Meeting held on 9 December 2005 and 17 April 2006. 333,779,000 increased shares capital from totaling 784,550,000 increased share capital were allotted to investors on a private placement for 4 times. Therefore, the remaining ordinary shares as at 30 September 2007 of 450,711,000 shares are not allotted. The offering price per share of those remaining will be less than market price and the market price calculated based on the weight average closing price of the Company's share traded on the Stock Exchange of Thailand in the 15 working days prior to the first date of offering shares to the investors.
- To transfer partial share premium for compensating deficit amounted to Baht 974,250,239. This resulted to the outstanding balance of share premium was Baht 32,555,093.

17 Segment information

Segment information is presented in respect of the Group's primary format, business segments, based on the Group's management and internal reporting structure.

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

Assets, liabilities, revenue and results, based on business segments, which directly related or are reasonably allocated to segment were as follows:

Business segments

Segment information is presented in respect of the Group's significant business segments as follows:

- Telecommunication segment represents distributing mobile phone, refill card, mobile phone repair, airtime provider, the operator of the DTAC 1800 system, developer of fully integrated information technology system. (Please see Note 1 to the financial statements)
- Lease of property and service represents managing IEC Building and property projects.
- Investment in securities represents investing in new business.
- Commercial business represents international trade services, particularly the Middle East states.
- Agribusiness represents plant cultivation concession projects in Cambodia.
- Software business represents distributing the right to link the news passing mobile phone.

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Revenue and results, based on business segments for the three-month and nine-month periods ended 30 September were as follows:

	Consolidated financial statements			
	Three-month periods		Nine-month periods	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Segment revenue				
Telecommunication	620,092	1,040,666	1,999,334	3,299,511
Lease of property and service	(14,365)	(16,543)	6,743	(1,435)
Investment in securities	(6,627)	(17,437)	(248)	130,795
Commercial business	1,033	93	1,037	93
Game online business	-	4	-	4
Agribusiness	-	-	2	-
Software business	-	55,592	-	255,778
Total	600,133	1,062,375	2,006,868	3,684,746
Segment results (net profit or loss)				
Telecommunication	(263,558)	(511,127)	(346,563)	(659,636)
Lease of property and service	(27,625)	(33,550)	(44,398)	(55,705)
Investment in securities	(101,208)	(49,496)	(158,675)	26,915
Commercial business	(4,934)	(12,156)	(17,616)	(12,156)
Game online business	-	(878)	-	(878)
Agribusiness	(2,266)	-	(5,819)	-
Software business	-	8,571	-	14,196
Eliminations	184,167	-	219,743	-
Total	(215,424)	(598,636)	(353,328)	(687,264)

18 Basic loss per share

Basic loss per share for the three-month and nine-month periods ended 30 September 2007 and 2006 is calculated by dividing the net loss for the period attributable to ordinary shareholders by the weight average number of shares outstanding during the periods.

	Consolidated financial statements		Separate financial statements	
	Three-month periods		Three-month periods	
	2007	2006	2007	2006
Net loss attributable to ordinary shareholders (in thousand Baht)	(215,424)	(598,636)	(204,566)	(542,602)
Weighted average number of ordinary shares issued during the period (in thousand shares)	1,749,229	1,561,778	1,749,229	1,561,778
Basic loss per share (Baht)	(0.12)	(0.38)	(0.12)	(0.35)

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	Consolidated financial statements		Separate financial statements	
	Nine-month periods		Nine-month periods	
	2007	2006	2007	2006
Net loss attributable to ordinary shareholders (in thousand Baht)	(353,328)	(687,264)	(301,553)	(703,365)
Weighted average number of ordinary shares issued during the period (in thousand shares)	1,749,229	1,561,778	1,749,229	1,561,778
Basic loss per share (Baht)	(0.20)	(0.44)	(0.17)	(0.45)

19 Change in accounting policy

The following change of accounting policy by the Company has no effect on the consolidated financial statements of the Group.

Until 31 December 2006, the Company accounted for its investments in subsidiaries, jointly controlled entities and associates in its financial statements using the equity method.

During 2007, the Federation of Accounting Professions (FAP) issued the following new TAS which are effective for accounting periods beginning on or after 1 January 2007:

TAS 44 (revised 2007) Consolidated and Separate Financial Statements
TAS 45 (revised 2007) Investment in Associates
TAS 46 (revised 2007) Interest in Joint Ventures

The new TAS require a parent company which has investments in a subsidiary company, an entity under joint control, or an associate company, which is not classified as a “held for sale” investment, to record such investment in accordance with either the cost method or with the recognition and measurement basis for financial statements (when an announcement is made), instead of the equity method currently used.

Since 1 January 2007, the Company has, accordingly, changed its accounting policy for its investments in subsidiary companies, jointly controlled entities or associates in the separate financial statements from the equity method to the cost method to conform with the announcement of FAP. The change in accounting policy has been applied retrospectively and the Company’s 2006 financial statements, which are presented for comparative purposes, have been restated accordingly.

The accumulative effects of the change in accounting policy on the financial statements since the past to the beginning of year 2007 and since the past to the beginning of year 2006 are as follows:

	Separate financial statements	
	2007	2006
	<i>(in thousand Baht)</i>	
Balance sheet		
Decrease in beginning balance of investments	139,473	115,847
Decrease in trade accounts receivable from related parties	136,727	-
Decrease in provision for loss of investments	275,429	113,929
Decrease in beginning balance of retained earnings	-	1,918
Increase in beginning balance of deficit	771	-

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The effects of change in accounting policy on the financial statements during the period are as follows:

	Separate financial statements			
	Three-months period		Nine-months period	
	2007	2006	2007	2006
Increase (decrease) in net loss (in thousand Baht)	(7,237)	(56,034)	(12,167)	16,101
Increase in loss per share (Baht)	(0.01)	0.04	(0.01)	(0.01)

20 Commitments with non related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in million Baht)</i>			
Capital commitments				
<i>Contracted but not provided for</i>				
Land building and constructions	163,000	23,000	-	23,000
<i>Authorized but not contracted for</i>				
Machinery and equipment	264,600	-	-	-
Total	427,600	23,000	-	23,000
Non-cancellable operating lease commitments				
Within one year	53,982	43,969	16,380	16,099
After one year but within five years	178,010	157,793	27,659	37,924
After five years	407,814	453,834	10,574	11,938
Total	639,806	655,596	54,613	65,961
Other commitments				
Performance bonds and bid bonds	206,183	257,803	186,932	241,443
Use computer software under the license agreement in providing Mobile Casting	19,500	19,500	19,500	19,500
Total	225,683	277,303	206,432	260,943

A subsidiary has a commitment under the long-term lease and service agreements with IEC Complex Building's owners on 16 September 2005 for the leasehold rights. Under these agreements, monthly rental and services fees amounting to Baht 1.3 million are to be paid in the first year and such rate will be increased periodically over the term of the agreements. The agreements are for the period of 16 years and 8 months, and expiring in May 2022.

The Company has a commitment under the "Airtime Provider Agreement" with Total Access Communication Public Company Limited ("TAC"). The agreement stipulated certain covenants for the Company such as the responsible obligation incurred from bad debts arisen from telephone service of TAC as per invoices issued to customers and bad debts arisen from fraud registration by customers. Later on 14 September 2007, the Company signed off the memorandum to terminate above agreement effective from 1 August 2007.

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In addition, the Company has commitment arisen from fraud registration by customers through SIM registration services rendered by the Company. The contingent penalty will be charged upon the terms agreed by each operator.

21 Contingent liabilities

- On July 23, 1999, the trustee of the debenture holders filed a lawsuit with the Civil Court in order to the Company pay Baht 427.80 million of principal and Baht 21.80 million of interest, or a total of Baht 449.60 million, to the debenture holders. The Court of First Instance ruled in favor of the plaintiff, ordering the Company to pay an amount of Baht 449.60 million plus interest at 8 percent per annum on principal of Baht 427.80 million as from the filing date. In December 2001, the Company lodged appeals with the Court of Appeals in respect of several issues, including negotiation of compromise agreements with some debenture holders and the redemption of some debentures, petitioning the court to deduct the value of the debentures already redeemed from the amount claimed by the plaintiff. In December 2004, the Court of Appeals sentenced against the Company, and with regard the mentioned compromise agreements, the court's opinion was that the trustee of the debenture holders should call back the amounts which the Company paid under the compromise agreements and combine with the asset charged to the debentured as a whole, for further distribution. In June 2005, the Company filed the case to the Supreme Court.

The Company compromised with a convertible debenture holder, who was the trustee of all outstanding holders with a principal of Baht 10 million and accrued interest of Baht 6.2 million. The term of compromise was if the Company is obliged to repay all debts within 10 August 2006, and the said holder shall forgive the debt of Baht 1.6 million of accrued interest, therefore, a total debt amounted to Baht 14.6 million. The Company had settled its debt with this debenture holder on 10 August 2006.

Until 14 November 2007, the Company has filed the petition to the Supreme Court to withdraw a plaint due to all convertible debenture holders did not make the execution of a judgment.

- Since January 2004, the Customs Department has sent notices to the Company seeking the return of approximately Baht 69.8 million (including interest accrued up to December 2005) in tax subsidiaries provision in the form of tax coupons, which the Company received from 9 companies and used for making payment of excise tax, on the grounds that the other companies had fraudulently acquired the tax coupons from the Customs Department. Since August 2004, the Customs Department has filed suit against the Company with the tax courts in 30 cases, seeking to recover approximately Baht 46.8 million (including interest accrued up to December 2005). Suits have not yet been filed over the remaining amount of Baht 23 million (including interest). To date, the Court of First Instance has ruled in favor of the plaintiff in 18 cases and ruled in favor of the Company in 12 cases, and the Supreme Court already sentenced 8 cases, of which amount of Baht 9.3 million, that the Company has to pay compensation on tax coupons to the Custom Department. The remaining 22 cases are now in the process of being heard by the Supreme Court. However, the Company already recorded all contingent liabilities amounting Baht 72.45 million in relation to the above litigation in its accounts.

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Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

- On 26 February 2007, the subsidiary, which is IEC Business Partner Company Limited, was filed a lawsuit with regards to the transaction in acquiring assets of International Gasohol Corporation Limited pursuant to the civil case: black case no.842/2007 with a claim of Baht 181 million. The Plaintiff requested the Court to invalidate, cancel the registration of the transfer of ownership and then transfer it back to the seller or order all Defendants to pay the balance of the proceeds of Baht 181 million with the interest of 7.5 percent per annum of principal Baht 181 million, starting from filing date until fully settlement. On 14 March 2007, the subsidiary was filed a lawsuit from the same Plaintiff pursuant to the criminal case: black case no. 1464/2007.

The Company's management and the Company's lawyer have the opinion that the purchase of assets of International Gasohol Corporation Limited between International Gasohol Corporation Limited and the Company is a legally fair and righteous transaction. The act of the Company is not categorized as an illegal action for misappropriation as charged, therefore, indemnifying the Company against the revocation of asset purchase between International Gasohol Corporation Limited and the Subsidiary. Accordingly, the subsidiary does not record any estimated liability in the accounts.

22 Foreign currency risk

As at 30 September 2007, the Company had assets and liabilities denominated in foreign currencies, which were not hedged, were summarized as follows:

	Amount
Assets denominated in Japanese Yen	Yen 2,075,000
Assets denominated in USD	USD532,700
Liabilities denominated in EUR	USD 33,733

23 Events after the balance sheet date

The Board of Directors Meeting held on 17 October 2007 resolved to authorize the following matters: -

- The guarantee amount for bidding the system project amounted to Baht 320 million;
- Loan to IEC Assets Co., Ltd in the amount of Baht 24.05 million with interest charge at 8% per annum;
- Appointing the Company's consultant, requiring a monthly compensation of Baht 50,000 with a period of 6 months.

On 8 November 2007, the proceeds from sale of investment in Crystal Agro Co., Ltd amounting to US\$ 500,000 or Baht 16,790,000 had been performed.

24 Reclassification of accounts

Certain accounts in the 2006 interim financial statements have been reclassified to conform with the presentation in the 2007 interim financial statements.