

Tapaco Public Company Limited and its Subsidiary

Interim Financial Statements and Review Report of Certified Public Accountant

**For the three-month and six-month periods ended
30 April 2007**

Review Report of Certified Public Accountant

To the Board of Directors of Tapaco Public Company Limited

I have reviewed the accompanying consolidated and separate balance sheet as at 30 April 2007, and the related statements of income, changes in shareholders' equity and cash flows for three-month and the six-month periods then ended of Tapaco Public Company Limited and its subsidiary, and of Tapaco Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of the information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my review. The consolidated and the Company's statements of income, changes in shareholders' equity and cash flows for the three-month and six-month periods ended 30 April 2006 of Tapaco Public Company Limited and its subsidiary, and of Tapaco Public Company Limited, respectively, were reviewed by another auditor whose report dated 9 June 2006 stated that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles. The Company's financial statements for the six-month period ended 30 April 2006 have been restated for the effects of the change in accounting policy for investment in subsidiary from the equity method of accounting to the cost method, as described in note 2 to the financial statements, and are now termed "separate" 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.

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

Based on my review, 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.

The consolidated and the Company's financial statements for the year ended 31 October 2006 of Tapaco Public Company Limited and its subsidiaries, and of Tapaco Public Company Limited, respectively, were audited by another auditor who expressed an unqualified opinion on those financial statements in his report dated 20 December 2006. The Company's financial statements for the year ended 31 October 2006 have been restated for the effects of the change in accounting policy for investment in subsidiary from the equity method of accounting to the cost method, as described in note 2 to the financial statements and are now termed "separate" financial statements. In my opinion, the adjustments made to the Company's financial statements are appropriate and have been properly applied. The consolidated and separate balance sheets as at 31 October 2006, which are included in the accompanying financial statements for comparative purposes, are components of those financial statements.

Without qualifying my opinion, I draw attention to Note 12 to the financial statements. The Company has submitted a request for the extension of filing the application form for exercising the right and benefit of corporate income tax exemption for promoted companies for the Company's second project. Presently, the request is under the consideration for approval of the Board of Investment.

(Ekkasit Chuthamsatid)
Certified Public Accountant
Registration No. 4195

KPMG Phoomchai Audit Ltd.
Bangkok
12 June 2007

Tapaco Public Company Limited and its Subsidiary

Balance sheets

As at 30 April 2007 and 31 October 2006

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 April 2007 (Unaudited)	31 October 2006	30 April 2007 (Unaudited)	31 October 2006 (Restated)
<i>(in thousand Baht)</i>					
Assets					
<i>Current assets</i>					
Cash and cash equivalents		24,225	17,825	18,465	11,374
Trade accounts receivable	3, 4	48,945	55,987	47,293	52,064
Other receivable from related parties	3	-	-	-	1,151
Inventories		39,334	34,039	35,094	30,471
Other current assets	3	5,523	7,430	5,063	6,470
Total current assets		118,027	115,281	105,915	101,530
<i>Non-current assets</i>					
Restricted fixed deposit at financial institutions	15	2,345	2,329	1,764	1,747
Investments in subsidiaries	2, 3, 5	-	-	23,700	23,700
Property, plant and equipment		290,678	306,732	248,426	262,744
Intangible asset		844	1,127	-	-
Other non-current assets		1,149	668	668	668
Total non-current assets		295,016	310,856	274,558	288,859
Total assets		413,043	426,137	380,473	390,389

Tapaco Public Company Limited and its Subsidiary

Balance sheets

As at 30 April 2007 and 31 October 2006

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 April 2007 (Unaudited)	31 October 2006	30 April 2007 (Unaudited)	31 October 2006 (Restated)
<i>(in thousand Baht)</i>					
Liabilities and shareholders' equity					
<i>Current liabilities</i>					
Bank overdraft and short-term loans from					
financial institutions	6	50,000	52,951	50,000	52,951
Trade accounts payable	3, 7	43,545	39,441	43,099	39,250
Current portion of long-term loans from					
financial institutions	8	35,154	31,983	31,154	24,666

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

Current portion of finance lease liabilities		-	49	-	48
Other current liabilities	3	10,794	44,847	7,955	41,971
Total current liabilities		139,493	169,271	132,208	158,886
<i>Non-current liability</i>					
Long-term loans from financial institutions	8	83,496	57,028	78,243	53,220
Total non-current liability		83,496	57,028	78,243	53,220
Total liabilities		222,989	226,299	210,451	212,106
<i>Shareholders' equity</i>					
Share capital	9				
Authorized share capital		92,000	92,000	92,000	92,000
Issued and paid-up share capital		92,000	92,000	92,000	92,000
Reserve					
Share premium		27,054	27,054	26,402	26,402
Retained earnings					
Appropriated for legal reserve		6,794	6,794	6,794	6,794
Unappropriated		43,689	52,571	44,826	53,087
Total equity attributable to the Company's shareholders		169,537	178,419	170,022	178,283
Minority interest		20,517	21,419	-	-
Total shareholders' equity		190,054	199,838	170,022	178,283
Total liabilities and shareholder's equity		413,043	426,137	380,473	390,389

Tapaco Public Company Limited and its Subsidiary

Statements of income

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

	Note	Consolidated		Separate	
		2007	2006	2007	2006
					(Restated)
		<i>(in thousand Baht)</i>			
Revenues	3				
Revenue from sale of goods and rendering of services		105,185	111,289	96,838	99,669
Other income		120	76	99	1,042
Total revenues		105,305	111,365	96,937	100,711
Expenses	3				
Costs of sales and rendering of services		85,689	82,296	78,072	75,617
Selling and administrative expenses		16,444	16,602	15,231	15,340
Director's remuneration		5,511	5,227	4,317	4,161

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

Total expenses		107,644	104,125	97,620	95,118
Profit (loss) before interest expense		(2,339)	7,240	(683)	5,593
Interest expense		3,017	2,717	2,828	2,481
Profit (loss) before minority interest		(5,356)	4,523	(3,511)	3,112
Net (profit) loss attributable to minority interest		1,017	(668)	-	-
Net profit (loss)		(4,339)	3,855	(3,511)	3,112
Basic earnings (loss) per share (Baht)	<i>11</i>	(0.05)	0.04	(0.04)	0.03

Tapaco Public Company Limited and its Subsidiary

Statements of income

For the six-month periods ended 30 April 2007 and 2006 (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2007	2006	2007	2006
					(Restated)
		<i>(in thousand Baht)</i>			
Revenues	<i>3</i>				
Revenue from sale of goods and rendering of services		217,428	221,319	202,712	192,775
Other income		156	164	115	2,037
Total revenues		217,584	221,483	202,827	194,812
Expenses	<i>3</i>				
Costs of sales and rendering of services		170,778	160,628	160,026	145,797
Selling and administrative expenses		33,664	31,372	31,004	28,801
Directors' remuneration		10,186	9,561	7,725	7,452
Total expenses		214,628	201,561	198,755	182,050
Profit before interest expense		2,956	19,922	4,072	12,762
Interest expense		6,300	5,387	5,893	4,908
Profit (loss) before minority interest		(3,344)	14,535	(1,821)	7,854
Net (profit) loss attributable to minority interest		902	(3,162)	-	-
Net profit (loss)		(2,442)	11,373	(1,821)	7,854
Basic earnings (loss) per share (Baht)	<i>11</i>	(0.03)	0.12	(0.02)	0.09

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

Tapaco Public Company Limited and its Subsidiary

Statements of cash flows

For the six-month periods ended 30 April 2007 and 2006 (Unaudited)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2007	2006	2007	2006
				(Restated)
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Net profit (loss)	(2,442)	11,373	(1,821)	7,854
<i>Adjustments for</i>				
Depreciation and amortisation	26,102	22,919	21,115	18,471
Interest expense	6,300	5,387	5,893	4,908
Provision (reversal of provision) for loss on obsolete and slow-moving inventories	129	196	129	196
Unrealized loss on exchange rate, net	57	417	57	417
Gain on disposal of machinery and equipment	(49)	-	(49)	-
Net profit (loss) attributable to minority interest	(902)	3,162	-	-
	<u>29,195</u>	<u>43,454</u>	<u>25,324</u>	<u>31,846</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	6,983	(1,963)	4,712	(4,551)
Other receivable from related parties	-	-	1,151	(51)
Inventories	(5,425)	(4,200)	(4,752)	(4,981)
Other current assets	3,714	3,004	3,214	3,352
Other non-current assets	(480)	(50)	(1)	(50)
Trade accounts payable	4,107	6,254	3,851	5,599
Other current liabilities	(4,684)	(530)	(3,684)	(2,024)
Net cash provided by operating activities	<u>33,410</u>	<u>45,969</u>	<u>29,815</u>	<u>29,140</u>
<i>Cash flows from investing activities</i>				
Increase in restricted fixed deposit at financial institutions	(16)	(7)	(16)	(7)
Purchases of property, plant and equipment	(40,974)	(7,447)	(38,968)	(5,719)
Purchase of computer software	-	(24)	-	-
Proceeds from sales of machinery and equipment	81	-	81	-
Cash used in investing activities	<u>(40,909)</u>	<u>(7,478)</u>	<u>(38,903)</u>	<u>(5,726)</u>

Tapaco Public Company Limited and its Subsidiary

Statement of cash flows

For the six-month periods ended 30 April 2007 and 2006 (Unaudited)

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

Consolidated

Separate

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	financial statements		financial statements	
	2007	2006	2007	2006
				(Restated)
	<i>(in thousand Baht)</i>			
<i>Cash flows from financing activities</i>				
Interest paid	(6,300)	(5,429)	(5,893)	(4,908)
Decrease in bank overdraft and short-term loans from financial institutions	(2,951)	(1,328)	(2,951)	(1,328)
Payment of finance lease liabilities	(49)	(153)	(49)	(127)
Payment of long-term loans	(15,361)	(22,528)	(13,488)	(13,075)
Cash received from long-term loan	45,000	-	45,000	-
Payment of dividends	(6,440)	(12,880)	(6,440)	(12,880)
Net cash provided by (used in) financing activities	13,899	(42,318)	16,179	(32,318)
Net increase (decrease) in cash and cash equivalents	6,400	(3,827)	7,091	(8,904)
Cash and cash equivalents at beginning of period	17,825	38,052	11,374	19,372
Cash and cash equivalents at end of period	24,225	34,225	18,465	10,468

Supplemental disclosures of cash flows information:

Non-cash transaction

Property, plant and equipment purchased during the periods are detailed as follows:

Total purchases of property, plant and equipment during the periods	9,798	4,010	6,830	3,804
Add Settlement of payables for machinery and equipment previously purchased	31,078	1,592	30,331	-
Advance for purchases of machinery	1,807	1,915	1,807	1,915
Less Payables on machinery and equipment	(1,709)	(70)	-	-
	40,974	7,447	38,968	5,719

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

Tapaco Public Company Limited and its Subsidiary

Statements of changes in shareholders' equity

For the six-month periods ended 30 April 2007 and 2006 (Unaudited)

	<i>Note</i>	Consolidated financial statements					Total equity attributable to the Company's shareholders	Minority interest	Total shareholders' equity
		Issued and paid-up share capital	<i>Reserve</i> Share premium	<i>Retained earnings</i> Legal reserve	Unappropriated	(in thousand Baht)			
Balance at 1 November 2005		92,000	27,054	5,593	47,591	172,238	20,917	193,155	
Net profit		-	-	-	11,373	11,373	3,162	14,535	
Dividends	13	-	-	-	(12,880)	(12,880)	-	(12,880)	
Balance at 30 April 2006		92,000	27,054	5,593	46,084	170,731	24,079	194,810	
Balance at 1 November 2006		92,000	27,054	6,794	52,571	178,419	21,419	199,838	
Net loss		-	-	-	(2,442)	(2,442)	(902)	(3,344)	
Dividends	13	-	-	-	(6,440)	(6,440)	-	(6,440)	
Balance at 30 April 2007		92,000	27,054	6,794	43,689	169,537	20,517	190,054	

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

Tapaco Public Company Limited and its Subsidiary

Statements of changes in shareholders' equity

For the six-month periods ended 30 April 2007 and 2006 (Unaudited)

	Note	Separate financial statements (Restated)			Total shareholders' equity	
		Issued and paid-up share capital	Reserve Share premium	Retained earnings Legal reserve Unappropriated		
<i>(in thousand Baht)</i>						
Balance at 1 November 2005		92,000	27,054	5,593	47,591	172,238
Change in accounting policy	2	-	-652	-	1,075	423
Restated balance		92,000	26,402	5,593	48,666	172,661
Net profit		-	-	-	7,854	7,854
Dividends	13	-	-	-	-12,880	-12,880
Balance at 30 April 2006		92,000	26,402	5,593	43,640	167,635
Balance at 1 November 2006		92,000	27,054	6,794	52,571	178,419
Change in accounting policy	2	-	-652	-	516	-136
Restated balance		92,000	26,402	6,794	53,087	178,283
Net loss		-	-	-	-1,821	-1,821
Dividends	13	-	-	-	-6,440	-6,440
Balance at 30 April 2007		92,000	26,402	6,794	44,826	170,022

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

Tapaco Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the six-month period ended 30 April 2007 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 12 June 2007.

1 General information

Tapaco Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 789/40 Moo 1, Thumbol Nongkham, Amphur Sriracha, Chonburi, Thailand.

The Company was listed on the Stock Exchange of Thailand on 2 December 2004.

The major shareholders are Mr. Taiji Ninomiya (16.17% directly and indirectly owned), Mr. Masahito Iso (13.04% owned) and Kim Eng Securities PCL. (12.28% owned).

The principal activities of the Company are the manufacturing of plastic parts and parts assembly for electrical and electronic products. Details of the Company’s subsidiary are as follows:

	Type of business	Country of incorporation	Percentage of ownership	
			30 April 2007	31 October 2006
<i>Direct subsidiary</i>				
Tapaco Mold Company Limited	Manufacture of molds and provider of mold services	Thailand	52.7%	52.7%

2 Basis of preparation of financial statements

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

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) 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 October 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 October 2006.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis.

Tapaco Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the six-month period ended 30 April 2007 (Unaudited)

The consolidated interim financial statement as at 30 April 2007 comprise financial statements of the Company and its subsidiary, Tapaco Mold Company Limited (registered in Thailand), which owned 52.7%. Significant intra-group transactions between the Company and its subsidiary are eliminated on consolidation.

Accounting policies and methods of computation applied in the interim financial statements for the six-month period ended 30 April 2007 are consistent with those applied in the financial statements for the year ended 31 October 2006, except for the change in the accounting policy for investment in subsidiary company, in the separate financial statements.

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 October 2006, the Company accounted for its investments in subsidiary company, which is not classified as a “held for sale” investment, in its financial statements using the equity method.

On 11 October 2006, the Federation of Accounting Professionals (FAP) announced that the Thai Accounting Standard No. 44 (TAS No. 44) “*Consolidated Financial Statements and Accounting for Investments in Subsidiaries*” is to be revised. FAP announcement No. 26/2006 requires 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 instruments (when an announcement is made), instead of the equity method for accounting period starting.

Starting from 1 November 2006, the Company has, accordingly, changed its accounting policy for its investments in subsidiary company in its financial statements from the equity method to the cost method. The change in accounting policy has been applied retrospectively (the separate financial statements for the year ended 31 October 2006 and for the three-month and six-month period ended 30 April 2006) and the Company’s 2006 financial statements, which are included in the Company’s 2007 interim financial statements for comparative purposes, have been restated accordingly.

The effects of the change in accounting policy on the Company’s interim and annual 2006 financial statements are as follows:

	2007	2006
	<i>(in thousand Baht)</i>	
Balance sheet at 1 November		
Increase in retained earning	516	1,075
Decrease in share premium	(652)	(652)
Increase (Decrease) in investment in subsidiary	<u><u>(136)</u></u>	<u><u>423</u></u>
Statement of income for the three-month period ended 30 April		
Decrease in share of profits from investments accounted for using the equity method	-	(743)
Decrease in net profit	<u><u>-</u></u>	<u><u>(743)</u></u>
Decrease in earnings per share (Baht)	<u><u>-</u></u>	<u><u>(0.01)</u></u>
Statement of income for the six-month period ended 30 April		
Decrease in share of profits from investments accounted for using the equity method	-	(3,519)
Decrease in net profit	<u><u>-</u></u>	<u><u>(3,519)</u></u>
Decrease in earnings per share (Baht)	<u><u>-</u></u>	<u><u>(0.04)</u></u>

Tapaco Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the six-month period ended 30 April 2007 (Unaudited)

The effects of the change in accounting policy is to reduced the reported net loss for the three-month and six-month periods ended 30 April 2007 by Baht 827 thousand and Baht 621 thousand, respectively and the reported investment in subsidiary as at 30 April 2007 reduced by Baht 621 thousand.

3 Related parties 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 pricing policies for particular types of transactions are explained further below:

Pricing policies

Sale of goods/plastic injection mold services	The price provided in the normal course of business do not significantly vary in term of gross profit rate between related parties and other customers.
Sale of fixed assets (Sold locally to related parties)	The selling prices approximate their net book values.
Purchase of machinery and equipment (Purchased from related parties in Japan)	The price is determined based on the related company's cost plus its normal margin or less discounts of 3% to 10%.
Purchase of supply parts (Purchased from related company in Japan)	The price is agreed by both parties in the case that it is an urgent order and the Company is unable to purchase them at the same quality from local resources.
Royalty fees, technical assistance and transfer fees, license fee and marketing advisory fees	The calculation is based on the amounts indicated in the agreements.
Interest income	The calculation is based on the cost of interest plus 0.1% - 0.25%.
Rent and other facility service income	The charge is based on the Company's actual cost.

Transactions for the three-month periods ended 30 April 2007 and 2006 with related parties are summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
<i>Subsidiary:</i> Tapaco Mold Co., Ltd.				
Purchase of machinery and equipment	-	-	115	7
Rental and other utilities service income	-	-	-	1,007

Tapaco Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the six-month period ended 30 April 2007 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
Cost of mold services	-	-	1,811	1,599
Related companies:				
Partner Industry Co., Ltd.				
Revenue from sale of goods	1,603	1,663	1,603	1,663
Purchase of machinery and equipment	1,446	-	1,446	-
Purchase of supply parts	1,000	1,325	941	1,099
Technical assistance and technology transfer fees	1,500	1,500	1,500	1,500
Marketing advisory license fees and engineering service	3,238	3,251	2,908	3,032
Asaka Kanagata Co., Ltd.				
Engineering services	-	1,226	-	-
Directors				
Directors' remuneration	5,512	5,227	4,318	4,161

Transactions for the six-month periods ended 30 April 2007 and 2006 with related parties are summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
Subsidiary:				
Tapaco Mold Co., Ltd.				
Purchase of machinery and equipment	-	-	212	40
Rental and other utilities service income	-	-	-	1,915
Cost of mold services	-	-	3,753	2,902
Related companies:				
Partner Industry Co., Ltd.				
Revenue from sale of goods	3,743	4,007	3,743	4,007
Purchase of machinery and equipment	3,277	829	3,277	829
Purchase of supply parts	2,184	3,062	1,883	2,373

Tapaco Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the six-month period ended 30 April 2007 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Technical assistance and technology transfer fees	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Marketing advisory license fees and engineering service	<u>6,680</u>	<u>6,095</u>	<u>6,020</u>	<u>5,876</u>
Asaka Kanagata Co., Ltd.				
Engineering services	<u>627</u>	<u>2,276</u>	<u>-</u>	<u>-</u>
Directors				
Directors' remuneration	<u>10,186</u>	<u>9,561</u>	<u>7,725</u>	<u>7,452</u>

Balances as at 30 April 2007 and 31 October 2006 with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	30 April 2007	31 October 2006	30 April 2007	31 October 2006
	<i>(in thousand Baht)</i>			
Subsidiary:				
Tapaco Mold Co., Ltd.				
Other receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,151</u>
Investment accounted for using the cost method	<u>-</u>	<u>-</u>	<u>23,700</u>	<u>23,700</u>
Other payables	<u>-</u>	<u>-</u>	<u>1,417</u>	<u>1,264</u>
Related company:				
Partner Industry Co., Ltd.				
Trade account receivable	<u>761</u>	<u>2,217</u>	<u>761</u>	<u>1,213</u>
Prepaid royalty and technical assistance fees	<u>1,500</u>	<u>4,500</u>	<u>1,500</u>	<u>4,500</u>
Trade account payable	<u>188</u>	<u>140</u>	<u>130</u>	<u>140</u>
Other payables	<u>2,908</u>	<u>3,321</u>	<u>2,908</u>	<u>3,321</u>

Tapaco Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the six-month period ended 30 April 2007 (Unaudited)

Significant agreements entered into between the Company and its subsidiary and other related parties are summarized below:

License, technical assistance and marketing advisory service agreement

On 1 August 2003, the Company entered into a license, technical assistance and marketing advisory services agreement with the related company, Partner Industry Co., Ltd. Under the term of the agreement, both parties have agreed as follows:

- (a) The related company shall grant to the Company sole and exclusive license, together with the right to grant sub-licenses, to make, to use and to sell throughout the world any or all of the products as indicated in the agreement.
- (b) The related company shall assist the Company all appropriate and necessary services to advise and transfer its experience and know-how to the Company to the extent that the Company may manufacture the products, engage in this type of business and provide services to the Company's customers as indicated in the agreement.
- (c) The related company shall assist the Company with operational marketing activities as indicated in the agreement.

In consideration for this agreement, the Company has to pay technical assistance and technology transfer fees of Baht 7,000,000 in the first year and from second year onwards at Baht 6,000,000 per year. In addition, the Company has to pay the license fees and marketing advisory service fees at the rate of 2% and 3%, respectively, of the sales value of products specified in the agreement. The term of this agreement is for five years commencing from 1 August 2003 and shall be automatically renewed for another five years unless either of the parties gives the other party 30 days prior written notice of termination prior to the expiration date.

Engineering consultancy services agreement

The subsidiary entered into an engineering consultancy services agreement with the Japanese shareholder, whereby the shareholder agrees to provide the technical knowledge and expertise to the subsidiary to enable it to manufacture international standard mold and die product. In consideration thereof, the subsidiary has to pay service fees of Yen 1,000,000 per month commencing from 1 January 2004. The initial term of this agreement was for one year commencing from 1 January 2004. However, the subsidiary could renew the agreement for periods of one year until 31 December 2008 by giving written notice prior to each expiration. Both parties have agreed not to renew the agreement after the expiration in December 2006.

In addition, on 30 March 2006, the subsidiary entered into another engineering consultancy services agreement with the related company (Partner Industry Co., Ltd.), whereby the latter agrees to provide the technical knowledge and expertise to the subsidiary to enable it to manufacture and service in respect of the lay out and manufacturing of international standard mold and die products. In consideration thereof, the subsidiary has to pay monthly service fees of Baht 220,000. The term of this agreement is for one year commencing from 1 April 2006. However, on 26 June 2006 both parties agreed to amend certain terms and conditions of such agreement whereby the subsidiary has to pay monthly service fees of Baht 110,000 from 1 July 2006 onwards.

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6 Bank overdraft and short-term loans from financial institutions

As at 30 April 2007 and 31 October 2006, these consisted of:

	Consolidated financial statements and separate financial statements	
	30 April 2007	31 October 2006
	<i>(in thousand Baht)</i>	
<i>Current-secured</i>		
Bank overdraft	-	2,951
Short-term loans	50,000	50,000
Total	<u>50,000</u>	<u>52,951</u>

As at 30 April 2007, the Company had an overdraft line and loan credit facilities with two local banks totaling Baht 80.0 million (*31 October 2006: 80.0 million*). These overdraft and loan credit facilities are guaranteed by the Company's directors.

In addition, as at 30 April 2007, the Company also had overdraft and loan credit facilities with another local bank (including long-term loan) totaling Baht 206.0 million (*31 October 2006: Baht 161.0 million*). (See note 8)

As at 30 April 2007, the subsidiary had loan credit facilities of Baht 10.0 million (*31 October 2006: 10.0 million*) with a local bank. The loan credit facilities is guaranteed by the parent company, the Company's directors and the Company's land with construction thereon with net book value of Baht 12.1 million at 30 April 2007 (*31 October 2006: Baht 12.3 million*). However, the subsidiary has no balance of loan credit facilities as at balance sheet date.

7 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 April 2007	31 October 2006	30 April 2007	31 October 2006
		<i>(in thousand Baht)</i>			
Trade accounts payable from related parties	3	188	140	130	140
Trade accounts payable from other parties		43,357	39,301	42,969	39,110
Total		<u>43,545</u>	<u>39,441</u>	<u>43,099</u>	<u>39,250</u>

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8 Long-term loans

	Consolidated financial statements		Separate financial statements	
	30 April 2007	31 October 2006	30 April 2007	31 October 2006
	<i>(in thousand Baht)</i>			
Long-term loan of the Company from a local bank with a grace period for principal repayments of six months but interest is repayable monthly during the principal grace period. Monthly installments after the grace period are at least Baht 0.7 million each (including interest) until December 2009. Interest is payable at the MLR.	21,504	24,841	21,504	24,841
Long-term loan of the Company from the same local bank with a grace period for principal repayments of six months but interest is repayable monthly during the principal grace period. Monthly installments after the grace period shall be at least Baht 0.4 million each (including interest) until February 2008. Interest is payable at the MLR.	-	2,828	-	2,828
Long-term loan of the Company from the same local bank with a grace period for principal repayments of six months but interest is repayable monthly during the principal grace period. Monthly installments after the grace period shall be at least Baht 0.5 million each (including interest) until March 2009. Interest is payable at the MLR.	11,808	14,463	11,808	14,463
Long-term loan of the Company from the same local bank with a grace period for principle repayments of six months but interest is repayable monthly during the principal grace period. Monthly installments after the grace period shall be at least Baht 1.0 million each (including interest) until February 2010. Interest is payable at the MLR.	31,085	35,754	31,085	35,754
Long-term loan of the Company from the same local bank with a grace period for principle repayments of six months but interest is repayable monthly during the principal grace period. Monthly installments after the grace period shall be at least Baht 0.99 million each (including interest) until October 2011. Interest is payable at the MLR.	45,000	-	45,000	-
Long-term loan of the subsidiary from the same local bank with a grace period for principal repayments of six months but interest is repayable monthly during the principal grace period. Monthly installments after the grace period shall be at least Baht 0.38 million each (including interest) until June 2009. Interest is payable at the MLR.	9,253	11,125	-	-
Total	118,650	89,011	109,397	77,886
<i>Less</i> current portion of long-term loans	(35,154)	(31,983)	(31,154)	(24,666)
Long-term loans, net	83,496	57,028	78,243	53,220

The above long-term loans of the Company were obtained under the credit arrangements discussed in Note 6. These credit facilities are guaranteed by the Company's directors and the Company's land with constructions thereon and machinery with net book values of Baht 127.8 million as at 30 April 2007 (31 October 2006: Baht 134.7 million). Under the loan agreements, the Company has to comply with certain conditions and restrictions specified in the agreements.

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The long-term loan of the subsidiary had long-term facilities of Baht 18.0 million (*31 October 2006: Baht 18.0 million*) guaranteed by letters of guarantee from the Company's directors. The subsidiary's machinery and equipment with the net book value of Baht 11.2 million as at 30 April 2007 (*31 October 2006: Baht 12.7 million*) is also pledged as collateral for the long-term loans.

9 Share capital

At the Company's ordinary shareholders' meeting held on 10 February 2006, the shareholders unanimously approved to change the par value of the Company's ordinary shares from Baht 5 per share to Baht 1 per share, resulting in an increase in the Company's ordinary shares from 18,400,000 shares to 92,000,000 shares. The Company registered the change in par value of its ordinary shares capital with the Ministry of Commerce on 1 March 2006.

10 Segment information

Business Segment

The Group is engaged in three principal segments which consisted of:

- (a) The manufacturing of plastic parts and parts assembly for electrical and electronic products.
- (b) The manufacturing of plastic injection molds.
- (c) Providing repair, maintenance and modification services for plastic injection molds.

Segment revenues and results for the six-month periods ended 30 April 2007 and 2006 are as follows:

	2007	2006
	<i>(in thousand Baht)</i>	
<i>Segment revenues from sale and rendering of service</i>		
Plastic parts and parts assembly	202,712	192,776
Plastic injection molds	13,640	25,396
Services for plastic injection mold	1,076	3,147
Total	<u>217,428</u>	<u>221,319</u>
<i>Segment results</i>		
Plastic parts and parts assembly	9,757	7,561
Plastic injection molds	(486)	11,972
Services for plastic injection mold	(3,649)	643
Unallocated items	(8,064)	(8,803)
Total	<u>(2,442)</u>	<u>11,373</u>

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Geographic segments

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

Segment revenues based on the geographic location of customers for the six-month periods ended 30 April 2007 and 2006, are as follows:

	Consolidation financial statements	
	2007	2006
	<i>(in thousand Baht)</i>	
Singapore	44,620	49,840
Thailand	128,134	125,329
Others	43,598	43,003
Total	<u>216,352</u>	<u>218,172</u>

11 Earnings (loss) per share

Basic earnings (loss) per share

The calculation of loss per share for the six-month period ended 30 April 2007 based on the loss attributable to ordinary shareholders of Baht 2.4 million for consolidation and Baht 1.8 million for the separate financial statements (2006: net profit of Baht 11.4 million for consolidation and Baht 7.9 million for the separate financial statements) and the weighted average number of shares outstanding during the period ended 30 April 2007 of 92,000,000 shares (2006: 92,000,000 shares).

12 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company has been granted certain promotional privileges relating to the manufacturing of plastic parts for electrical and electronics products and the subsidiary has been granted certain promotional privileges relating to the manufacturing of plastic injection molds. The promotional privileges include, among other benefits, the following:

- (a) Exemption from the payment of import duties on imported raw and essential materials for producing products for export for a period of one year from the date of the first importation of materials. However, this exemption period for the Company's first project has been extended to July 2007.
- (b) Exemption from the payment of import duties on imported machinery and equipment necessary for production, as approved by the Board of Investment. However, the exemption periods have expired, but they have been extended for another four years until December 2009 for the Company's first project and until April 2009 for the Company's second project.

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- (c) Exemption from the payment of income tax for a period of three years for the Company's first project, seven years for the Company's second project, and eight years for the subsidiary's project; from the first date income is derived from the respective promoted businesses. This exemption initially expired in May 2003 for the Company's first project but has been extended until May 2007. The exemption periods for the Company's second project and subsidiary's project will expire in March 2011.
- (d) A reduction in assessable income equivalent to 5% of any annual increases in export income for a period of ten years from the start of the promoted businesses for the Company's first project. This exemption will expire in July 2011.

As companies with promoted activities, the Company and its subsidiary must comply with certain conditions and restrictions provided for in the promotional certificates. The Company has submitted a letter dated 11 June 2007 request for the extension of filing the application form for exercising the right and benefit of corporate income tax exemption for promoted companies for the Company's second project. Presently, the request is under the consideration for approval of the Board of Investment.

The Company and its subsidiary have no income tax on its net profits for the six-month periods ended 30 April 2007 and 2006 due to almost all revenues being generated from operations under promoted businesses, which are exempted from the income tax, and the utilization of tax loss carry-forwards by the subsidiary.

13 Dividends

At the Company's ordinary shareholders' meeting held on 23 February 2007, the shareholders unanimously approved the payment of annual dividends from the earnings of the promoted business for the year ended 31 October 2006 by means of a cash dividend of Baht 0.12 per share on 92,000,000 ordinary shares (totaling Baht 11.04 million). However, an interim dividend was paid to the shareholders on 14 July 2006 at Baht 0.05 per share on 92,000,000 ordinary shares (totaling Baht 4.60 million). The remaining was already paid dividend at Baht 0.07 per share on 92,000,000 ordinary shares (totaling Baht 6.44 million) to shareholders on 9 March 2007.

At the Company's ordinary shareholders' meeting held on 10 February 2006, the shareholders unanimously approved the payment of annual dividends from the earnings of the promoted business for the year ended 31 October 2005 by means of a cash dividend of Baht 1 per share on 18,400,000 ordinary shares (totaling Baht 18.4 million). However, an interim dividend was paid to the shareholders on 11 July 2005 at Baht 0.30 per share on 18,400,000 ordinary shares (totaling Baht 5.52 million). The remaining was already paid dividend at Baht 0.07 per share on 18,400,000 ordinary shares (totaling Baht 12.88 million) to shareholders on 22 February 2006.

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14 Operating lease commitments

The Group has operating lease and service agreements covering land, factory, machinery and vehicles for various period expiring up to January 2011. Annual rental and service charges under the agreements are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 April	30 April	30 April	30 April
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	4,328	6,171	3,920	5,763
After one year but within five years	2,355	1,899	2,355	1,509
Total	<u>6,683</u>	<u>8,070</u>	<u>6,275</u>	<u>7,272</u>

15 Contingent liabilities

As at 30 April 2007, the Company and its subsidiary were contingently liable to a local bank for letters of guarantee issued by the bank to a government agency for the use of electricity amounting to approximately Baht 1.7 million and Baht 0.6 million respectively. The Company has pledged a fixed deposit of the same amount at the bank as collateral for the guarantee.

16 Reclassification of accounts

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