

Review Report of Certified Public Accountant

To the Shareholders of Chukai Public Company Limited:

I have reviewed the consolidated balance sheet of Chukai Public Company Limited and its subsidiaries as at September 30, 2008, and the related consolidated statements of income for each of the three-month and nine-month periods ended September 30, 2008 and 2007 and the consolidated statements of changes in shareholders' equity and cash flows for each of the nine-month periods ended September 30, 2008 and 2007 and I have also reviewed the separate balance sheet of Chukai Public Company Limited as at September 30, 2008, the related separate statements of income for each of the three-month and nine-month periods ended September 30, 2008 and 2007 and the separate statements of changes in shareholders' equity and cash flows for each of the nine-month periods ended September 30, 2008 and 2007. 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.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform the reviews to obtain moderate assurance as to whether the financial statements are free of material misstatements. 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. Accordingly, I do not express an audit opinion on the review of the financial statements.

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

I have previously audited the consolidated financial statements of Chukai Public Company Limited and its subsidiaries for the year ended December 31, 2007, and the separate financial statements of Chukai Public Company Limited for the same period in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated February 23, 2008. The accompanying consolidated balance sheet of Chukai Public Company Limited and subsidiaries as at December 31, 2007 and the separate balance sheet of Chukai Public Company Limited as at the same date, which have been presented for comparatives, are parts of the financial statements on which I have audited and reported there on. I have not performed any audit procedures subsequent to the date of my report.

Prawit Viwanthananut
Certified Public Accountant
Registration Number 4917

ANS Audit Co., Ltd.
Bangkok, November 3, 2008

INTERIM FINANCIAL STATEMENTS AND AUDITOR'S REVIEW REPORT
CHUKAI PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY COMPANIES
THIRD QUARTER ENDED SEPTEMBER 30, 2008

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT SEPTEMBER 30, 2008 AND DECEMBER 31, 2007

(Unit: Thousands Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
		"Unaudited"		"Unaudited"	
Notes	"Reviewed"	"Audited"	"Reviewed"	"Audited"	
ASSETS					
Current Assets					
Cash and cash equivalents		34,608	14,660	4,194	880
Current investments		18	119	-	-
Trade accounts receivable - net	5, 6	143,318	75,597	87,841	39,809
Accounts receivable from sale of assets	5	-	9,000	-	-
Receivable under repurchase agreement - net	8	-	-	-	-
Accrued income - net		11,182	21,293	-	-
Inventories - net		170,630	122,236	173,210	124,008
Other current assets - net		30,289	31,975	17,042	20,099
Total Current Assets		390,045	274,880	282,287	184,796
Non-Current Assets					
Investments in subsidiaries	7	-	-	174,991	174,991
Restricted bank deposits	9	2,775	6,061	250	-
Property, plant and equipment - net	11	1,349,461	1,346,150	877,555	873,955
Non-operating assets		2,500	2,067	-	-
Account receivable from installment sales	10	916	1,218	916	1,218
Other non-current assets		30,465	21,211	16,703	8,395
Total Non-Current Assets		1,386,117	1,376,707	1,070,415	1,058,559
TOTAL ASSETS		1,776,162	1,651,587	1,352,702	1,243,355

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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

BALANCE SHEETS
AS AT SEPTEMBER 30, 2008 AND DECEMBER 31, 2007

(Unit: Thousands Baht)

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
		"Unaudited"		"Unaudited"	
		"Reviewed"	"Audited"	"Reviewed"	"Audited"
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Bank overdrafts and short-term loans from financial institutions	12	134,201	104,649	134,201	102,331
Trade accounts payable	5	20,996	25,279	103,441	94,112
Current portion of long-term debts	14	221,837	230,233	141,549	147,213
Liabilities under repurchase agreement	15	60,111	60,111	-	-
Short-term loans from related parties	5	354	10,854	32,654	36,002
Other short-term loans	13	-	8,953	-	-
Advances received for goods and service		2,237	2,336	2,237	2,336
Accrued expenses	5	28,834	34,145	3,712	13,683
Accrued income tax		160	1,163	-	-
Other current liabilities		16,423	19,570	3,614	7,719
Total Current Liabilities		485,153	497,293	421,408	403,396
Non-Current Liabilities					
Long-term debts	14	328,654	444,343	163,251	333,039
Other non-current liabilities	5	9,910	12,383	319	392
Total Non-Current Liabilities		338,564	456,726	163,570	333,431
Total Liabilities		823,717	954,019	584,978	736,827

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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

BALANCE SHEETS
AS AT SEPTEMBER 30, 2008 AND DECEMBER 31, 2007

(Unit: Thousands Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
		Notes	"Unaudited" "Reviewed"	"Audited"	"Unaudited" "Reviewed"
LIABILITIES AND SHAREHOLDERS' EQUITY					
SHAREHOLDERS' EQUITY					
Share capital	16				
Authorized share capital - 450,000,000 common shares Baht 1 par value		450,000	450,000	450,000	450,000
Issued and paid-up share capital - 450,000,000 common shares in year 2008 and 350,000,000 common shares in year 2007, Baht 1 par value		450,000	350,000	450,000	350,000
Premium on share capital	16	209,554	50,000	209,554	50,000
Surplus from internal restructure of entities under common control	2	39,196	39,196	-	-
Retained earnings					
Appropriated to legal reserve		6,631	6,631	6,631	6,631
Unappropriated	17	247,064	251,741	101,539	99,897
Total Shareholders' Equity		952,445	697,568	767,724	506,528
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,776,162	1,651,587	1,352,702	1,243,355

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

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR EACH OF THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

		Consolidated		Separate	
		financial statements		financial statements	
(Unit: Thousands Baht except basic earnings per share)	Notes	2008	2007	2008	2007
Revenue from sales and services	5				
Revenue from sales		60,416	56,086	96,130	70,662
Revenue from rental and transportation services		142,594	116,779	43,276	29,139
Total revenue from sales and services		203,010	172,865	139,406	99,801
Cost of sales and services	5				
Cost of sales		(35,841)	(15,732)	(76,106)	(55,957)
Cost of rental and transportation services		(89,271)	(77,935)	(27,472)	(17,571)
Total cost of sales and services		(125,112)	(93,667)	(103,578)	(73,528)
Gross profit		77,898	79,198	35,828	26,273
Selling and administrative expenses	5	(33,788)	(29,466)	(18,129)	(14,928)
Profit from sales and services		44,110	49,732	17,699	11,345
Other income	5	4,376	99	4,972	3,878
Profit before interest expenses and income tax		48,486	49,831	22,671	15,223
Interest expenses	5	(17,305)	(17,557)	(9,827)	(10,965)
Income tax		(10,990)	(6,908)	(2,024)	237
NET PROFIT		20,191	25,366	10,820	4,495
Basic Earnings Per Share (Baht)	3	0.04	0.07	0.02	0.01
Numbers of Weighted Average Common Shares (Shares)	3	450,000,000	350,000,000	450,000,000	350,000,000

"Unaudited"

"Reviewed"

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR EACH OF THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

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

"Unaudited"

"Reviewed"

(Unit: Thousands Baht except basic earnings per share)	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
Revenue from sales and services	5				
Revenue from sales		290,546	219,959	344,925	241,073
Revenue from rental and transportation services		330,730	368,479	95,152	88,390
Total revenue from sales and services		621,276	588,438	440,077	329,463
Cost of sales and services	5				
Cost of sales		(158,472)	(78,947)	(267,954)	(185,657)
Cost of rental and transportation services		(264,333)	(261,808)	(67,248)	(58,209)
Total cost of sales and services		(422,805)	(340,755)	(335,202)	(243,866)
Gross profit		198,471	247,683	104,875	85,597
Selling and administrative expenses	5	(103,476)	(94,024)	(59,085)	(50,065)
Profit from sales and services		94,995	153,659	45,790	35,532
Other income	5	18,532	10,550	15,552	15,336
Dividend income from subsidiary	5	-	-	20,999	-
Profit before interest expenses and income tax		113,527	164,209	82,341	50,868
Interest expenses	5	(57,865)	(54,569)	(32,638)	(35,023)
Income tax		(15,339)	(19,738)	(3,061)	(1,445)
NET PROFIT		40,323	89,902	46,642	14,400
Basic Earnings Per Share (Baht)	3	0.09	0.26	0.11	0.04
Numbers of Weighted Average Common Shares (Shares)	3	436,496,350	350,000,000	436,496,350	350,000,000

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

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR EACH OF THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

"Unaudited"

"Reviewed"

(Unit: Thousands Baht)

	Consolidated financial statements						
	Notes	Issued and paid-up	Premium on	Surplus from internal restructure	Retained earnings		Total
		share capital	share capital	of entities under common control	Appropriated	Unappropriated	
Beginning balance as at January 1, 2008		350,000	50,000	39,196	6,631	251,741	697,568
Net profit		-	-	-	-	40,323	40,323
Common shares	16	100,000	159,554	-	-	-	259,554
Dividend payment	17	-	-	-	-	(45,000)	(45,000)
Ending balance as at September 30, 2008		450,000	209,554	39,196	6,631	247,064	952,445
Beginning balance as at January 1, 2007		350,000	50,000	39,196	6,168	173,383	618,747
Net profit		-	-	-	-	89,902	89,902
Ending balance as at September 30, 2007		350,000	50,000	39,196	6,168	263,285	708,649

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

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR EACH OF THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

"Unaudited"

"Reviewed"

(Unit: Thousands Baht)

Separate financial statements

	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
				Appropriated	Unappropriated	
Beginning balance as at January 1, 2008		350,000	50,000	6,631	99,897	506,528
Net profit		-	-	-	46,642	46,642
Common shares	16	100,000	159,554	-	-	259,554
Dividend payment	17	-	-	-	(45,000)	(45,000)
Ending balance as at September 30, 2008		450,000	209,554	6,631	101,539	767,724
Beginning balance as at January 1, 2007		350,000	50,000	6,168	91,095	497,263
Net profit		-	-	-	14,400	14,400
Ending balance as at September 30, 2007		350,000	50,000	6,168	105,495	511,663

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

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR EACH OF THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

(Unit: Thousands Baht)	Consolidated		Separate		"Unaudited"
					"Reviewed"
	financial statements		financial statements		
	2008	2007	2008	2007	
Cash Flows from Operating Activities					
Net profit	40,323	89,902	46,642	14,400	
Adjustments to reconcile net profit to net cash provided by operating activities					
Depreciation and amortization	184,358	163,788	57,709	42,923	
Interest income	(244)	(380)	(168)	(203)	
Interest expense	57,865	54,569	32,638	35,023	
Bad debt and doubtful accounts	2,166	855	-	-	
Bad debt recovery	(4,912)	(1,182)	-	-	
Loss from obsolete stock	5,729	8,361	5,729	8,361	
Gain on sales of assets	(1,723)	(1,695)	(155)	(49)	
Estimated liabilities	132	-	-	-	
Unrealized loss on exchange rate	1,975	817	1,975	817	
Dividend income from subsidiary	-	-	(20,999)	-	
Income tax	15,339	19,738	3,061	1,445	
Profit from operating activities before change in operating assets and liabilities	301,008	334,773	126,432	102,717	
Change in operating assets (increase) decrease					
Trade accounts receivable	(74,015)	(21,904)	(48,031)	(1,527)	
Accrued income	10,110	2,898	-	(4,070)	
Inventories	82,659	5,336	(54,931)	(5,861)	
Other current assets	1,751	5,911	3,057	3,397	
Accounts receivable from installment sales	303	1,701	303	1,701	
Other non-current assets	(9,526)	(11,910)	(8,103)	(8,647)	

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR EACH OF THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

(Unit: Thousands Baht)	Consolidated		Separate		"Unaudited"
	financial statements		financial statements		"Reviewed"
	2008	2007	2008	2007	
Change in operating liabilities increase (decrease)					
Trade accounts payable	(4,283)	(22,612)	9,329	54,337	
Advances received for goods and service	(99)	9,325	(99)	(228)	
Accrued expenses	(7,666)	(3,607)	(9,575)	(3)	
Other current liabilities	(3,147)	951	(4,104)	(1,027)	
Other non-current liabilities	(2,473)	740	(74)	(128)	
Cash receipt from tax return	5,401	-	-	-	
Income tax paid	(21,513)	(41,782)	(3,266)	(8,641)	
Net cash provided by operating activities	278,510	259,820	10,938	132,020	
Cash Flows from Investing Activities					
Interest received	244	380	168	220	
Dividend received from subsidiary	-	-	20,999	-	
Decrease (increase) in current investment	101	(3)	-	-	
Increase in short-term loans to related parties	-	-	-	(853)	
Decrease (increase) in restricted bank deposits	3,286	654	(250)	-	
Purchase of fixed assets	(70,666)	(21,467)	(4,308)	(1,126)	
Decrease in account payable from purchasing assets	-	(13,978)	-	(14,300)	
Cash receipt from sales of assets	15,170	4,665	1,278	345	
Net cash provided by (used in) investing activities	(51,865)	(29,749)	17,887	(15,714)	
Cash Flows from Financing Activities					
Increase in bank overdrafts and short-term loans					
from financial institutions	27,577	4,651	29,895	3,386	
Increase (decrease) in short-term loans from related parties	(10,500)	(3,840)	(3,349)	9,353	
Decrease in other short-term loans	-	(82)	-	-	
Cash receipt from sales and leaseback agreement	6,405	6,752	-	6,752	
Repayment of liabilities under financial lease	(229,885)	(134,410)	(93,077)	(59,207)	

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR EACH OF THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

(Unit: Thousands Baht)	Consolidated		Separate		"Unaudited"
	financial statements		financial statements		"Reviewed"
	2008	2007	2008	2007	
Repayment of long-term loans from financial institutions	(155,432)	(41,470)	(140,500)	(41,007)	
Repayment of liabilities under debt restructuring agreements	(3,822)	(897)	-	-	
Cash receipt from increase in share capital	259,554	-	259,554	-	
Interest paid	(55,594)	(52,182)	(33,034)	(34,767)	
Dividend payment	(45,000)	-	(45,000)	-	
‡Net cash used in financing activities	(206,697)	(221,478)	(25,511)	(115,490)	
Net increase in cash and cash equivalents	19,948	8,593	3,314	816	
Cash and cash equivalents at beginning of the periods	14,660	10,778	880	3,878	
Cash and cash equivalents at end of the periods	34,608	19,371	4,194	4,694	

Additional details of non-cash items

During the period 2008

1. The Company and subsidiaries had purchased the machines and equipment for rent and the vehicles at cost in the amount of Baht 247.57 million (period 2007: Baht 68.70 million) by cash payment in the amount of Baht 44.68 million (period 2007: Baht 15.79 million) and by entering into a financial lease agreement for the remainder.
2. The Company and subsidiaries had transferred their machines and equipment for rent to inventories at book value in the amount of Baht 0 million (period 2007: Baht 36.61 million) and in the amount of Baht 94.95 million (period 2007: Baht 64.60 million), respectively.

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR EACH OF THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007 (REVIEWED)

AND AS AT DECEMBER 31, 2007 (AUDITED)

1. GENERAL INFORMATION

Chukai Public Company Limited, “the Company” is incorporated in Thailand under the Civil and Commercial Code on May 26, 1997 and became a public company limited on June 8, 2005. The Company’s principal activities are to trade, repair and provide maintenance services, rental services and transportation services for cranes, forklifts, tractors and trucks. The office of the Company and the factory are at 42/62, Moo 14, Bangkaew, Bangplee, Samutprakarn. On January 29, 2008, the Company was listed on the Stock Exchange of Thailand.

2. BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The accompanying interim financial statements have been prepared in conformity with generally accepted accounting principles in Thailand.

The interim financial statements have been prepared to provide information additional to that included in the financial statements for the year ended December 31, 2007. 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 December 31, 2007.

Other than those specified in the notes to the annual and interim financial statements, all other balances presented in these interim financial statements are prepared under the historical cost basis.

The accompanying interim financial statements have been prepared in the Thai language and expressed in Thai Baht. Such interim financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The Company’s financial statements for the period 2007 have been reclassified to conform with the period 2008.

BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION

The interim consolidated financial statements consist of the financial statements of Chukai Public Company Limited, and subsidiaries as follows:

Subsidiaries	Business Type	Percentage of holding		
		September 30		December 31
		2008	2007	2007
The Crane Lamechabang Co., Ltd.	Sales and rental service for cranes	100%	100%	100%
The Crane Rayong Co., Ltd.	Sales and rental service for cranes	100%	100%	100%
The Crane Heavy Lift Co., Ltd.	Sales and rental service for cranes	100%	100%	100%
The Crane Service Co., Ltd.	Sales and rental service for cranes	100%	100%	100%

The percentage of assets and revenues of the subsidiaries in relation to the total assets and total revenues as included in the interim consolidated financial statements for each of the nine-month periods ended September 30, 2008 and 2007 were as follows:

Subsidiaries	Assets as a percentage of the total assets		Revenues as a percentage of the total revenues included in the consolidated statements of earnings	
	included in the consolidated balance sheet			
	September 30, 2008	December 31, 2007	September 30, 2008	September 30, 2007
The Crane Lamechabang Co., Ltd.	8.77	9.05	24.78	24.11
The Crane Rayong Co., Ltd.	20.38	18.69	37.70	33.85
The Crane Heavy Lift Co., Ltd.	5.76	6.84	13.42	20.83
The Crane Service Co., Ltd.	12.21	14.75	18.30	16.78

All significant intercompany transactions and accounts were eliminated in preparing the interim consolidated financial statements.

The preparations of the interim consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

Subsidiaries are an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its 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.

The surplus from restructuring under the common control is the difference between the net book value of such acquired investment and cost of acquired investment from restructuring into the Company under common control. These said investments are from merging the entity which the directors and committees are the same directors and committees. The said surplus is presented in the Balance sheet under Shareholder's equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim financial statements have been prepared in accordance with generally accepted accounting principles. Significant accounting policies that have been applied to the preparation of the interim financial statements for the three-month and nine-month periods ended September 30, 2008, are similar to those that have been applied to the financial statements for the year ended December 31, 2007.

Basic Earnings per Share

Basic earnings per share for each of the three-month and nine-month periods ended September 30, 2008 and 2007 are determined by dividing net profits attributable to ordinary shareholders for each of the periods by the weighted average number of ordinary shares during the periods. The Company adjusted the number of ordinary shares in proportion to the change in the number of shares as a result of the increase in share capital as discussed in Note 16.

Basic earnings per share for each of the three-month periods ended September 30, 2008 and 2007 were calculated by par value, Baht 1, as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Net profit for the periods (Thousands Baht)	20,191	25,366	10,820	4,495
<u>Weighted average number of ordinary shares (Shares)</u>				
Issued ordinary shares at July 1	450,000,000	350,000,000	450,000,000	350,000,000
Weighted average number of ordinary shares (Shares)	450,000,000	350,000,000	450,000,000	350,000,000
Basic Earnings per Share (Baht)	0.04	0.07	0.02	0.01

Basic earnings per share for each of the nine-month periods ended September 30, 2008 and 2007 were calculated by par value, Baht 1, as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Net profit for the periods (Thousands Baht)	40,323	89,902	46,642	14,400
<u>Weighted average number of ordinary shares (Shares)</u>				
Issued ordinary shares at January 1	350,000,000	350,000,000	350,000,000	350,000,000
Effect of shares issued on February 7, 2008	86,496,350	-	86,496,350	-
Weighted average number of ordinary shares (Shares)	436,496,350	350,000,000	436,496,350	350,000,000
Basic Earnings per Share (Baht)	0.09	0.26	0.11	0.04

4. CHANGE IN ESTIMATED USEFUL LIVES OF ASSETS FOR RENT

In year 2008, the Company and subsidiaries had reviewed the estimated useful lives of new assets for rent (Cranes and Forklifts) because of the change in the assets capacity and efficiency. As a result the useful lives of such assets for rent that the Company and subsidiaries acquired since June 2008 should be revised from 5 years to 7 years for used assets for rent and from 10 years to 15 years for new assets for rent and determined residual value of assets for rent at the rate 10% of cost. The change in the estimated useful lives resulted the depreciation for the three-month and nine-month periods ended September 30, 2008 in the consolidated financial statements decreased in the amount of Baht 1.51 million and 1.60 million and the depreciation for the three-month and nine-month periods ended September 30, 2008 in the separate financial statements decreased in the amount of Baht 0.47 million and 0.52 million.

5. TRANSACTIONS WITH RELATED PARTIES

The Company had transactions with related parties. These parties were related through common shareholders and/or directorships. The significant transactions with other related parties as included in the financial statements are determined at prices in line with the normal course of business based on the market price or the price as stipulated in the agreement if no market price exists. The significant transactions with related parties were as follows:

For each of the three-month and nine-month periods ended September 30, 2008 and 2007.

(Unit: Thousands Baht)

	Three-months			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
<u>Subsidiaries</u>				
The Crane Lamechabang Co., Ltd.				
Sales of goods	-	-	8,000	13,300
Revenues from rental and transportation services	-	-	18,972	5,410
Revenues from repairment	-	-	3,320	2,790
Revenues from rental building	-	-	287	287
Revenues from consulting	-	-	900	900
Other income	-	-	40	15
Purchase of goods	-	-	2,280	-
Services and administrative expenses	-	-	157	6
Interest income	-	-	19	-
The Crane Rayong Co., Ltd.				
Sales of goods	-	-	13,700	-
Revenues from rental and transportation services	-	-	5,861	5,686
Revenues from repairment	-	-	964	827
Revenues from consulting	-	-	1,050	1,050
Other income	-	-	50	15
Purchase of goods	-	-	-	32,770
Services and administrative expenses	-	-	87	4
The Crane Heavy Lift Co., Ltd.				
Sales of goods	-	-	16,700	-
Revenues from rental and transportation services	-	-	2,502	3,648
Revenues from repairment	-	-	983	633
Revenues from consulting	-	-	900	900
Other income	-	-	55	15
Purchase of goods	-	-	6,120	-
Services and administrative expenses	-	-	81	15

(Unit: Thousands Baht)

	Three-months			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
The Crane Service Co., Ltd.				
Revenues from rental and transportation services	-	-	3,667	3,768
Revenues from repairment	-	-	2,012	1,192
Revenues from consulting	-	-	900	900
Revenues from rental building	-	-	150	150
Other income	-	-	264	213
Purchase of goods	-	-	6,859	13,359
Services and administrative expenses	-	-	1,169	1,109
Interest expenses	-	-	774	334
<u>Related Persons (Shareholders and Directorship)</u>				
Rental expenses	150	150	-	-
Sale of land	-	1,400	-	-

(Unit: Thousands Baht)

	Nine-months			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
<u>Subsidiaries</u>				
The Crane Lamechabang Co., Ltd.				
Sales of goods	-	-	26,100	13,300
Revenues from rental and transportation services	-	-	30,802	15,682
Revenues from repairment	-	-	9,802	8,130
Revenues from rental building	-	-	861	861
Revenues from consulting	-	-	2,700	2,700
Other income	-	-	253	95
Purchase of goods	-	-	29,190	23,490
Services and administrative expenses	-	-	576	200
Interest income	-	-	30	22
The Crane Rayong Co., Ltd.				
Sales of goods	-	-	13,700	-
Revenues from rental and transportation services	-	-	16,827	21,055
Revenues from repairment	-	-	1,561	3,615
Revenues from consulting	-	-	3,150	3,150
Other income	-	-	160	45
Purchase of goods	-	-	70,000	44,582
Services and administrative expenses	-	-	421	61
Interest expenses	-	-	80	-
The Crane Heavy Lift Co., Ltd.				
Sales of goods	-	-	40,650	10,200
Revenues from rental and transportation services	-	-	7,327	9,611
Revenues from repairment	-	-	1,954	3,020
Revenues from consulting	-	-	2,700	2,700
Other income	-	-	172	85
Purchase of goods	-	-	45,850	24,390
Services and administrative expenses	-	-	133	1,103

(Unit: Thousands Baht)

	Nine-months			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
<u>The Crane Service Co., Ltd.</u>				
Sales of assets	-	-	-	1,350
Revenues from rental and transportation services	-	-	10,643	11,528
Revenues from repairment	-	-	5,843	4,766
Revenues from consulting	-	-	2,700	2,700
Revenues from rental building	-	-	450	450
Other income	-	-	1,108	694
Dividend income	-	-	20,999	-
Purchase of goods	-	-	49,414	26,949
Purchase of assets	-	-	-	157
Services and administrative expenses	-	-	2,329	2,380
Other expenses	-	-	-	1,159
Interest expenses	-	-	1,581	804
<u>Other Related Companies</u>				
<u>Ruka Co., Ltd.</u>				
Revenues from rental and transportation services	-	1,743	-	-
<u>Line Transport Co., Ltd.</u>				
Revenues from rental and transportation services	-	1,943	-	-
<u>Related Persons (Shareholders and Directorship)</u>				
Rental expenses	450	450	-	-
Sale of land	2,200	1,400	-	-

Balance with related parties as at September 30, 2008 and December 31, 2007.

	(Unit: Thousands Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
<u>Subsidiaries</u>				
The Crane Lamechabang Co., Ltd.				
Trade accounts receivable	-	-	34,522	11,277
Trade accounts payable	-	-	2,449	498
Deposit	-	-	96	96
The Crane Rayong Co., Ltd.				
Trade accounts receivable	-	-	7,256	3,074
Trade accounts payable	-	-	12,735	19,292
Accrued expenses	-	-	-	104
Short-term loans payable	-	-	-	6,399
Accrued interest expenses	-	-	-	103
The Crane Heavy Lift Co., Ltd.				
Trade accounts receivable	-	-	1,078	1,058
Trade accounts payable	-	-	15,622	16,510
The Crane Service Co., Ltd.				
Trade accounts receivable	-	-	4,009	19,080
Trade accounts payable	-	-	64,214	45,428
Short-term loans payable	-	-	32,300	21,600
Accrued interest expenses	-	-	506	422
<u>Related Persons (Shareholders and Directorship)</u>				
Accounts receivable from sale of assets	-	9,000	-	-
Short-term loans payable	354	10,854	354	8,004
Accrued interest expenses	4,000	3,550	-	-

Short-term loans to related companies

Movements of short-term loans to related companies for each of the nine-month periods ended September 30, 2008 and 2007 were as follows:

(Unit: Thousands Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Balance at the beginning of the periods	-	-	-	19,296
Increase during the periods	-	-	3,800	29,197
Decrease during the periods	-	-	(3,800)	(28,344)
Balance at the end of the periods	-	-	-	20,149

Short-term loans to related parties with interest charged at MOR+1 percent per annum for the loans to related companies and without interest charged for the loans to director.

Short-term loans from related parties

Movements of short-term loans from related parties for each of the nine-month periods ended September 30, 2008 and 2007 were as follows:

(Unit: Thousands Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Balance at the beginning of the periods	10,854	8,024	36,002	8,581
Increase during the periods	127	13,823	48,000	37,773
Decrease during the periods	(10,627)	(17,663)	(51,348)	(28,420)
Balance at the end of the periods	354	4,184	32,654	17,934

During the year 2007, the Company borrowed short-term loan from The Crane Rayong Company Limited (Subsidiary) in the amount of Baht 6.40 million with interest charged at 8.62% per annum and short-term loan from The Crane Service Company Limited (Subsidiary) in the amount of Baht 21.60 million with interest charged at MRR+2% per annum and the remaining of short-term loan from related parties without interest charged.

During the period 2008, the Company borrowed short-term loan from The Crane Service Company Limited (Subsidiary) in the amount of Baht 35.40 million with interest charged at MRR+2% per annum.

Nature of relationship

<u>Name</u>	<u>Country</u>	<u>Relation</u>	<u>Type of relation</u>
The Crane Lamechabang Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Rayong Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Heavy Lift Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Service Co., Ltd.	Thailand	Subsidiary	Direct holding
Ruka Co., Ltd.	Thailand	Other related company	Coordinator former management and/or shareholders
Line Transport Co., Ltd.	Thailand	Other related company	Coordinator former management

Bases of measurement for intercompany revenues and expenses

	<u>Pricing policies</u>
Purchase - sale of land and machinery and equipment for rent or goods	Market price
Rendering of rent and transportation services	Market of price minus discount 20% - 60%
Rendering of repair services	Market price
Services and administrative expenses	Market price
Interest income and expense	Market price

On October 1, 2008 The Company and subsidiaries had the change pricing policies for the rendering of rent and transportation services from the market of price minus discount 20% - 60% to the market of price minus discount 20% - 35% (see Note 22).

6. TRADE ACCOUNTS RECEIVABLE - NET

As at September 30, 2008 and December 31, 2007, the Company and subsidiaries had outstanding balances of trade accounts receivable aged by number of months as follows:

	(Unit: Thousands Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
<u>Trade accounts receivable - other</u>				
Current	46,340	27,410	11,232	94
Overdue				
less than 3 months	92,860	50,008	28,021	4,688
Over 3 months up to 6 months	4,397	5,535	1,899	713
Over 6 months up to 12 months	4,146	6,096	-	-
Over 12 months	16,931	9,786	1,340	1,340
Total	164,674	98,835	42,492	6,835
<u>Less: Allowance for doubtful accounts</u>	(21,356)	(23,238)	(1,515)	(1,515)
Total trade accounts receivable - other	143,318	75,597	40,977	5,320
<u>Trade accounts receivable - related companies</u>				
Current	-	-	23,636	7,377
Overdue				
less than 3 months	-	-	16,692	26,731
Over 3 months up to 6 months	-	-	6,429	381
Over 6 months up to 12 months	-	108	-	108
Over 12 months	108	-	215	-
Total	108	108	46,972	34,597
<u>Less: Allowance for doubtful accounts</u>	(108)	(108)	(108)	(108)
Total trade accounts receivable - related companies	-	-	46,864	34,489
Total trade accounts receivable - net	143,318	75,597	87,841	39,809

7. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries stated by the cost method, as at September 30, 2008 and December 31, 2007 consisted of:

(Unit: Thousands Baht)

Subsidiaries	Holding (%)		Authorized share capital		Cost method	
	2008	2007	2008	2007	2008	2007
The Crane Lamechabang Co., Ltd.	100%	100%	25,000	25,000	24,999	24,999
The Crane Rayong Co., Ltd.	100%	100%	25,000	25,000	24,999	24,999
The Crane Heavy Lift Co., Ltd.	100%	100%	25,000	25,000	25,000	25,000
The Crane Service Co., Ltd.	100%	100%	100,000	100,000	99,993	99,993
Total			175,000	175,000	174,991	174,991

8. RECEIVABLE UNDER REPURCHASE AGREEMENT - NET

Receivable under repurchase agreement as at September 30, 2008 and December 31, 2007 consisted of:

(Unit: Thousands Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Receivable under repurchase agreement	45,821	45,821	-	-
<u>Less:</u> Allowance for doubtful accounts	(45,821)	(45,821)	-	-
Receivable under repurchase agreement - net	-	-	-	-

Receivable under repurchase agreement occurred from a subsidiary putting up collateral against a financial lease agreement for its accounts receivable as the debt payment was defaulted upon with the financial institution (see Note 15).

9. RESTRICTED BANK DEPOSITS

As at September 30, 2008 and December 31, 2007, deposits at the bank of the Company and subsidiaries were used as collateral for letters of guarantee issued by banks (see Note 18).

10. RECEIVABLES FROM INSTALLMENT SALES

Receivable from instalment sales as at September 30, 2008 and December 31, 2007 consisted of:

(Unit: Thousands Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Receivable from installment sales	916	1,218	916	1,218

The Company had entered into the financial lease agreements for machinery and equipment for rent, receivable monthly in the amount of Baht 0.04 million.

The receivable had committed to pay each year under the financial lease agreement as follows:

(Unit: Thousands Baht)

Year	Consolidated	Separate
	financial statements	financial statements
1	541	541
2 - 3	495	495
	1,036	1,036

11. ASSETS USED AS COLLATERAL

The Company and subsidiaries have pledged part of land, including construction and machinery as well as the benefits from insurance of construction and machinery against bank overdrafts and loans from financial institutions with the full guarantee of the directors.

Moreover, the Company's director mortgaged personal land including construction of Baht 41.60 million used as collateral for contingent liabilities from the Company's financial lease agreement.

12. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at September 30, 2008 and December 31, 2007 consisted of:

(Unit: Thousands Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Bank overdrafts	9,624	20,252	9,624	17,934
Promissory Notes	20,000	56,100	20,000	56,100
Trust receipts	104,577	28,297	104,577	28,297
Total	134,201	104,649	134,201	102,331

The Company and subsidiaries have credit lines for bank overdrafts in the amount of Baht 17 million for the consolidated financial statements and Baht 15 million for the separate financial statements bearing interest at the rate of MRR, MRR+2 and MOR+1 per annum and have other credit facilities in the amount of Baht 321 million for the consolidated financial statements and Baht 321 million for the separate financial statements, with interest charged at the rate stipulated in the contracts. The Company and subsidiaries land including construction and part machinery were used as collateral for loans from the bank. The loans are also guaranteed by the Company and its subsidiary's directors (see Note 11).

On October 16, 2008 The Company had pledged land including construction against the bank overdraft and short-term loans from a financial institution for credit line in the amount of Baht 120 million with the full personal guarantee of the directors of the Company (see Note 22).

13. OTHER SHORT-TERM LOANS

As at December 31, 2007, a subsidiary borrowed loan from another company (the Company's customer) for its operation with interest charged at 12% per annum. The other company was able to deduct the loan against the last period of the subsidiary's cash receipt from providing services.

14. LONG-TERM DEBT

Long-term debt as at September 30, 2008 and December 31, 2007 consisted of:

	(Unit: Thousands Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Loans from banks	71,000	226,531	71,000	211,599
Liabilities under financial lease	479,491	444,223	233,800	268,653
Liabilities under restructuring agreements	-	3,822	-	-
Total	550,491	674,576	304,800	480,252
<u>Less: Current portion of long-term</u>				
liabilities	(221,837)	(230,233)	(141,549)	(147,213)
Long-term debt - net	328,654	444,343	163,251	333,039

Loans from banks

The Details of the loans are summarized as follows:

	Principal (Thousands Baht)		Period	Interest Rate	Repayment
	2008	2007			
<u>Company</u>					
Bank	71,000	211,500	Dec. 2006 – Dec. 2011	MLR	Monthly principal repayment with interest (principal Baht 4.50 million per month)
Bank	-	99	Apr. 2003 – Jan. 2008	MRR	Monthly principal repayment with interest (Baht 0.60 million per month)
<u>Subsidiaries</u>					
Bank	-	14,932	Jan. 2006 – Dec. 2013	MLR + 1.5	Monthly principal repayment with interest totalling 84 instalments

As at September 30, 2008 the Company and subsidiaries had loans from banks, the current portion of long-term loans in the amount of Baht 54 million (year 2007: Baht 57.83 million) for the consolidated financial statements and Baht 54 million (year 2007: Baht 54.10 million) for the separate financial statements was presented under current liabilities.

The Company and subsidiaries had pledged land, including construction and machinery as well as the benefits from insurance of construction and machinery, against loans from financial institutions with the full personal guarantee of the directors of the Company and Subsidiaries (see Note 11).

On February 12, 2008, The Crane Rayong Company Limited (“subsidiary”) entered into a debt restructuring agreement in order to alleviate the condition of repayment debts. According to the agreement, the subsidiary repaid such debts by monthly

installments each not less than Baht 0.25 million with interest charged at the rate of MLR+1.50% per annum starting with the first installment from February 2008 and to be completed before or within January 2015. Subsequently, On July 9, 2008 The Crane Rayong Company Limited (“subsidiary”) repaid the remaining of loan from bank in whole amount.

The Board of Directors’ Meeting of The Crane Rayong Company Limited (“subsidiary”) held on October 6, 2008, a resolution was passed to the subsidiary borrow loan from a financial institution in the amount of Baht 20 million with credit line for the bank overdraft in the amount of Baht 15 million. The Subsidiary had pledged land including construction against the loan from a financial institution with the guaranteed by the Company. The Subsidiary had received the loan from a financial institution on October 20, 2008 (see Note 22).

Liability under Financial Lease

The Company and subsidiaries had entered into the financial lease agreements for machinery and equipment for rent and for vehicles, payable monthly in the amount of Baht 10.83 million and Baht 9.40 million, respectively. As at September 30, 2008, the current portion of liability under the financial lease agreement in the amount of Baht 167.84 million (year 2007: Baht 170.94 million) for the consolidated financial statements and Baht 87.55 million (year 2007: Baht 93.11 million) for the separate financial statements was presented under current liabilities.

Moreover, the Company and subsidiaries had committed to pay each year under the financial lease agreement as follows:

	(Unit: Millions Baht)	
Year	Consolidated financial statements	Separate financial statements
1	208.92	110.24
2 - 5	353.65	171.05
	562.57	281.29

On March 1, 2007, the Company entered into a sale and leaseback agreement for machineries (Crane) with a company amounting to approximately Baht 9.81 million.

On October 24, 2007, the Company entered into financial lease agreements with a leasing company amounting to approximately Baht 192.01 million. The Company’s director mortgaged personal land including construction of Baht 41.60 million used as collateral for contingent liabilities from the Company’s financial lease agreement (see Note 11).

Liability under Restructuring Agreements

The Crane Service Company Limited (“subsidiary”) had long-term loans from financial institutions and had defaulted on the debt. On October 30, 2000, the subsidiary entered into debt restructuring agreements with all financial institutions stating that the subsidiary had to pay principal with interest charged as stipulated in the debt restructuring agreements. As at December 31, 2007,

the current portion of liability under the debt restructuring agreements in the amount of Baht 1.46 million was presented under current liabilities.

15. LIABILITY FROM REPURCHASE AGREEMENT

On December 16, 1996, The Crane Service Company Limited (subsidiary) has sold assets to a customer by financial lease through a Leasing Company; on condition that subsidiary has joint responsibility to repurchase assets if the customer does not perform according to the agreement.

On October 8, 2001, the subsidiary had entered into a debt confirmation letter with a Leasing Company because the subsidiary's customer did not perform according to the agreements in the amount of Baht 73.62 million. A debt confirmation letter indicated that the Subsidiary had to pay principal and interest which the first repayment started on October 2001. The liabilities are also fully guaranteed by the subsidiary's directors.

From the above details, the subsidiary recorded the lessee to accounts receivable from repurchase agreement that were presented under current assets in the amount of Baht 45.82 million (see Note 8) according to the amount to be repaid by the subsidiary. The subsidiary has reclaimed the debt in the amount of Baht 68.20 million.

In the year 2001, the leasing company was in litigation with the lessee and in the year 2003, the court of first instance held the lessee, the subsidiary and director to join responsibility for payment to the leasing company in the amount of Baht 5.96 million with interest charged at 7.5 percent per annum since the litigation date until fully paid.

On October 24, 2006, the subsidiary entered into an additional amendment of debt confirmation letter that the conditions of repayment were amended from additional amendment of debt confirmation letter dated September 24, 2005 as follows:

1. The subsidiary had outstanding debt before preparing the memorandum in the amount of Baht 2.20 million, so the installment of debt was taken into the new principal of debt as indicated in this memorandum.
2. The subsidiary has to pay the principal by installment started from October 2006 to October 2011 as the indicated amount of the payment schedule enclosed with the contract with interest charged at 10 percent per annum.

The Subsidiary had paid post dated cheque as collateral in the amount of Baht 60.03 million.

During the year 2007, the Appeal Court judged lessee company and subsidiary including director together to under take repayment to leasing company in the amount of Baht 5.40 million including interest at the rate of 10% per annum from June 21, 2006 until the date the claim was filed and at the rate of 7.5% per annum starting from the date the claim was filed until complete repayment.

At present, the subsidiary has not repaid the principal and interest as per the agreement. The subsidiary litigated with the creditor relating to alleged overstated debt on April 18, 2007. However, the subsidiary has still recorded accrued interest expense at the

rate determined in the agreement. The subsidiary does not use the default interest rate because a legal consultant expressed his opinion that the subsidiary has a chance to win the case. Therefore, the subsidiary reclassified such liability to current liability.

16. SHARE CAPITAL

The Company

The Board of Directors' Meeting held on January 30, 2008, passed a resolution to offer common shares for an increase in the Company's share capital of 100 million shares to the public for subscription shares on February 1, 4 and 5, 2008 at the offering price of Baht 2.80 per share, totaling Baht 280 million. The Company has recorded the underwriting fees concerning the offering of its increased share capital of approximately Baht 20.45 million as deduction in "Premium on share capital". The Company registered the change in its authorized share capital for such increase in share capital with the Ministry of Commerce on February 7, 2008.

The Ordinary General Meeting of Shareholders held on March 15, 2007, passed a resolution to increase the Company's authorized share capital from Baht 350 million to Baht 450 million by issuing new common shares of 100 million shares at par value of Baht 1 per share. For the increased in share capital, the resolution assigned the authorizing to the Company's Board of Directors in considering and determining all of the details concerning offering price, offering method, offering period, and the allotment method of the remaining shares left after subscription, regarding the offering to the public.

17. DIVIDENED PAYMENT AND LEGAL RESERVE

The Company

At the Ordinary General Meeting of Shareholders held on April 24, 2008, a resolution was passed authorizing a dividend payment at the rate of Baht 0.1 per share, totaling Baht 45 million.

Subsidiary

At the Ordinary General Meeting of Shareholders of The Crane Service Company Limited held on March 10, 2008, a resolution was passed authorizing a dividend payment at the rate of Baht 210 per share, totaling Baht 21 million and approved an additional appropriated legal reserve of Baht 1.05 million.

18. COMMITMENTS AND CONTINGENT LIABILITIES

As at September 30, 2008, the Company and its subsidiaries had commitments and contingent liabilities as follows:

The Company

Commitments

- Commitment for the letter of guarantee issued by the Bank in the amount of Baht 0.23 million (see Note 10).
- Commitment for payment under the security service agreement in the amount of Baht 0.12 million per month.
- Commitment for payment under the land lease agreement in the amount of Baht 0.06 million per month.
- Commitment from legal advisory fee in the amount of Baht 0.05 million per month.
- Commitment for the sale contract for sell land in the amount of Baht 3.5 million.

Contingent liabilities

- Contingent liabilities on co-guarantee for liabilities under financial lease with subsidiaries in the amount of Baht 296.20 million.
- Contingent liabilities from lease back agreement together with subsidiaries in the amount of Baht 13.97 million.

Subsidiaries

Commitments

- Commitment for the letter of guarantee issued by the Bank in the amount of Baht 2.47 million (see Note 10).
- Commitment for payment under the land lease agreement to the director of the Company in the amount of Baht 0.05 million per month.
- Commitment for payment under the building lease agreement with a related company in the amount of Baht 0.15 million per month.
- Commitment for payment under the management agreement with a related company (the Parent company) in the amount of Baht 1.25 million per month.
- Commitment for payment under the security and cleaning service agreement with a company in the amount of Baht 0.06 million per month.

Contingent liabilities

- Contingent liability on co-guarantee for liabilities under financial lease with the Company in the amount of Baht 292.26 million.
- The Crane Service Company Limited is litigating a case brought against it involving compensation of breach debt confirmation agreement in the amount of Baht 66.54 million and compensation from cheque default of Baht 0.96 million (see Note 21).
- The Crane Heavy Lift Company Limited is litigating a suit brought against it for a claim of Baht 1.32 million (see Note 21).

19. BUSINESS SEGMENT INFORMATION

The Company and subsidiaries operate the business primarily related to sales and services of cranes, forklifts, trailers and trucks. Based on the types of activities, the operating income for each of the nine-month periods ended September 30, 2008 and 2007 were classified as follows:

For the nine-month period ended September 30, 2008

	(Unit: Thousands Baht)			
	Sales	Service	Eliminate	Total
Revenue	552,268	469,972	(400,964)	621,276
Cost	(397,835)	(413,179)	388,209	(422,805)
Gross profit	154,433	56,793	(12,755)	198,471
Selling and administrative expenses				(103,476)
Other income				18,532
Interest expenses				(57,865)
Income tax				(15,339)
Net profit				40,323
Fixed assets as at September 30, 2008				1,349,461
Total assets as at September 30, 2008				1,776,162

For the nine-month period ended September 30, 2007

	(Unit: Thousands Baht)			
	Sales	Service	Eliminate	Total
Revenue	366,049	523,371	(300,982)	588,438
Cost	(257,615)	(430,882)	347,742	(340,755)
Gross profit	108,434	92,489	46,760	247,683
Selling and administrative expenses				(94,024)
Other income				10,550
Interest expenses				(54,569)
Income tax				(19,738)
Net profit				89,902
Fixed assets as at September 30, 2007				1,179,295
Total assets as at September 30, 2007				1,549,954

20. FINANCIAL INSTRUMENTS

Accounting Policies

The details of significant accounting policies and methods used for classification of financial assets and financial liabilities including valuation, basis of recognition of income and expenses are disclosed in Note 3.

Financial risk management policies

The Company is exposed to fluctuations in interest rates and foreign exchange rates in the market and the risks from default of the agreements by counterparties. The Company had risk management policies as follows:

Interest Rate Risk

Interest rate risk is the fluctuation of the market interest rate in the future that will affect the Company's operations and cash flows. The Company has interest rate risk from cash and deposits at banks, bank overdrafts and from loans because the interest rate of the financial assets and financial liabilities fluctuate based on the market rate. In addition, the Company has not engaged in any hedging contracts related to interest rates.

Foreign Currency Risk

The Company's exchange rate risk primarily involves the purchases and sales of goods in foreign currencies. As at September 30, 2008 and December 31, 2007, the Company had assets and liabilities in foreign currencies, without hedging, as follows:

<u>Currencies</u>	(Unit: Millions)			
	2008		2007	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
YEN	-	317.46	-	95.70

Credit Risk – Trade Accounts Receivable

The Company has a policy to hedge credit risk from trade accounts receivable by forming a conservative credit policy and by determining the receipt from the sales of goods and service. Therefore, the Company expects that the loss from the collection of those trade accounts receivable should not exceed the provision for doubtful accounts.

Fair Value

Most of the financial assets are trade accounts receivable which are short-term credit and financial liabilities. Most of the financial liabilities are trade accounts payable and bank overdrafts with interest rates close to the market rate. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

21. LITIGATION

Subsidiaries

The Crane Heavy Lift Co., Ltd. (“subsidiary”) received notice from the Department of Legal Execution (as at November 10, 2005) informing it of the cancellation of an agreement and to let the subsidiary pay rent to the official receiver of Mr. Suchin Sittirarat (landlord). The notice stated that the subsidiary has rented the land with title deed no.39562 in Patumthani and that the subsidiary has not paid rent since February 1, 2002 until now (September 30, 2005). The total is 44 installments, so this agreement has been terminated pursuant to clause 12 of the contract. The official receiver informed the subsidiary of the agreement cancellation and that the subsidiary has to return the land by removing everything including people off the land and to make rest of the payment of Baht 13.60 million to the official receiver. Subsequently, on November 25, 2005 the subsidiary denied the debt to the official receiver stating that the subsidiary never had a land rental agreement with Mr. Suchin Sittirarat, contrary to what the official receiver notice alleges, as the subsidiary has an agreement with a subsidiary’s director (see Note 18). As at December 31, 2005 the subsidiary has recorded the accrued expenses in the amount of Baht 2.35 million. Regarding the above accrued expenses, the subsidiary’s director does not accept until the lawsuit is finished. In case the subsidiary has any damage, the subsidiary’s director is willing to deny receiving rent from subsidiary. Therefore, the subsidiary has provided an allowance for any damage. Then, the subsidiary hired UK Valuation and Agency Company Limited as an independent appraiser to appraise such monthly rental fee for the land, which the subsidiary will set up an allowance for additional damage on a monthly basis following the monthly market rental fee which was appraised by the independent appraiser. As at September 30, 2008 the subsidiary had set up an allowance for damage in the amount of Baht 10.23 million. However, if the subsidiary loses more than such provision, the subsidiary’s director will be responsible for the total in excess.

As at September 30, 2008 The Crane Heavy Lift Company Limited (“subsidiary”) is litigating a suit brought against it for a claim of Baht 1.32 million. The case is pending decision in civil court. However, the subsidiary company had still not recorded any potential liabilities.

As at September 30, 2008 The Crane Service Company Limited (“subsidiary”) had litigation as follows:

- A litigation suit brought against it involving the services of Baht 1.98 million. However, the subsidiary has already recorded the provision in respect of potential liability of Baht 0.49 million. If the subsidiary has any damage, the subsidiary’s directors will take responsibility. At present, such case is in the process of the civil court consideration.
- A litigation suit brought against it involving compensation of breach debt confirmation agreement in the amount of Baht 66.54 million and a litigation suit brought against it involving compensation from cheque default of Baht 0.96 million. Such case is in the process of the Court’s consideration. However, the subsidiary has not yet recorded a provision of potential liabilities because the subsidiary has the opinion that the subsidiary will not lose. The subsidiary filed a suit against a creditor relating to overstated debt on April 18, 2007 (see Note 18).

22. SUBSEQUENCE EVENT

The Company

On October 1, 2008 The Company and subsidiaries had the change pricing policy for the rendering of rent and transportation services from the market of price minus discount 20% - 60% to the market of price minus discount 20% - 35%.

On October 16, 2008 The Company had pledged land including construction against the bank overdraft and short-term loans from a financial institution for credit line in the amount of Baht 120 million with the full personal guarantee of the directors of the Company.

Subsidiary

The Board of Directors’ Meeting of The Crane Rayong Company Limited (“subsidiary”) held on October 6, 2008, a resolution was passed to the subsidiary borrow loan from a financial institution in the amount of Baht 20 million with credit line for the bank overdraft in the amount of Baht 15 million. The Subsidiary had pledged land, including construction against the loan from a financial institution with the guaranteed by the Company. The Subsidiary had received the loan from a financial institution on October 20, 2008.

23. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the authorized directors on November 3, 2008.