

## 10. Internal Control

The Company realizes the significance of its internal control system which is sufficiently efficient to prevent or minimize risks which might arise to the Company. The Board of Directors has formed the Internal Audit Office to audit the work operation system in various departments of the Company as per the annual audit plan approved by the Audit Committee to ensure each department's efficient and effective performance of work and optimized use of the Company's resources. This also includes the control of the performance of work, the timely preparation of accurate and reliable financial reports, as well as the compliance with the policy in accordance with the law and regulations of the government agencies. Furthermore, the Company regularly reviews the efficiency of the control system to ensure the optimum benefit to the shareholders from the business operation based on the fairness in terms of benefits to all interested persons. In addition, to ensure the Internal Audit Office's independence in the audit and counterbalancing, the Company requires the Internal Audit Office to directly report the audit results to the Audit Committee.

In regard to risk management, the Company has major concern on this matter by taking into account various risk factors currently sustained or threatened to be sustained in the future by the Company to analyze impact and possibility of such risks and to determine measures to prevent and deal with such risks. The efficiency of the risk management system are reviewed and evaluated once a year, and for every time when the risk level is changed, the results are regularly monitored. The significant risk factors are described in Risk Factors on pages 1-1 to 1-8.

In the year 2006, the Audit Committee convened seven meetings, whereby the executives of the Company attended all such meetings. The Board of Directors and the Audit Committee have evaluated the internal control system as per the internal control adequacy evaluation form in the Board of Directors meeting on 27 February 2007 and concluded that the Company's internal control system was considered adequate and appropriate to the business operation without material fault in the internal control system; and it could prevent improper or unauthorized use by executives of the property of the Company and the Subsidiary. The financial report of the Company was made in accordance with the generally accepted accounting principles. Disclosure of information in the financial report was accurate and reliable. The Company's business operation was in accordance with the law on securities and exchange and other applicable laws. Furthermore, the Board of Directors emphasizes that the Company should develop its good corporate governance system in accordance with the 15 Clauses of the Good Corporate Governance of the Stock Exchange of Thailand.