

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

1. GENERAL INFORMATION

	THE COMPANY	THE SUBSIDIARIES	
		S. Apparel Company Limited	T-CHAMBER Company Limited
1.1 Legal status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.	A juristic person established under Thai law on January 5, 1988.	A juristic person established under Thai law on April 25, 2007.
1.2 Company locations			
- Head office and factory	129/1 Chongnonthri Road, Kwaeng Chongnonthri, Khet Yannawa, Bangkok.	4/2 Moo 8, Bangna-Trad Road, KM. 18 Tambol Bangchalong, Amphur Bangplee, Samutprakarn.	129/1 Chongnonthri Road, Kwaeng Chongnonthri, Khet Yannawa, Bangkok.
- Factory-Branch (Saha Group Industrial Park Project- Lamphun)	99/3 Moo 5, Tambol Paa-Sak, Amphur Muang Lamphun, Lamphun.		
-Factory-Branch (Saha Group Industrial Park Project- Kabinburi)	125 Moo 5, Tambol Nonthri, Amphur Kabinburi, Prachinburi.		
1.3 Type of business	Manufacturing and distributing ready-made clothes and leatherware.	Manufacturing, subcontracting and distributing ready-made clothes.	Distributing ready-made clothes.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 The consolidated and separate financial statements have been prepared in accordance with Thai Accounting Standards under the Accounting Act, B.E. 2543 (2000) including the Accounting Profession Act, B.E. 2547 (2004), and the Notification of the Office of the Securities and Exchange Commission.

2.2 Announcement of new accounting standards

The following Accounting Standards have been revised and become effective for the periods beginning on or after January 1, 2007 :

TAS 44 (revised 2007) Consolidated Financial Statements and Separate Financial
Statements

TAS 45 (revised 2007) Investment in Associates

TAS 46 (revised 2007) Interest in Joint Ventures

The Company has performed according to the revised standards since the effective date. In 2007 financial statements, the Company has changed its accounting policy relating to the recording of investments following the Accounting Standard No. 44 as described in Note 3.2.

The following Accounting Standards have been revised and become effective for the periods beginning on or after January 1, 2008 :

TAS 25 (revised 2007) Cash Flows Statements

TAS 29 (revised 2007) Lease

TAS 31 (revised 2007) Inventories

TAS 33 (revised 2007) Borrowing Costs

TAS 35 (revised 2007) Presentation of Financial Statements

TAS 39 (revised 2007) Accounting Policies, Changes in Accounting Estimates and
Errors

TAS 41 (revised 2007) Interim Financial Reporting

TAS 43 (revised 2007) Business Combinations

TAS 49 (revised 2007) Construction Contracts

TAS 51 Intangible Assets

The Company has performed according to the revised standards since the effective date. In 2008 financial statements, the Company has changed its accounting policy relating to negative goodwill following the Accounting Standard No. 43 as described in Note 3.1. For other Accounting Standards there was no significant impact on the financial statements for the current period.

The following Accounting Standards have been revised and will become into effect for the periods beginning on or after January 1, 2009 :

TAS 36 (revised 2007) Impairment of Assets

TAS 54 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations

The Company has assessed such accounting standards and believes that they will not have any significant impact on the financial statements for the effective year.

- 2.3** These consolidated financial statements included the financial statements of Thanulux Public Company Limited and its subsidiary companies as follows :

	<u>% Holding</u>
S. Apparel Company Limited	80.00
T-CHAMBER Company Limited	99.99

- 2.4** Inter-company balances and significant transactions of the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 2.5** The Company invested in S. Apparel Company Limited by holding its common stocks starting from April 1, 2004. The negative goodwill on acquisition of Baht 55.23 million arose from the excess of fair values of the identifiable assets and liabilities of the acquirer over the cost of acquisition. The negative goodwill was adjusted to beginning retained earnings in the consolidated financial statements (see Note 3.1).
- 2.6** The Company invested in T-CHAMBER Company Limited by holding its common stocks starting from April 25, 2007.

3 CHANGE IN ACCOUNTING POLICIES

3.1 In 2008, the Company has changed its accounting policy for the negative goodwill at the beginning of the business combination accounting period before January 1, 2008, which requires to adjust such negative goodwill to beginning retained earnings following the Accounting Standard No. 43 (revised 2007) on the subject of “Business Combinations”. In consequence of changing in such accounting policy, the Company has restated the previous period of comparative consolidated financial statements, which decreasingly affected to the net profit in the consolidated financial statements for the year ended December 31, 2007 amount of Baht 5.52 million. Cumulative effects on the change in accounting policy from the past which has to be increasingly adjusted to the beginning retained earnings for the consolidated financial statements as at January 1, 2008, were amount of Baht 34.52 million and Baht 40.04 million as at January 1, 2007.

3.2 In 2007, the Company has changed its accounting policy for investments in subsidiaries, which is presented in the separate financial statements from equity method to the cost method following the Accounting Standard No. 44 (revised 2007) on the subject of “Consolidated and Separate Financial Statements”. Cumulative effects from the change in accounting policy since the past has to be increasingly adjusted to the beginning retained earnings for the separate financial statements as at January 1, 2007, amount of Baht 1.51 million.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

Revenues from sales and cost of sales are recognized upon delivery of goods to customers.

Other revenues and expenses are recognized on an accrual basis.

4.2 Investments in securities

Investments in Open-end Fund are considered as trading securities, stated at fair value. The Company recognizes its investment revaluation as gain or loss in the statements of income.

Investments in the available-for-sale securities are stated at fair value. The Company recognizes its investment revaluation as separate item under shareholders’ equity and will record in the statements of income when sold.

Investments in general investments are stated at cost net after the allowance for loss on diminution.

Investments in debt securities are classified as held-to-maturity investments which shown at amortized cost.

Cost of investments in securities sold during the year is calculated by the average method.

Dividend income is recorded when declared.

4.3 Allowance for doubtful accounts

The Company provides allowance for doubtful accounts for the estimated losses that may be incurred by estimating from past experience. Bad debts are immediately written off during the year whenever incurred.

4.4 Allowance for goods returned

The allowance for goods returned is set up by assessing from the past experience.

4.5 Inventories

Finished goods and raw materials are stated at cost or net realizable value, whichever is the lower. Cost is determined by the average method.

Goods in process are stated at average cost of raw materials plus labour and manufacturing expenses.

The Company set up provision for diminution in value for obsolete goods by assessing the current condition of inventories.

4.6 Investments in subsidiary

The subsidiary undertaking is that company in which the parent company in the group companies directly or indirectly, has power more than one half of the total voting rights or otherwise has power to govern the financial and operating policies of the subsidiary. Investments in subsidiary are stated by cost method in the separate financial statements.

4.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation of assets. Depreciation is provided for all fixed assets other than land, by using the straight-line method based on the estimated useful lives of the following assets :

	<u>Years</u>
Buildings and structures	20
Machinery	5-10
Computer and accessories	3
Other fixed assets	5-10

Property, plant and equipment in the consolidation presented by summing up of subsidiaries' assets which were adjusted to be fair value on the acquisition dates. The increase in appraisal value made by the independent appraiser is depreciated according to the remaining useful lives of assets.

4.8 Intangible assets

Intangible assets mean acquired right for using computer softwares which are capitalized based on the acquiring costs incurred and bring to use as intended. These costs are amortized by the straight-line method through the period of useful lives in 5-10 years.

4.9 Leasehold rights

Leasehold rights are stated at cost less cumulative amortization by written off over the lease term.

4.10 Foreign currency transactions

Foreign currency transactions are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities at the balance sheet date are converted to Baht at the rate of exchange in effect at that date. Except the agreed transactions of forward exchange contracts with the banks, will be recorded at fair value.

Gains or losses on exchange rates are credited or charged to operations of each year.

4.11 Related parties

The parties which have, directly or indirectly, some common management, major shareholders or some common related persons are accounted for as related parties.

4.12 Leases

Operating leases

Leases where most of substantial risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to expenses in the statements of income over the lease term.

Financial leases

Leases which transfer to the Company most of substantial risks and rewards of ownership other than legal title, are accounted for as financial leases. At the inception of the lease, the fair value of assets is recorded together with the obligation, excluding interest element, to pay future rentals. Interest or financial expenses are recognized in the statements of income in proportion to the principal balance.

4.13 Basic earnings per share

Basic earnings per share is determined by dividing the annual net profit by the weighted average number of common stocks held by the outsiders during the year.

4.14 Cash and cash equivalents

For the purpose of preparation of cash flows statements, cash and cash equivalents are cash on hand and fixed deposit at financial institutions due not more than 3 months with no obligation.

4.15 Employee benefits

Employee provident fund

The Company provides a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to expenses in the statements of income in the incurred year.

Retirement fund

Obligations for contributions to retirement fund are computed on the benefit formula and are recognized as an expense in the statements of income. Benefits are payable to employees upon retirement.

4.16 Use of accounting estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

5. INVESTMENTS IN OPEN-END FUND comprise :-

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007
Investments in Open-end Fund-Debt securities	31,567,107	10,000
Provision for investment adjustment in Open-end Fund	64,984	-
Investments in Open-end Fund-net	31,632,091	10,000

Investments in Open-end fund are trading securities. The difference between fair value and cost is shown as provision for investment adjustment in Open-end Fund. Unrealized gain (loss) on investments in Open-end Fund during the year was duly recognized in the statements of income.

6. **TRADE ACCOUNTS RECEIVABLE** comprise :-

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Trade accounts receivable-related parties				
Trade notes receivable				
Current	1,416,224	1,115,185	1,416,224	1,115,185
Trade accounts receivable				
Current	199,216,280	159,181,908	199,977,420	162,521,805
Overdue within 3 months	4,755,472	310,403	4,755,472	310,403
Over 6 to 12 months	137,807	77,810	137,807	77,810
Over 12 months	-	164,709	-	164,709
Total	205,525,783	160,850,015	206,286,923	164,189,912
<u>Less</u> : Allowance for doubtful accounts	(137,807)	(249,223)	(137,807)	(249,223)
Allowance for goods returned	(38,000,000)	(31,000,000)	(38,000,000)	(31,000,000)
Trade accounts receivable related parties-net	167,387,976	129,600,792	168,149,116	132,940,689
Trade accounts receivable-others				
Trade notes receivable				
Current	35,342	119,840	24,930	119,840
Trade accounts receivable				
Current	142,652,167	126,443,482	103,769,177	94,853,187
Overdue within 3 months	29,122,223	20,723,788	17,703,234	19,466,724
Over 3 to 6 months	2,219,592	518,960	2,115,812	342,651
Over 6 to 12 months	131,067	92,014	129,455	92,014
Over 12 months	-	235,069	-	235,069
Total	174,160,391	148,133,153	123,742,608	115,109,485
<u>Less</u> : Allowance for doubtful accounts	(130,261)	(300,674)	(129,455)	(300,674)
Trade accounts receivable others-net	174,030,130	147,832,479	123,613,153	114,808,811
Total Trade Accounts Receivable-net	341,418,106	277,433,271	291,762,269	247,749,500

7. SHORT-TERM LOANS TO RELATED PARTIES comprise :-

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATE PER YEAR (%)	
	2008	2007	2008	2007	2008	2007
SSDC (Tigertex) Co., Ltd.						
Beginning balances	12,000,000	22,000,000	12,000,000	22,000,000		
<u>Add:</u> Increase during the years	28,000,000	15,000,000	28,000,000	15,000,000	3.50 – 4.25	2.875-5.25
<u>Less:</u> Settlement during the years	-	(25,000,000)	-	(25,000,000)		
Ending balances	40,000,000	12,000,000	40,000,000	12,000,000		
Five Stars Plus Co., Ltd.						
Beginning balance	7,000,000	-	-	-		
<u>Add:</u> Increase during the years	500,000	8,000,000	-	-	3.62 – 4.75	3.25 – 3.62
<u>Less:</u> Settlement during the years	(2,500,000)	(1,000,000)	-	-		
Ending balances	5,000,000	7,000,000	-	-		
Thai Itokin Co., Ltd.						
Beginning balance	-	-	-	-		
<u>Add:</u> Increase during the year	44,000,000	-	44,000,000	-	4.50	-
<u>Less:</u> Settlement during the year	(44,000,000)	-	(44,000,000)	-		
Ending balance	-	-	-	-		
Erawan Textile Co., Ltd.						
Beginning balance	-	-	-	-		
<u>Add:</u> Increase during the year	83,200,000	-	83,200,000	-	5.50	-
Ending balance	83,200,000	-	83,200,000	-		
Total	128,200,000	19,000,000	123,200,000	12,000,000		

Short-term loans to related parties are unsecured loans.

8. INVENTORIES comprise :-

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Finished goods	84,329,832	79,779,933	82,006,702	79,158,684
Goods in process	73,846,431	56,727,351	64,483,438	47,569,497
Raw materials	99,964,128	113,492,019	90,133,272	95,539,872
Goods in transit	4,418,028	4,354,482	4,418,028	4,354,482
Spare parts	1,426,860	1,403,205	1,426,860	1,403,205
Total	263,985,279	255,756,990	242,468,300	228,025,740

9. INVESTMENTS IN SUBSIDIARIES Comprise:

(THOUSAND BAHT)

SUBSIDIARY COMPANIES	% HOLDING		COST METHOD	
	2008	2007	2008	2007
S. Apparel Co., Ltd.	80.00	80.00	27,729	27,729
T-CHAMBER Co., Ltd.	99.99	99.99	9,999	9,999
Total			37,728	37,728

(THOUSAND BAHT)

SUBSIDIARY COMPANIES	TYPE OF BUSINESS	PAID-UP CAPITAL		DIVIDEND	
		2008	2007	2008	2007
S. Apparel Co., Ltd.	Manufacturing, subcontracting and distributing ready-made clothes	36,000	36,000	2,304	864
T-CHAMBER Co., Ltd.	Distributing ready-made clothes	10,000	10,000	-	-

10. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES comprise :-

(THOUSAND BAHT)

Companies	Paid-up capital	% Holding		Investment		Dividend	
		2008	2007	2008	2007	2008	2007
- Related Parties							
1. People's Garment Plc.	96,000	14.05	14.05	52,683	52,683	5,798	17,530
2. I.C.C. International Plc.	290,634	3.31	3.17	109,015	92,972	9,226	9,138
3. Sahacogen (Chonburi) Plc.	955,000	1.77	1.72	32,759	30,422	4,920	4,920
4. Thai Wacoal Plc.	120,000	1.39	1.39	22,476	22,476	2,171	2,171
5. Textile Prestige Plc.	108,000	0.96	0.96	10,185	10,185	518	776
6. Saha Pathana Inter-Holding Plc.	494,034	0.36	0.36	9,042	9,042	356	356
7. Far East DDB Plc.	75,000	0.35	0.35	505	505	129	129
8. O.C.C. Plc.	60,000	0.13	0.13	41	41	36	44
9. Saha Pathanapibul Plc.	318,422	0.07	0.07	995	495	110	100
Total				237,701	218,821	23,264	35,164
<u>Add: Unrealized gain on investment revaluation</u>				510,087	533,345	-	-
Total net investments in available-for-sale securities-related parties				747,788	752,166	23,264	35,164
- Other Companies							
1. President Bakery Plc.				13,500	13,500	1,615	1,440
2. Thai Toray Textile Mill Plc.				265	265	75	60
3. Nation Multimedia Group Plc.				8,608	8,608	-	-
4. Bangkok Bank Plc.				10,002	10,002	380	348
5. Kasikornbank Plc.				654	654	30	26
6. The Siam Cement Plc.				4,541	2,336	260	150
7. PTT Plc.				832	832	62	53
8. Thoresen Thai Agencies Plc.				75	75	5	3
9. Thai Oil Plc.				367	367	27	23
10. PTT Aromatics and Refining Plc.				450	450	32	25
11. Regal Corporation				9,854	9,854	244	-
Total				49,148	46,943	2,730	2,128
<u>Add: Unrealized gain on investment revaluation</u>				11,052	22,389	-	-
Total net investments in available-for-sale securities-other companies				60,200	69,332	2,730	2,128
TOTAL INVESTMETNS IN AVAILABLE FOR SALE SECURITIES							
(THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS)				807,988	821,498	25,994	37,292

11. GENERAL INVESTMENTS comprise :

(THAI CURRENCY : THOUSAND BAHT

FOREIGN CURRENCIES : THOUSAND)

THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS							
Companies	Paid-up capital	% Holding		Investment		Dividend	
		2008	2007	2008	2007	2008	2007
- Related Parties							
1. Thai Monster Co., Ltd.	20,000	19.00	19.00	5,549	5,549	-	1,140
2. Total Way Image Co., Ltd.	20,000	19.00	19.00	7,132	7,132	1,520	1,330
3. Thai Naxis Co., Ltd.	20,000	19.00	19.00	4,700	4,700	133	760
4. Celebrate Wealth Co., Ltd.	20,000	19.00	19.00	* 3,799	1,900	-	-
	(Year 2007 : 10,000)						
5. SSDC (Tigertex) Co., Ltd.	270,000	18.96	18.96	58,394	58,394	4,609	4,096
6. International Commercial Coordination (Hong Kong) Ltd.	HKD 2,000	18.00	18.00	* 2,291	* 2,291	-	-
7. International Leather Fashion Corp., Ltd.	50,000	18.00	18.00	8,810	8,810	1,080	1,800
8. Wise Winner Co.,Ltd.	10,000	18.00	18.00	* 1,800	1,800	-	-
9. Five Stars Plus Co., Ltd.	50,000	17.00	17.00	* 8,500	8,500	-	-
10. Morgan De Toi (Thailand) Ltd.	25,000	15.99	15.99	3,999	3,999	-	320
11. Champ Ace Co., Ltd.	40,000	15.00	15.00	6,000	6,000	1,500	1,500
12. Pak Numpo Wattana Co., Ltd.	1,000	14.00	14.00	1,037	1,037	-	-
13. S.T.G.C. Co., Ltd.	2,500	13.00	13.00	* 325	* 325	-	-
14. Erawan Textile Co., Ltd.	72,732	13.00	-	9,427	-	-	-
15. Grand Star Industry Co., Ltd.	20,000	12.50	12.50	4,992	4,992	1,750	1,500
16. Intanin Chiangmai Co., Ltd.	5,000	12.50	12.50	2,781	2,781	-	-
17. Koraj Wattana Co., Ltd.	1,000	12.50	12.50	1,528	1,528	-	-
18. Sun & sand Co., Ltd.	1,000	12.50	12.50	1,499	1,499	-	-
19. Eastern I.C.C. Co., Ltd.	1,000	12.50	12.50	2,938	2,938	-	-
20. Maharachapruerk Co., Ltd.	1,000	12.00	12.00	415	415	-	-
21. Belle Maison (Thailand) Co., Ltd.	80,000	11.63	11.63	* 9,300	* 9,300	-	-
22. Thai Takaya Co., Ltd.	30,000	11.00	11.00	3,300	3,300	-	330
23. Thai Gunze Co., Ltd.	180,000	8.00	8.00	17,280	17,280	763	1,152
24. Wazeda Education (Thailand) Co., Ltd.	28,000	7.14	7.14	* 2,000	* 2,000	-	-

(THAI CURRENCY : THOUSAND BAHT

FOREIGN CURRENCIES : THOUSAND)

THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS								
Companies	Paid-up capital	% Holding		Investment		Dividend		
		2008	2007	2008	2007	2008	2007	
25. Thai Bunka Fashion Co., Ltd.	25,000	8.00	8.00	* 2,000	2,000	-	-	
26. Mit Pathana Homeshopping Co., Ltd.	30,000	5.67	5.67	* 1,700	1,700	-	-	
27. Sriracha Aviation Co., Ltd.	33,000	6.06	6.06	* 2,000	* 2,000	-	-	
28. Guangdong Xie Zhong Garment Co., Ltd.	USD 2,900	5.00	5.00	* 2,851	* 2,851	-	-	
29. Sunrise Garment Co., Ltd.	10,000	5.00	5.00	1,966	1,966	75	175	
30. K. Commercial and Construction Co., Ltd.	50,000	5.00	5.00	6,694	6,694	250	250	
31. H & B Intertext Co., Ltd.	40,000	5.00	5.00	* 2	2	-	-	
32. Bangkok Tokyo Socks Co., Ltd.	102,300	4.89	-	3,755	-	-	-	
33. Sriracha BSC Bowling Co., Ltd.	47,000	4.26	4.26	* 2,000	2,000	-	-	
34. Thai Shikibo Co., Ltd.	237,500	4.81	4.81	11,425	11,425	1,257	1,485	
35. Thai Staflex Co., Ltd.	60,000	4.00	4.00	2,400	2,400	276	300	
36. Treasure Hill Co., Ltd.	200,000	4.00	4.00	* 6,300	* 6,300	-	-	
37. BSC Entertainment Co., Ltd.	174,000	4.00	4.00	* 8,237	* 8,237	-	-	
38. Thai Asahi Kazei Spandex Co., Ltd.	1,350,000	4.00	4.00	54,000	34,000	5,248	1,711	
	(Year 2007 : 850,000)							
39. Value Added Textile Co., Ltd.	16,500	3.00	3.00	67	67	99	124	
40. Panland Co., Ltd.	300,000	3.00	3.00	* 9,000	* 9,000	-	-	
41. Wien Co., Ltd.	10,000	2.40	2.40	1,067	1,067	144	144	
42. Sahapat Real Estate Co., Ltd.	250,000	2.40	2.40	6,165	6,165	-	-	
43. Thai Janome Co., Ltd.	88,000	2.00	2.00	1,760	1,760	904	595	
44. Sahapat Properties Co., Ltd.	20,000	1.00	1.00	200	* 200	-	-	
45. Thai Itokin Co., Ltd.	50,000	1.00	1.00	* 911	* 911	-	-	
46. Racha Uchino Co., Ltd.	81,000	0.49	0.49	163	163	4	59	
47. Pattaya Manufacturing Co., Ltd.	30,000	0.33	0.33	741	741	35	45	
Total				293,200	258,119	19,647	18,816	
<u>Less: * Provision for loss on diminution in investments</u>				(41,326)	(26,908)	-	-	
Total general investments-related parties-net				251,874	231,211	19,647	18,816	

(THAI CURRENCY : THOUSAND BAHT

FOREIGN CURRENCIES : THOUSAND)

THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS							
Companies	Paid-up capital	% Holding		Investment		Dividend	
		2008	2007	2008	2007	2008	2007
- Other Companies							
1. Miwaki SDN. BHD.	RM 500	19.00	19.00	2,481	2,481	-	93
2. Miwaki Philippines Inc.	USD 400	19.00	19.00	* 3,317	* 3,317	-	-
3. Intersouth Co., Ltd.	1,000	12.50	12.50	4,286	4,286	-	-
4. Builton (Thailand) Co., Ltd.	4,000	10.00	10.00	250	250	-	-
5. Saha Daiichi Kosho Co., Ltd.	50,000	-	7.50	-	* 3,750	-	-
6. The International Knitting Mills Co., Ltd.	40,000	2.81	2.81	* 1,500	* 1,500	-	-
7. Sunlots Enterprise Co., Ltd.	130,000	2.69	2.69	* 4	* 4	-	-
8. Khonkaen Vithes Suksa Co., Ltd.	60,000	1.67	1.67	1,000	1,000	50	6
9. Thanara Co., Ltd.	60,000	1.25	1.25	1	1	-	-
10. Sigma Holding Co., Ltd.	46,364	0.26	0.26	120	120	-	-
11. Osoth Inter Laboratories Co., Ltd.	105,000	0.15	0.15	* 88	* 88	-	-
Total				13,047	16,797	50	99
<u>Less:</u> * Provision for loss on diminution in investments				(4,909)	(5,959)	-	-
Total general investments-other companies-net				8,138	10,838	50	99
Total General Investments of the Separate Financial Statements-net				260,012	242,049	19,697	18,915
General Investments of the Subsidiary-related party							
Treasure Hill Co., Ltd.				4,000	4,000	-	-
<u>Less:</u> Provision for loss on diminution in investments				(4,000)	(4,000)	-	-
Total General Investments of the Subsidiary-net				-	-	-	-
TOTAL GENERAL INVESTMENTS-NET (THE CONSOLIDATED)				260,012	242,049	19,697	18,915

As at December 31, 2008, the Company has advance payment for share subscription to the Erawan Textile Co., Ltd. amount of Baht 42,548,100, due to such company has increased its capital and it is under the registration process with the Ministry of Commerce.

12. INVESTMENTS IN DEBT SECURITIES comprise :-

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007
The Siam Cement Public Company Limited	44,000,000	36,000,000
CH. Karnchang Public Company Limited	30,000,000	20,000,000
Charoen Pokphand Foods Public Company Limited	10,000,000	10,000,000
Thai Airways International Public Company Limited	8,200,000	8,200,000
Bank of Ayudhya Public Company Limited	10,000,000	-
PTT Chemical Public Company Limited	10,000,000	-
Total	112,200,000	74,200,000
<u>Less</u> Portion due for redemption within one year	(15,000,000)	(11,000,000)
Investments in debt securities-net	97,200,000	63,200,000

The Company has an investment in debt securities as follows :

Issued date	Number of units (units)	Amount (Thousand Baht)	Type of debentures	Terms (years)	Coupon rate (per annum)	Interest payment	Maturity date
<u>Siam Cement Public Company Limited</u>							
Nov. 3, 08	8,000	8,000.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	4	5.35	Every 3 months since the issuing date of debenture.	Nov. 1, 12
Apr. 1, 08	1,000	1,000.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	4	4.25	Every 3 months since the issuing date of debenture.	Apr. 1, 12
Apr. 2, 07	10,000	10,000.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	4	5.75	Every 3 months since the issuing date of debenture.	Apr. 1, 11

Issued date	Number of units (units)	Amount (Thousand Baht)	Type of debentures	Terms (years)	Coupon rate (per annum)	Interest payment	Maturity date
Mar. 31, 06	10,000	10,000.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	4	6.00	Every 3 months since the issuing date of debenture.	Apr. 1, 10
Oct. 3, 05	15,000	15,000.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	4	5.25	Every 3 months the first payment of interest was received on January 1, 2006	Oct. 1, 09
<u>Total</u>		44,000.00					
<u>CH. Karnchang Public Company Limited</u>							
Apr. 30, 08	20,000	20,000.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	3	5.00	Every 6 months since the issuing date of debenture.	Apr. 30, 11
Jul. 26, 07	10,000	10,000.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	3	5.25	Every 6 months since the issuing date of debenture.	Jul. 26, 10
<u>Total</u>		30,000.00					
<u>Charoen Pokphand Foods Public Company Limited</u>							
Oct. 19, 07	10,000	10,000.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	3	4.25	Every 6 months since the issuing date of debenture.	Oct. 19, 10
<u>Total</u>		10,000.00					

Issued date	Number of units (units)	Amount (Thousand Baht)	Type of debentures	Terms (years)	Coupon rate (per annum)	Interest payment	Maturity date
<u>Thai Airways International Public Company Limited</u>							
Nov. 22, 07	2,200	2,200.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	3	4.51	Every 6 months since the issuing date of debenture.	Nov. 22, 10
Nov. 22, 07	6,000	6,000.00		5	5.04	Every 6 months since the issuing date of debenture.	Nov. 22, 12
<u>Total</u>		8,200.00					
<u>Bank of Ayudhya Public Company Limited</u>							
Jun. 5, 08	10,000	10,000.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	2	4.25	Every 4 months since the issuing date of debenture.	Jun. 5, 10
<u>Total</u>		10,000.00					
<u>PTT Chemical Public Company Limited</u>							
Dec. 4, 08	10,000	10,000.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	5	1st- 3rd Year at 5.35 and 4th – 5th year at 6.00	Every 4 months since the issuing date of debenture.	Dec. 4, 13
<u>Total</u>		10,000.00					
<u>Total in investments in debt securities</u>		112,200.00					

The portion of debt securities due for redemption within one year was shown under current assets.

13. LONG-TERM LOANS TO RELATED PARTY

On August 3, 2004, the Company has offered unsecured loans to Thai Asahi Kazei Spandex Company Limited amount of Baht 20.80 million, as follow :

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007
Long-term loans	-	13,866,667
<u>Less</u> Current portion of long-term loans	-	(6,933,333)
Long-term loans-net	-	6,933,334

PRINCIPAL BALANCE (Million Baht)		REPAYMENT CONDITIONS
2008	2007	
-	13.87	<ol style="list-style-type: none"> 1. Repayment of principal and interest within 5 years will be completely settled on August 2, 2009. The borrower will repay the principal within 6 installments, commencing the first installment on February 2, 2007. 2. Interest is paid by monthly. 3. Interest rate is at average MMR of commercial banks.

The portion of long – term loans due within one year was shown under current assets.

In 2008, the Company has fully received the repayment from long - term loans to Thai Asahi Kazei Spandex Company Limited.

14. PROPERTY, PLANT AND EQUIPMENT comprise :-

(BAHT)

CONSOLIDATED					
PARTICULARS	2007	INCREASE	DISPOSAL/ UNUSED	TRANSFER TO / FROM	2008
Cost					
Land	199,513,479	-	-	-	199,513,479
Land development cost	14,946,698	239,000	-	-	15,185,698
Building and structures	339,623,414	-	(475,336)	-	339,148,078
Machineries	352,463,514	581,054	(7,859,650)	9,293,457	354,478,375
Office equipment	134,000,207	5,251,013	(1,451,021)	304,995	138,105,194
Vehicles	37,958,905	6,780,000	(6,373,854)	-	38,365,051
Furniture and fixtures	182,021,335	410,280	(448,797)	1,365,244	183,348,062
Assets under construction	237,385	11,049,884	-	(10,963,696)	323,573
Total	1,260,764,937	24,311,231	(16,608,658)	-	1,268,467,510
Accumulated depreciation					
Land development cost	13,437,821	1,294,977	-	-	14,732,798
Building and structures	188,960,659	16,994,220	(299,552)	-	205,655,327
Machineries	286,847,712	23,296,501	(7,856,282)	-	302,287,931
Office equipment	119,491,571	7,408,594	(1,437,632)	-	125,462,533
Vehicles	23,272,340	5,353,849	(5,600,739)	-	23,025,450
Furniture and fixtures	164,060,709	7,252,833	(448,796)	-	170,864,746
Total	796,070,812	61,600,974	(15,643,001)	-	842,028,785
Property, Plant and Equipment-net	464,694,125				426,438,725
Depreciation for the years	64,152,155				61,600,974

As at December 31, 2008 and 2007, the Company and subsidiaries have fully depreciated fixed assets up to their useful lives, but are usable at the cost of Baht 530.20 million and Baht 493.95 million, respectively.

(BAHT)

THE SEPARATE FINANCIAL STATEMENTS					
PARTICULARS	2007	INCREASE	DISPOSAL/ UNUSED	TRANSFER TO / FROM	2008
Cost					
Land	183,583,534	-	-	-	183,583,534
Land development cost	14,946,698	239,000	-	-	15,185,698
Building and structures	292,961,783	-	(475,336)	-	292,486,447
Machineries	289,511,539	-	(7,859,650)	9,293,457	290,945,346
Office equipment	122,709,501	4,835,795	(1,435,285)	288,450	126,398,461
Vehicles	34,894,268	5,700,000	(4,958,499)	-	35,635,769
Furniture and fixtures	151,135,319	410,280	(448,797)	1,365,244	152,462,046
Assets under construction	237,385	11,020,144	-	-	310,378
				(10,947,151)	
Total	1,089,980,027	22,205,219	(15,177,567)	-	1,097,007,679
Accumulated depreciation					
Land development cost	13,437,821	1,294,977	-	-	14,732,798
Building and structures	159,992,413	14,463,510	(299,552)	-	174,156,371
Machineries	228,065,147	22,039,018	(7,856,282)	-	242,247,883
Office equipment	109,025,008	7,113,682	(1,421,896)	-	114,716,794
Vehicles	21,266,110	4,978,311	(4,185,388)	-	22,059,033
Furniture and fixtures	133,533,646	7,072,278	(448,796)	-	140,157,128
Total	665,320,145	56,961,776	(14,211,914)	-	708,070,007
Property, Plant and Equipment-net	424,659,882				388,937,672
Depreciation for the years	59,788,622				56,961,776

As at December 31, 2008 and 2007, the Company has fully depreciated fixed assets up to their useful lives, but are usable at the cost of Baht 446.02 million and Baht 408.57 million, respectively.

15. INTANGIBLE ASSETS comprise :

(BAHT)

CONSOLIDATED			
Particulars	2007	Increase	2008
Computer softwares	22,072,977	745,376	22,818,353
<u>Less</u> Accumulated amortization	(17,037,858)	(1,622,061)	(18,659,919)
Intangible assets-net	5,035,119		4,158,434
Amortization for the years	1,627,614		1,622,061

As at December 31, 2008 and 2007, the Company has fully amortized intangible assets up to their useful lives, but are usable at the cost of Baht 15.24 million and Baht 11.93 million, respectively.

(BAHT)

THE SEPARATE FINANCIAL STATEMENTS			
Particulars	2007	Increase	2008
Computer softwares	22,072,977	245,376	22,318,353
<u>Less</u> Accumulated amortization	(17,037,858)	(1,588,822)	(18,626,680)
Intangible assets-net	5,035,119		3,691,673
Amortization for the years	1,627,614		1,588,822

As at December 31, 2008 and 2007, the Company has fully amortized intangible assets up to their useful lives, but are usable at the cost of Baht 15.24 million and Baht 11.93 million, respectively.

16. LEASEHOLD RIGHTS comprise:-

(BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS			
PARTICULARS	2007	Increase	2008
Leasehold rights	23,446,576	-	23,446,576
<u>Less</u> Accumulated amortization	(9,999,569)	(1,007,636)	(11,007,205)
Leasehold rights-net	13,447,007		12,439,371
Amortization for the years	1,007,637		1,007,636

17. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS comprise :-

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Bank overdrafts	221,757	95,198	206,599	95,198

18. LONG - TERM LEASE LIABILITIES consist of:

(BAHT)

CONSOLIDATED		
PARTICULARS	2008	2007
Long – term lease	623,162	-
<u>Less</u> Deferred interest	(28,465)	-
	594,697	-
<u>Less</u> Portion due within one year	(239,407)	-
Long - term lease – net	355,290	-

Long - term lease liabilities are fixed for monthly payment by which will be finished within 2011.

The portion of long -term lease liabilities due within one year was shown under current liabilities.

19. LEGAL RESERVE

The Company has set up legal reserve which duly met 10% of authorized share capital, in compliance with the Public Company Act, B.E. 2535 (1992). Such reserve is forbidden for dividend payment.

20. GENERAL RESERVE

On April 21, 2008, the Ordinary General Shareholders' Meeting was held and approved a resolution to appropriate net profit for general reserve amount of Baht 9.50 million.

On April 23, 2007, the Ordinary General Shareholders' Meeting was held and approved a resolution to appropriate net profit for general reserve amount of Baht 12.50 million.

The Company has appropriated part of its net profit for general reserves with no specific objective.

21. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On June 23, 2008, the Board of Directors' Meeting was held and has a resolution to pay interim dividends from BOI business operation at Baht 0.26 per share, to the shareholders of 120 million shares. The dividends were paid from BOI business operation of Lamphun Project 2 according to the Promotional Certificate No. 1396/2543 amount of Baht 31.20 million. The payment date is fixed on July 21, 2008.

On April 21, 2008, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividends from BOI business operation at Baht 0.75 per share, to the shareholders of 120 million shares. The dividends were paid from BOI business operation of Kabinburi Project 3 according to the Promotional Certificate No. 1329(1)/2544 amount of Baht 18 million, and Lamphun Project 2 according to the Promotional Certificate No. 1396/2543 amount of Baht 72 million, totalling Baht 90 million. The payment date is fixed on May 16, 2008. The Meeting also approved to pay the directors' remuneration not more than Baht 9 million.

On April 23, 2007, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividends from BOI business operation at Baht 1.00 per share, to the shareholders of 120 million shares. The dividends were paid from BOI business operation of Kabinburi Project 3 according to the Promotional Certificate No. 1329(1)/2544 amount of Baht 42 million, and Lamphun Project 2 according to the Promotional Certificate No. 1396/2543 amount of Baht 78 million, totalling Baht 120 million. The payment date was fixed on May 18, 2007. The Meeting also approved to pay the directors' remuneration not more than Baht 12 million.

For the year ended December 31, 2008 and 2007, the subsidiary paid dividend and director's remuneration which are included in the consolidated financial statements.

22. FOREIGN CURRENCY TRANSACTIONS

22.1 Forward exchange contracts

As at December 31, 2008 and 2007, the Company and the subsidiaries have entered into Selling Forward Exchange Contracts with the local commercial bank for hedging against any risk in exchange rate fluctuation which might affect to Baht received from export trade accounts receivable. It can be summarized as follows :

Particulars	CONSOLIDATED			THE SEPARATE FINANCIAL STATEMENTS		
	Amount (in Million)	Delivery will be made during	Exchange rate on delivery date (Currencies exchange to Baht)	Amount (in Million)	Delivery will be made during	Exchange rate on delivery date (Currencies exchange to Baht)
2008						
USD	0.54	Apr. – Jun. 09	34.07 – 35.15	0.14	Apr. 09	34.07
JPY	9.66	Jun. 09	0.3814 – 0.3884	-	-	-
EURO	0.30	May – Jun. 09	44.26 – 48.60	-	-	-
2007						
USD	2.97	Feb. – Jul. 08	33.46 – 33.82	1.98	May – Jul. 08	33.48 -33.82
JPY	17.80	Feb. – May. 08	0.30114 – 0.3139	-	-	-
EURO	0.22	May 08	49.28 – 50.03	0.22	May 08	49.28 – 50.03

22.2 Uncovered risk transactions

As at December 31, 2008 and 2007, the Company and the subsidiaries have outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging as follows:

(AMOUNT IN MILLION)

PARTICULARS	CONSOLIDATED				THE SEPARATE FINANCIAL STATEMENTS			
	Foreign currencies		Converted to Baht		Foreign currencies		Converted to Baht	
	2008	2007	2008	2007	2008	2007	2008	2007
Assets								
USD	2.87	0.03	99.85	0.87	2.53	0.02	88.15	0.78
EUR	0.19	0.34	9.40	16.92	0.13	0.29	6.24	14.36
JPY	3.68	0.28	1.403	0.08	0.005	-	0.002	-
Total			110.653	17.87			94.392	15.14
Liabilities								
USD	0.08	0.19	2.66	6.30	0.07	0.14	2.33	4.81
EUR	0.12	0.09	5.83	4.61	0.12	0.09	5.79	4.61
JPY	4.47	3.88	1.75	1.16	1.02	0.96	0.40	0.29
Total			10.24	12.07			8.52	9.71

23. PROMOTIONAL PRIVILEGES

By virtue of the Investment Promotion Act, B.E. 2520 (1977), the Company was granted some special promotional privileges from the Board of Investment as follows:

1. Promotional certificates Nos.	1286/2536	7028/2537	1396/2543	1329(1)/2544	1515/Or./2544	1604(2)/2550
2. Dates of promotional certificates	23/12/93	31/08/94	24/07/00	02/05/01	16/08/01	18/6/07
3. The generating revenues dates	10/11/94	14/02/95	01/08/00	01/02/03	10/09/01	1/10/07
4. The promotional privileges for manufacturing of	Leather products or artificial leather (cancelled project on 25/09/08)	Ready-made garment (cancelled project on 19/06/08)	Leather products or artificial leather	Textile or fragment	Ready-made garment	Leather products or artificial leather
5. Important privileges which are granted :						
5.1 Exemption from corporate income tax on net profit from promotional operations, commencing from the generating revenue date.	8 years (Expired on 9/11/02)	8 years (Expired on 13/02/03)	8 years (Expired on 31/07/08)	8 years	3 years (Expired on 13/06/04)	8 years
5.2 Exemption from income tax on dividends from promoted business which was exempted from income tax as 5.1.	8 years (Expired on 9/11/02)	8 years (Expired on 13/02/03)	8 years (Expired on 31/07/08)	8 years	3 years (Expired on 13/06/04)	8 years
5.3 Allowance for reduction the corporate income tax from promotional net profit at 50% of normal rate after the exemption for corporate income tax is ended.	5 years (Expired on 9/11/07)	5 years Expired on 13/02/08)	5 years	5 years	5 years	5 years
5.4 Allowance for double deduction of expenses of public utilities (electricity, water supply and transportation) for the year.	10 years (Expired on 9/11/04)	10 years (Expired on 13/02/05)	10 years	10 years	5 years (Expired on 13/06/06)	10 years

As a promoted industry, the Company must strictly comply with certain terms and conditions stipulated in the promotional certificates.

The Company and its subsidiaries have local and export sales for the years ended December 31, 2008 and 2007 as follows :-

(MILLION)

PARTICULARS	CONSOLIDATED				THE SEPARATE FINANCIAL STATEMENTS			
	2008		2007		2008		2007	
	BAHT	%	BAHT	%	BAHT	%	BAHT	%
Export sales	927.09	45.10	990.79	48.93	698.57	38.43	752.55	42.23
Local sales	1,128.37	54.90	1,034.13	51.07	1,119.06	61.57	1,029.38	57.77
Total	2,055.46	100.00	2,024.92	100.00	1,817.63	100.00	1,781.93	100.00

24. COMMITMENT AND CONTINGENT LIABILITIES

24.1 As at December 31, 2008 and 2007, the Company and its subsidiaries have commitment and contingent liabilities as follows:

(MILLION)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Letters of credit				
- EUR	-	0.10	-	0.10
Bank guarantee with Customs Department (BAHT)	4.78	7.39	3.45	5.77
Bank guarantee for electricity (BAHT)	4.95	4.95	4.28	4.28
Bank guarantee for business operation (BAHT)	0.40	-	0.40	-
Loan guarantee for related companies (BAHT)	172.26	0.31	172.26	0.31

24.2 The Company has entered into 9 trademark countercontracts with respective owners concerning about the manufacturing and distribution of garments and leather products under their trademarks. Both parties have mutual obligations to fulfil under these contracts. The trademark fees are 5.0-7.5% upon sales amount.

24.3 The Company has commitment relating to land and building lease contract with the compensation for transferring of leasehold right and monthly rental according to the contract as follows :

(BAHT)

PARTICULARS	PERIOD	LEASE TERM (YEARS)	LEASE RIGHT COMPENSATION	MONTHLY RENTAL
Land lease right	1988 – 2008	20	520,000	12,000
	2008 – 2018	10	-	45,000
Building lease right	2004 – 2021	17	17,079,606	4,428

25. EXPENSES BY NATURE

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
(Increase) decrease in the changes of finished goods and work in progress	(21,668,979)	50,477,127	(19,761,959)	44,215,705
Purchase of finished goods	167,041,479	142,262,549	163,624,647	139,021,497
Raw material and consumables used	901,126,802	876,637,466	753,157,679	716,980,693
Directors' remuneration	6,287,000	8,709,000	6,143,000	8,655,000
Employee benefit expenses	562,031,382	560,398,007	502,845,583	508,019,047
Depreciation and amortization expenses	64,230,671	66,787,406	59,558,234	62,423,873
Other expenses	301,390,212	267,948,795	285,676,429	257,664,053
Total	1,980,438,567	1,973,220,350	1,751,243,613	1,736,979,868

26. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries operate in core business segment, that is ready-made clothes and leather product industry with geographical segments of both local and export sales as follows:

(MILLION BAHT)

PARTICULARS	CONSOLIDATED					
	2008			2007		
	Local	Export	Total	Local	Export	Total
Sales by segment	1,128.37	927.09	2,055.46	1,034.13	990.79	2,024.92
Result of operation by segment	122.74	146.70	269.44	127.64	106.48	234.12
Non-allocation expenses			(198.37)			(186.78)
Other income			153.08			157.77
Corporate income tax			(14.04)			(11.87)
Net profit of Minority Interest			(1.26)			(0.82)
Net profit			208.85			192.42
Property, plant and equipment-net			426.44			464.69
Intangible assets-net			4.16			5.04
Leasehold rights-net			12.44			13.45
Total assets			2,844.60			2,777.08

27. REGISTERED PROVIDENT FUND

The Company and its subsidiaries have set up and registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987), in order to be the savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company's regulation. The Company and the employees partly contribute 3-5% of their basic salaries. It has also appointed the BT Asset Management Company Limited to be the fund manager.

Provident fund contributions made by the Company and its subsidiaries for their employees which are recorded as expenses in the income statements for the years ended December 31, 2008 and 2007 are as follows:

(MILLION BAHT)

COMPANIES	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Thanulux Public Company Limited	8.63	8.68	8.63	8.68
S. Apparel Co., Ltd.	0.83	0.79	-	-
Total	9.46	9.47	8.63	8.68

28. RETIREMENT FUND

The Company and its subsidiaries have the policies for employees' retirement from working at the age of 55 years with the compensation of employees' retirement fund. The Company will gradually set up retirement fund for every employees at the age of 45 years up by dividing into 2 parts. The first part is calculated according to the Labour Law, and included the second part which is calculated from half of the present salary received multiply by the excess amount over 20 working years.

Retirement fund contributions made by the Company and its subsidiaries for their employees are recorded as expenses in the income statements for the years ended December 31, 2008 and 2007 as follows:

(MILLION BAHT)

COMPANIES	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Thanulux Public Company Limited	15.51	14.99	15.51	14.99
S. Apparel Co., Ltd.	0.29	0.29	-	-
Total	15.80	15.28	15.51	14.99

29. TRANSACTIONS WITH RELATED PARTIES

The Company and its subsidiaries have certain transactions with its related parties which are related through the shareholding or having co-management or co-directors. Therefore, the effects of these transactions were reflected in the accompanying financial statements on the mutual agreement and in normal business.

RELATED PARTIES	TYPE OF BUSINESS	RELATIONSHIP
1. S. Apparel Co., Ltd.	Manufacturing, subcontracting and distributing ready-made clothes	Management and shareholders and being subsidiary
2. T-CHAMBER Co., Ltd.	Distributing ready-made clothes	Shareholders and being subsidiary
3. People's Garment Plc.	Garment manufacturing	Management and shareholders
4. I.C.C. International Plc.	Consumer goods distributing	Management and shareholders
5. Sahacogen (Chonburi) Plc.	Electricity generating and distributing	Management and shareholders
6. Thai Wacoal Plc.	Ladies' lingerie manufacturing	Management and shareholders
7. Textile Prestige Plc.	Embroidery fabric manufacturing	Management and shareholders
8. Saha Pathana Inter- Holding Plc.	Holding company	Management and shareholders
9. Far East DDB Plc.	Advertising	Shareholders
10. O.C.C. Plc.	Distributing cosmetics and garment	Management and shareholders
11. Saha Pathanapibul Plc.	Consumer goods distributing	Management and shareholders
12. Thai Monster Co., Ltd.	Garment manufacturing	Management and shareholders
13. Total Way Image Co., Ltd.	Leatherware manufacturing	Management and shareholders
14. Thai Naxis Co., Ltd.	Label manufacturing	Management and shareholders
15. Celebrate Wealth Co., Ltd.	Distributing import fashion goods	Management and shareholders
16. SSDC (Tigertex) Co., Ltd.	Bleaching, dyeing fabric and yarn	Management and shareholders
17. International Commercial Coordination (Hong Kong) Ltd.	Apparel distributing	Management and shareholders
18. International Leather Fashion Corp., Ltd.	Leatherware manufacturing	Management and shareholders
19. Wise Winner Co., Ltd.	Distributing garment and sport equipment	Management and shareholders
20. Five Stars Plus Co., Ltd.	Leather garment manufacturing	Management and shareholders
21. Morgan De Toi (Thailand) Ltd.	Garment distributing	Management and shareholders
22. Champ Ace Co., Ltd.	Garment manufacturing	Management and shareholders

RELATED PARTIES	TYPE OF BUSINESS	RELATIONSHIP
23. Pak Numpo Wattana Co., Ltd.	Apparel distributing	Management and shareholders
24. S.T.G.C. Co., Ltd.	Research and develop business	Management and shareholders
25. Grand Star Industry Co., Ltd.	Fabric manufacturing	Management and shareholders
26. Intanin Chiangmai Co., Ltd.	Apparel distributing	Shareholders
27. Koraj Wattana Co., Ltd.	Apparel distributing	Management and shareholders
28. Sun & Sand Co., Ltd.	Apparel distributing	Management and shareholders
29. Eastern I.C.C. Co., Ltd.	Apparel distributing	Management and shareholders
30. Maharachapreuk Co., Ltd.	Apparel distributing	Management and shareholders
31. Belle Maison (Thailand) Co., Ltd.	Catalog sale	Management and shareholders
32. Thai Takaya Co., Ltd.	Jeans manufacturing	Management and shareholders
33. Thai Gunze Co., Ltd.	Garment manufacturing	Management and shareholders
34. Waseda Education (Thailand) Co., Ltd.	Education institution	Management and shareholders
35. Thai Bunka Fashion Co., Ltd.	Fashion institution	Management and shareholders
36. Mit Pathana Homeshopping Co., Ltd.	Television direct sale	Management and shareholders
37. Sriracha Aviation Co., Ltd.	Machinery and plane maintenance	Management and shareholders
38. Guangdong Xiezhong Garment Co., Ltd.	Garment manufacturing	Management and shareholders
39. Sunrise Garment Co., Ltd.	Garment manufacturing	Shareholders
40. K. Commercial and Construction Co., Ltd.	Construction contractor	Management and shareholders
41. H & B Intertext Co., Ltd.	Fabric doll manufacturing	Shareholders
42. Sriracha BSC Bowling Co., Ltd.	Bowling alley	Management and shareholders
43. Thai Shikibo Co., Ltd.	Cotton yarn manufacturing	Management and shareholders
44. Thai Staflex Co., Ltd.	Fabric products	Management and shareholders
45. Treasure Hill Co., Ltd.	Golf course	Management and shareholders
46. BSC Entertainment Co., Ltd.	Bowling alley	Management and shareholders
47. Thai Asahi Kazei Spandex Co., Ltd.	Manufacturing and distributing spandex	Shareholders
48. Value Added Textile Co., Ltd.	Fabric embroidering and printing	Shareholders
49. Panland Co., Ltd.	Property development	Management and shareholders
50. Wien Co., Ltd.	Direct sale	Management and shareholders
51. Sahapat Real Estate Co., Ltd.	Real estate development	Management and shareholders
52. Janome (Thailand) Co., Ltd. (Formerly : Thai Janome Co., Ltd.)	Sewing machines	Management and shareholders
53. Sahapat Properties Co., Ltd.	Property development	Shareholders
54. Thai Itokin Co., Ltd.	Garment manufacturing	Management and shareholders
55. Racha Uchino Co., Ltd.	Household textile	Management and shareholders
56. Erawan Textile Co., Ltd	Spun yarn and fabrics manufacturing	Management and shareholders

RELATED PARTIES	TYPE OF BUSINESS	RELATIONSHIP
57. Pattaya Manufacturing Co., Ltd.	Garment manufacturing	Management and shareholders
58. Ramasorn Thaveekarn Co., Ltd.	Investment	Management
59. Deluxe Bijou Societe Anonyme Co., Ltd.	Manufacturing and distributing ornament	Management
60. PTK Multi Services Co., Ltd.	Security service	Shareholders
61. Watsadoramai Co., Ltd.	Distributing agent	Management
62. I.D.F. Co., Ltd.	Investment	Shareholders
63. Keen Intertrade Co., Ltd.	Agent	Management
64. Bangkok Tokyo Socks Co.,Ltd.	Manufacturing and distributing socks	Management and shareholders

The significant related accounting transactions are as follows:

(THOUSAND BAHT)

RELATED TRANSACTIONS IN BALANCE SHEETS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Trade accounts receivable				
- I.C.C. International Plc.	189,763	143,381	189,763	143,381
- Other companies	15,763	17,469	16,524	20,809
Total	205,526	160,850	206,287	164,190
Short-term loans extended (Note 7)	128,200	19,000	123,200	12,000
Accrued revenues	9,467	3,433	9,506	3,443
Investments - net (Notes 10 and 11)	999,662	983,377	999,662	983,377
Long-term loans extended (Note 13)	-	13,867	-	13,867
Purchase of fixed assets	598	-	604	-
Trade accounts payable	11,967	7,299	12,238	8,611
Accrued expenses	7,339	5,336	7,339	5,344

(THOUSAND BAHT)

RELATED TRANSACTIONS IN INCOME STATEMENTS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Sales				
- I.C.C. International Plc.	929,407	846,999	929,407	846,999
- Other companies	49,848	55,956	53,047	59,352
Total	979,255	902,955	982,454	906,351
Dividend income (Notes 9, 10 and 11)	42,911	53,980	45,215	54,844
Other income	72,831	70,806	75,507	74,751
Gain (loss) on disposal of fixed assets	(93)	7	(89)	9
Purchase of goods and raw materials	69,637	77,691	73,419	83,899
Other expenses	67,271	54,474	67,300	54,491

Revenues from sales, purchases of goods and raw materials, other revenues and expenses shown in the statements of income are in accordance with the general trading conditions. For the transactions with no reference of market prices, the prices or compensation will be fixed under the agreed contracts.

30. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company has information relating to financial instruments both on and off balance sheets as follows :

30.1 Accounting policies and procedure

- See Note 4.

30.2 Risk from breach of contracts

- Due to the contracting party does not follow the requirement in the contract which caused damage to the Company.
- The credit risk with respect to the concentration of trade accounts receivable consists of
 - Portion of sales to customers that are related companies. (See Note 29)

- Another portion of sales to other customers that are numerously.
- For the financial assets shown in the balance sheets, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

30.3 Risk relating to interest rate

Risk from the fluctuation in interest rate may have negative effect to the Company for the current and the following years. The Company expects that they can manage the contingent risk, due to the Company has set up a plan and follow up the situation closely.

30.4 Risk from currency exchange

The Company has risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Company will make the forward exchange contract, in case of Baht currency is highly fluctuated and it is appropriate for the situation.

30.5 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of financial instruments:

- Financial assets shown at book value which are equal to the estimated fair value.
- Financial liabilities shown at book value which are equal to the estimated fair value, due to such liabilities will be due in short term.

31. INCOME TAX

Corporate income taxes of the Company and its subsidiaries for the years ended December 31, 2008 and 2007 are calculated from the accounting profits and adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in tax computation purposes.

Non – BOI business operation or non-taxable privileges, the tax computation was calculated at the rate of 25 per cent for 2008 and 30 per cent for 2007.

BOI business operation is calculated income tax according to the privileges which are granted (see also Note 23).

Corporate income taxes of the subsidiaries are calculated at the rate of 30 per cent.

The reconciliation between the accounting profit and taxable profit multiply by tax rates for the years 2008 and 2007 is summarized as follows :

(MILLION BAHT)

Applicable tax rates	0%	12.50%	25%	30%	total
2008					
Accounting profit before income tax	152.15	18.84	48.41	-	219.40
Effect to accounting profit that are not considered to be taxable income or expenses					
Net retirement reserve from actual payment	2.63	1.65	6.33	-	10.61
Penalty and surcharge	-	-	1.61	-	1.61
Loss on diminution in investment value	-	-	14.83	-	14.83
Gain on reverse loss on diminution in investment value	-	-	(0.41)	-	(0.41)
Allowance for goods returned	-	-	7.00	-	7.00
Tax-exempt dividend income	-	-	(47.68)	-	(47.68)
Tax-exempt-utilities	(6.64)	(1.84)	-	-	(8.48)
Others	(0.75)	(0.30)	5.15	-	4.10
Taxable profit	147.39	18.35	35.24	-	200.98
Income tax at the applicable tax rates (The separate financial statements)	-	2.29	8.81	-	11.10
Income tax at the applicable tax rates (The subsidiaries)	-	-	-	2.94	2.94
Total	-	2.29	8.81	2.94	14.04
2007					
Accounting profit before income tax	122.88	-	-	78.14	201.02
Effect to accounting profit that are not considered to be taxable income or expenses					
Net retirement reserve from actual payment	2.43	-	-	9.83	12.26
Loss on diminution in investment value	-	-	-	3.13	3.13
Gain on reverse loss on diminution in investment value	-	-	-	(0.80)	(0.80)
Tax-exempt dividend income	-	-	-	(56.98)	(56.98)
Tax-exempt-utilities	(6.70)	-	-	-	(6.70)
Others	(1.33)	-	-	0.33	(1.00)

Taxable profit	117.28	-	-	33.65	150.93
Income tax at the applicable tax rates (The separate financial statements)	-	-	-	10.09	10.09
Income tax at the applicable tax rates (The subsidiaries)	-	-	-	1.78	1.78
Total	-	-	-	11.87	11.87

32. RECLASSIFICATION OF ACCOUNTS

Certain accounts of 2007 financial statements have been reclassified to conform with the presentation of 2008 financial statements.

33. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 6, 2009.