

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MARCH 31, 2008 AND 2007

1. GENERAL INFORMATION

	THE COMPANY	THE SUBSIDIARIES	
	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.
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 Tumbol 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.
1.4 Employee expenses for the three-month periods ended			
March 31, 2008	Baht 123.32 million.	Baht 13.12 million.	Baht 0.08 million.
March 31, 2007	Baht 127.45 million.	Baht 11.53 million.	-

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

2.1 The interim consolidated and the separate financial statements are prepared in accordance with the Accounting Standards under the Accounting Act, B.E. 2543 (2000) including the Accounting Profession Act, B.E. 2547 (2004). These interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2007.

2.2 These interim consolidated financial statements included the interim financial statements of Thanulux Public Company Limited and its subsidiary companies as follow :

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

2.3 Inter-company balances and significant transactions of the Company and the subsidiaries have been eliminated from the interim consolidated financial statements.

2.4 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 for the consolidated financial statements. (Note 3.1)

2.5 The Company invested in T-CHAMBER Company Limited by holding its common stocks starting from April 25, 2007.

3. CHANGES 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 recognize such negative goodwill adjusted to beginning retained earnings following the Accounting Standard No. 43 (Revised 2007) on the subject of “Business Combination”. In consequence of changing in such accounting policy, the Company has restated the previous periods of comparative consolidated financial statements, which decreasingly affected to the net profit in the consolidated financial statements for the three-month period ended March 31, 2007 amount of Baht 1.38 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, was amount of Baht 34.52 million and amount of 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 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 period 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 period 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 labor and manufacturing expenses.

The Company set up provision for diminution in value for obsolete 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 writing 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 on the balance sheet date are converted to Baht at the rate of exchange in effect on 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 period.

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 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.

4.13 Basic earnings per share

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

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 period.

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 make 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 :-

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
Investments in Open-end Fund	10	10	10	10

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 incurred during the period was duly recognized in the statements of income.

6. TRADE ACCOUNTS RECEIVABLE comprise :-

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
Trade accounts receivable-related parties				
Trade notes receivable				
Current	2,114	1,115	2,114	1,115
Trade accounts receivable				
Current	160,123	159,182	165,197	162,522
Overdue within 3 months	2,548	310	2,548	310
Over 6 to 12 months	95	78	95	78
Over 12 months	80	165	80	165
Total	164,960	160,850	170,034	164,190
<u>Less</u> : Allowance for doubtful accounts	(175)	(249)	(175)	(249)
Allowance for goods returned	(31,000)	(31,000)	(31,000)	(31,000)
Trade accounts receivable related parties-net	133,785	129,601	138,859	132,941
Trade accounts receivable-others				
Trade notes receivable				
Current	439	120	434	120
Trade accounts receivable				
Current	95,411	126,443	62,084	94,853
Overdue within 3 months	15,377	20,724	11,221	19,467
Over 3 to 6 months	2,858	519	2,845	343
Over 6 to 12 months	56	92	-	92
Over 12 months	-	235	-	235
Total	114,141	148,133	76,584	115,110
<u>Less</u> : Allowance for doubtful accounts	(6)	(301)	-	(301)
Trade accounts receivable-others-net	114,135	147,832	76,584	114,809
Total Trade Accounts Receivable-net	247,920	277,433	215,443	247,750

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

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATE PER YEAR (%)	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
SSDC (Tigertex) Co., Ltd.						
Beginning balances	12,000	22,000	12,000	22,000		
<u>Add:</u> Increase during the periods	15,000	15,000	15,000	15,000	3.50	2.875 – 5.25
<u>Less:</u> Settlement during the period	-	(25,000)	-	(25,000)		
Ending balances	27,000	12,000	27,000	12,000		
Five Stars Plus Co., Ltd.						
Beginning balance	7,000	-	-	-		
<u>Add:</u> Increase during the period	-	8,000	-	-	3.62 – 4.25	3.25 – 3.62
<u>Less:</u> Settlement during the period	-	(1,000)	-	-		
Ending balances	7,000	7,000	-	-		
Thai Itokin Co., Ltd.						
Beginning balance	-	-	-	-		
<u>Add:</u> Increase during the period	4,000	-	4,000	-	4.50	-
<u>Less:</u> Settlement during the period	(4,000)	-	(4,000)	-		
Ending balance	-	-	-	-		
Total	34,000	19,000	27,000	12,000		

Short-term loans to related parties are unsecured loans.

8. INVESTMENTS IN SUBSIDIARIES comprise:

(THOUSAND BAHT)

SUBSIDIARY COMPANIES	% HOLDING		COST METHOD	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 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	RELATIONSHIP	PAID-UP CAPITAL		DIVIDEND	
			Mar.	Dec.	For the three-month	
			31, 2008	31, 2007	2008	2007
S. Apparel Co., Ltd.	Manufacturing, subcontracting and distributing ready-made clothes	Management and shareholders	36,000	36,000	-	-
T-CHAMBER Co., Ltd.	Distributing ready-made clothes	Shareholders	10,000	10,000	-	-

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

(THOUSAND BAHT)

Companies	Paid-up capital	% Holding		Investment		Dividend	
		As at		As at		For the three-month	
		Mar.	Dec.	Mar.	Dec.	periods ended Mar. 31,	
		31, 2008	31, 2007	31, 2008	31, 2007	2008	2007
- Related Parties							
1. People's Garment Plc.	96,000	14.05	14.05	52,683	52,683	5,798	12,136
2. I.C.C. International Plc.	290,634	3.17	3.17	92,972	92,972	9,226	9,138
3. Sahacogen (Chonburi) Plc.	955,000	1.72	1.72	30,422	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	-	-
8. O.C.C. Plc.	60,000	0.13	0.13	41	41	36	44
9. Saha Pathanapibul Plc.	275,875	0.07	0.07	495	495	110	100
Total				218,821	218,821	23,135	29,641
<u>Add:</u> Unrealized gain on investment revaluation				487,737	533,345	-	-
Total net investments in available-for-sale securities-related parties				706,558	752,166	23,135	29,641
- Other Companies							
1. President Bakery Plc.				13,500	13,500	905	-
2. Thai Toray Textile Mill Plc.				265	265	-	-
3. Nation Multimedia Group Plc.				8,608	8,608	-	-
4. Bangkok Bank Plc.				10,002	10,002	-	-
5. Kasikornbank Plc.				654	654	-	-
6. The Siam Cement Plc.				4,541	2,336	-	-
7. PTT Plc.				832	832	33	-
8. Thoresen Thai Agencies Plc.				75	75	1	2
9. Thai Oil Plc.				367	367	16	12
10. PPT Aromatics and Refining Plc.				450	450	32	25
11. Regal Corporation.				9,854	9,854	-	-
Total				49,148	46,943	987	39
<u>Add:</u> Unrealized gain on investment revaluation				25,178	22,389	-	-
Total net investments in available-for-sale securities-other companies				74,326	69,332	987	39
TOTAL INVESTMENTS IN AVAILABLE FOR SALE SECURITIES							
(THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS)				780,884	821,498	24,122	29,680

10. GENERAL INVESTMENTS comprise :

(THAI CURRENCY : THOUSAND BAHT)

FOREIGN CURRENCIES : THOUSAND)

THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS							
Companies	Paid-up capital	% Holding		Investment		Dividend	
		As at		As at		For the three-month	
		Mar.	Dec.	Mar.	Dec.	periods ended Mar. 31,	
		31, 2008	31, 2007	31, 2008	31, 2007	2008	2007
- Related Parties							
1. Thai Monster Co., Ltd.	20,000	19.00	19.00	5,549	5,549	-	-
2. Total Way Image Co., Ltd.	20,000	19.00	19.00	7,132	7,132	-	-
3. Thai Naxis Co., Ltd.	20,000	19.00	19.00	4,700	4,700	-	-
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	-	-
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	-	-
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	-	-
11. Champ Ace Co., Ltd.	40,000	15.00	15.00	6,000	6,000	-	-
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. Grand Star Industry Co., Ltd.	20,000	12.50	12.50	4,992	4,992	-	-
15. Intanin Chiangmai Co., Ltd.	5,000	12.50	12.50	2,781	2,781	-	-
16. Koraj Wattana Co., Ltd.	1,000	12.50	12.50	1,528	1,528	-	-
17. Sun & Sand Co., Ltd.	1,000	12.50	12.50	1,499	1,499	-	-
18. Eastern I.C.C. Co., Ltd.	1,000	12.50	12.50	2,938	2,938	-	-
19. Maharachapruerk Co., Ltd.	1,000	12.00	12.00	415	415	-	-
20. Belle Maison (Thailand) Co., Ltd.	80,000	11.63	11.63	* 9,300	* 9,300	-	-
21. Thai Takaya Co., Ltd.	30,000	11.00	11.00	3,300	3,300	-	-
22. Thai Gunze Co., Ltd.	180,000	8.00	8.00	17,280	17,280	-	-
23. Wazeda Education (Thailand) Co., Ltd.	28,000	7.14	7.14	* 2,000	* 2,000	-	-
24. Thai Bunka Fashion Co., Ltd.	25,000	8.00	8.00	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	
		As at		As at		For the-three-month	
		Mar.	Dec.	Mar.	Dec.	periods ended Mar. 31,	
		31, 2008	31, 2007	31, 2008	31, 2007	2008	2007
25. Mit Pathana Homeshopping Co., Ltd.	30,000	5.67	5.67	1,700	1,700	-	-
26. Sriracha Aviation Co., Ltd.	33,000	6.06	6.06	* 2,000	* 2,000	-	-
27. Guangdong Xie Zhong Garment Co., Ltd.	USD 2,900	5.00	5.00	* 2,851	* 2,851	-	-
28. Sunrise Garment Co., Ltd.	10,000	5.00	5.00	1,966	1,966	-	-
29. K. Commercial and Construction Co., Ltd.	50,000	5.00	5.00	6,694	6,694	-	-
30. H & B Intertext Co., Ltd.	40,000	5.00	5.00	2	2	-	-
31. Sriracha BSC Bowling Co., Ltd.	47,000	4.26	4.26	2,000	2,000	-	-
32. Thai Shikibo Co., Ltd.	237,500	4.81	4.81	11,425	11,425	1,257	1,485
33. Thai Staflex Co., Ltd.	60,000	4.00	4.00	2,400	2,400	-	-
34. Treasure Hill Co., Ltd.	200,000	4.00	4.00	* 6,300	* 6,300	-	-
35. BSC Entertainment Co., Ltd.	174,000	4.00	4.00	* 8,237	* 8,237	-	-
36. Thai Asahi Kazei Spandex Co., Ltd.	850,000	4.00	4.00	34,000	34,000	-	-
37. Value Added Textile Co., Ltd.	16,500	3.00	3.00	67	67	-	-
38. Panland Co., Ltd.	300,000	3.00	3.00	* 9,000	* 9,000	-	-
39. Wien Co., Ltd.	10,000	2.40	2.40	1,067	1,067	-	-
40. Sahapat Real Estate Co., Ltd.	250,000	2.40	2.40	6,165	6,165	-	-
41. Thai Janome Co., Ltd.	88,000	2.00	2.00	1,760	1,760	801	-
42. Sahapat Properties Co., Ltd.	20,000	1.00	1.00	* 200	* 200	-	-
43. Thai Itokin Co., Ltd.	50,000	1.00	1.00	* 911	* 911	-	-
44. Racha Uchino Co., Ltd.	81,000	0.49	0.49	163	163	-	-
45. Pattaya Manufacturing Co., Ltd.	30,000	0.33	0.33	741	741	-	-
Total				260,018	258,119	2,058	1,485
Less: * Provision for loss on diminution in investments				(26,908)	(26,908)	-	-
Total general investments-related parties-net				233,110	231,211	2,058	1,485

(THAI CURRENCY : THOUSAND BAHT
FOREIGN CURRENCIES : THOUSAND)

THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS							
Companies	Paid-up capital	% Holding		Investment		Dividend	
		As at		As at		For the-three-month	
		Mar.	Dec.	Mar.	Dec.	periods ended Mar. 31,	
		31, 2008	31, 2007	31, 2008	31, 2007	2008	2007
- Other Companies							
1. Miwaki SDN. BHD.	RM 500	19.00	19.00	2,481	2,481	-	47
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	7.50	* 3,750	* 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	-	-
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				16,797	16,797	-	47
Less: * Provision for loss on diminution in investments				(5,959)	(5,959)	-	-
Total general investments-other companies-net				10,838	10,838	-	47
Total General Investments of the Separate financial statements-net				243,948	242,049	2,058	1,532
General Investments of the Subsidiary-related party							
Treasure Hill Co., Ltd.				4,000	4,000	-	-
Less: Provision for loss on diminution in investments				(4,000)	(4,000)	-	-
Total General Investments of the Subsidiary-net				-	-	-	-
TOTAL GENERAL INVESTMENTS-NET (THE CONSOLIDATED)				243,948	242,049	2,058	1,532

11. INVESTMENTS IN DEBT SECURITIES comprise :-

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
The Siam Cement Public Company Limited.	36,000	36,000	36,000	36,000
CH. Karnchang Public Company Limited.	20,000	20,000	20,000	20,000
Charoen Pokphand Foods Public Company Limited.	10,000	10,000	10,000	10,000
Thai Airways International Public Company Limited	8,200	8,200	8,200	8,200
Total	74,200	74,200	74,200	74,200
<u>Less</u> Portion due for redemption within one year	(11,000)	(11,000)	(11,000)	(11,000)
Investments in debt securities-net	63,200	63,200	63,200	63,200

In 2007, the Company has invested amount of 2,200 units at Baht 1,000 per unit amounting to Baht 2.20 million in the Thai Airways International Public Company Limited for 3 year period unsecured debenture, unsubordinated, trustee debenture with the holder's name, bearing interest at 4.51% per annum, payable every 6 months. The interest was calculated since the issuing date of debenture on November 22, 2007 and will be due for redemption on November 22, 2010.

In 2007, the Company has invested amount of 6,000 units at Baht 1,000 per unit amounting to Baht 6.00 million in the Thai Airways International Public Company Limited for 5 year period unsecured debenture, unsubordinated, trustee debenture with the holder's name, bearing interest at 5.04% per annum, payable every 6 months. The interest was calculated since the issuing date of debenture on November 22, 2007 and will be due for redemption on November 22, 2012.

In 2007, the Company has invested amount of 10,000 units at Baht 1,000 per unit amounting to Baht 10 million in the Charoen Pokphand Foods Public Company Limited for 3 year period unsecured debenture, unsubordinated, trustee debenture with the holder's name, bearing interest at 4.25% per annum, payable every 6 months. The interest was calculated since the issuing date of debenture on October 19, 2007 and will be due for redemption on October 19, 2010.

In 2007, the Company has invested amount of 10,000 units at Baht 1,000 per unit amounting to Baht 10 million in the CH. Karnchang Public Company Limited for 3 year period unsecured debenture, unsubordinated, trustee debenture with the holder's name, bearing interest at 5.25% per annum, payable every 6 months. The interest was calculated since the issuing date of debenture on July 26, 2007 and will be due for redemption on July 26, 2010.

In 2007, the Company has invested amount of 10,000 units at Baht 1,000 per unit amounting to Baht 10 million in the Siam Cement Public Company Limited for 4 year period unsecured debenture, unsubordinated, trustee debenture with the holder's name, bearing interest at 5.75% per annum, payable every 3 months. The interest was calculated since the issuing date of debenture on April 2, 2007 and will be due for redemption on April 1, 2011.

In 2006, the Company has invested amount of 10,000 units at Baht 1,000 per unit amounting to Baht 10 million in the Siam Cement Public Company Limited for 4 year period unsecured debenture, unsubordinated, trustee debenture with the holder's name, bearing interest at 6% per annum, payable every 3 months. The interest was calculated since the issuing date of debenture on March 31, 2006 and will be due for redemption on April 1, 2010.

In 2005, the Company has invested amount of 15,000 units at Baht 1,000 per unit amounting to Baht 15 million in the Siam Cement Public Company Limited for 4 year period unsecured debenture, unsubordinated, trustee debenture with the holder's name, bearing interest at 5.25% per annum, payable every 3 months. The first payment of interest was received on January 1, 2006. The debenture was issued on October 3, 2005 and will be due for redemption on October 1, 2009.

In 2005, the Company has invested amount of 10,000 units at Baht 1,000 per unit amounting to Baht 10 million in the CH. Karnchang Public Company Limited for 3 year period unsecured debenture, unsubordinated, trustee debenture with the holder's name, bearing interest at 6.50% per annum, payable every 6 months. The interest was calculated since the issuing date of debenture on October 28, 2005 and will be due for redemption on October 28, 2008.

In 2004, the Company has invested amount of 1,000 units at Baht 1,000 per unit amounting to Baht 1 million in the Siam Cement Public Company Limited for 4 year period unsecured debenture, unsubordinated, trustee debenture with the holder's name, bearing interest at 4.25% per annum, payable at every 3 months. The first payment of interest was received on July 1, 2004. The debenture was issued on April 1, 2004 and will be due for redemption on April 1, 2008.

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

12. LONG-TERM LOANS TO RELATED PARTY

On August 3, 2004 the Company offered unsecured loans to Thai Asahi Kazei Spandex Company Limited amount of Baht 20.80 million. The payment terms of such loans are as follows :

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
Long-term loans	10,400	13,866	10,400	13,866
<u>Less</u> Current portion of long-term loans	(6,933)	(6,933)	(6,933)	(6,933)
Long-term loans-net	3,467	6,933	3,467	6,933

PRINCIPAL BALANCE (Million Baht)		REPAYMENT CONDITIONS
Mar. 31, 2008	Dec. 31, 2007	
10.40	13.87	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.

13. 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.

14. 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.

15. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On February 19, 2008, the Board of Directors' Meeting was held and has a resolution to pay dividends from BOI business operation at Baht 0.75 per share, to the shareholders of 120 million shares. The dividends will be 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, and the Ordinary General Shareholders' Meeting was held on April 21, 2008 has approved to pay such proposed dividends and the directors' remuneration not more than Baht 9 million.

On February 22, 2007, the Board of Directors' Meeting was held and has a resolution to pay dividends from BOI business operation at Baht 1.00 per share, to the shareholders of 120 million shares. The dividends will be 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 is fixed on May 18, 2007, and the Ordinary General Shareholders' Meeting was held on April 23, 2007 has approved to pay such proposed dividends and the directors' remuneration not more than Baht 12 million.

16. FOREIGN CURRENCY TRANSACTIONS

16.1 Forward exchange contracts

The Company and the subsidiary 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 that can be summarized as follows:

As at March 31, 2008

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)
USD	5.42	Jun. – Oct. 08	31.16 – 33.46	4.25	Jul. – Oct. 08	31.16 – 33.05
JPY	38.33	Jul. – Sept. 08	0.3086 – 0.3250	-	-	-
EUR	1.56	Aug. – Oct. 08	47.595 – 48.970	1.56	Aug. – Oct. 08	47.595 – 48.970

As at December 31, 2007

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)
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	-	-	-
EUR	0.22	May 08	49.28 – 50.03	0.22	May 08	49.28 – 50.03

16.2 Uncovered risk transactions

The Company has 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	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
Assets								
USD	0.03	0.03	0.80	0.87	0.03	0.02	0.72	0.78
EUR	0.15	0.34	7.66	16.92	0.15	0.29	7.66	14.36
JPY	0.30	0.28	0.09	0.08	-	-	-	-
Total			8.55	17.87			8.38	15.14
Liabilities								
USD	0.20	0.19	6.18	6.30	0.13	0.14	4.09	4.81
EUR	0.18	0.09	9.15	4.61	0.18	0.09	9.15	4.61
JPY	14.09	3.88	4.48	1.16	2.85	0.96	0.91	0.29
Total			19.81	12.07			14.15	9.71

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	Ready-made garment	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	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	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.

18. COMMITMENT AND CONTINGENT LIABILITIES

18.1 The Company and the subsidiary have commitment and contingent liabilities as follows:

(MILLION)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
Letters of credit				
- USD	0.12	-	0.12	-
- EUR	0.22	0.10	0.22	0.10
- JPY	2.42	-	2.42	-
Bank guarantee with Customs Department (BAHT)	6.05	7.39	4.60	5.77
Bank guarantee for electricity (BAHT)	4.95	4.95	4.28	4.28
Loan guarantee for related companies (BAHT)	0.31	0.31	0.31	0.31

18.2 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.

18.3 The Company has commitment relating to land and building lease contract with the compensation for transferring of leasehold right and to be paid by monthly 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
Building lease right	2004 – 2021	17	17,079,606	4,428

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)

CONSOLIDATED	March 31, 2008			March 31, 2007		
	Local	Export	Total	Local	Export	Total
Sales by segment	264.80	238.58	503.38	293.88	219.16	513.04
Result of operation by segment	49.76	37.48	87.24	40.17	26.27	66.44
Non-allocation expenses			50.57			46.01
Other income			53.24			58.61
Corporate income tax			7.13			4.67
Net profit of Minority Interest			(0.43)			(0.14)
Net profit			82.35			74.23
Property, plant and equipment-net			451.92			481.63
Intangible assets-net			4.67			5.69
Leasehold rights-net			13.20			14.21
Total assets			2,794.12			2,790.95

The Company and its subsidiaries have certain accounting 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.	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
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

RELATED PARTIES	TYPE OF BUSINESS	RELATIONSHIP
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	Management and 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	Shareholders
51. Sahapat Real Estate Co., Ltd.	Real estate development	Management and shareholders
52. Thai Janome Co., Ltd.	Sewing machines	Management and shareholders
53. Sahapat Properties Co., Ltd.	Property development	Management and shareholders
54. Thai Itokin Co., Ltd.	Garment manufacturing	Management and shareholders
55. Racha Uchino Co., Ltd.	Household textile	Management and shareholders
56. Pattaya Manufacturing Co., Ltd.	Garment manufacturing	Management and shareholders

RELATED PARTIES	TYPE OF BUSINESS	RELATIONSHIP
57. Ramasorn Thaveekarn Co., Ltd.	Investment	Management

RELATED PARTIES	TYPE OF BUSINESS	RELATIONSHIP
58. Deluxe Bijou Societe Anonyme Co., Ltd.	Manufacturing and distributing ornament	Management
59. PTK Multi Services Co., Ltd.	Security service	Shareholders
60. Watsadoramai Co., Ltd.	Distributing agent	Management
61. I.D.F. Co., Ltd.	Investment	Shareholders

The significant related accounting transactions are as follows:

(THOUSAND BAHT)

RELATED TRANSACTIONS IN BALANCE SHEETS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
Trade accounts receivable				
- I.C.C. International Plc.	146,749	143,381	146,749	143,381
- Other companies	18,211	17,469	23,285	20,809
Total	164,960	160,850	170,034	164,190
Short-term loans extended (Note 7)	34,000	19,000	27,000	12,000
Accrued dividend	23,135	-	23,135	-
Accrued revenues	2,931	3,433	2,931	3,433
Investments - net (Notes 9 and 10)	939,668	983,377	939,668	983,377
Long-term loans extended (Note 12)	10,400	13,867	10,400	13,867
Trade accounts payable	10,583	7,299	10,640	8,611
Accrued expenses	5,722	5,336	5,722	5,344

(THOUSAND BAHT)

RELATED TRANSACTIONS IN INCOME STATEMENTS FOR THE THREE-MONTH PERIODS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2008	Mar. 31, 2007	Mar. 31, 2008	Mar. 31, 2007
Sales				
- I.C.C. International Plc.	225,281	247,942	225,281	247,942
- Other companies	14,969	14,910	16,926	15,003
Total	240,250	262,852	242,207	262,945
Dividend income (Notes 9 and 10)	25,192	31,126	25,192	31,126
Other income	14,922	20,314	15,496	20,742
Purchase of goods and raw materials	18,944	26,630	19,077	29,814
Other expenses	11,268	15,340	11,268	15,346

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 according to the market prices or under the agreed contracts.

21. INCOME TAXES

Corporate income taxes of the Company and its subsidiaries for the three-month periods ended March 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 is calculated income tax at the rate of 30 per cent.

BOI business operation is calculated income tax according to the privileges which are granted (see also Note 17).

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

22. RECLASSIFICATION OF ACCOUNTING TRANSACTIONS

Some accounting transactions of 2007 financial statements have been reclassified to conform with the presentation of 2008 financial statements.

23. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors.