

**THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2008 AND 2007**

**1. GENERAL INFORMATION**

	THE COMPANY	THE SUBSIDIARIES	
		S. Apparel Company Limited	T-CHAMBER Company Limited
<b>1.1</b> 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.
<b>1.2</b> 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.		
<b>1.3</b> Type of business	Manufacturing and distributing ready-made clothes and leatherware.	Manufacturing, subcontracting and distributing ready-made clothes.	Distributing ready-made clothes.
<b>1.4</b> Employee expenses for the nine-month periods ended			
September 30, 2008	Baht 387.25 million.	Baht 42.25 million.	Baht 0.48 million.
September 30, 2007	Baht 372.41 million.	Baht 35.52 million.	Baht 0.06 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 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 periods of comparative consolidated financial statements, which decreasingly affected to the net profit in the consolidated financial statements for the three-month and nine-month periods ended September 30, 2007 amount of Baht 1.38 million and Baht 4.14 million, respectively. Cumulative effects on the change in accounting policy from the past which has to be increasingly adjusted to the beginning retained earnings of the consolidated financial statements as at January 1, 2008, was 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 on 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, was 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 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 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	
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007
Investments in Open-end Fund	9,010	10	9,010	10
Provision for investments adjustment in Open-end Fund	27	-	27	-
Investments in Open-end Fund	9,037	10	9,037	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	
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007
<b>Trade accounts receivable-related parties</b>				
Trade notes receivable				
Current	1,494	1,115	1,494	1,115
Trade accounts receivable				
Current	180,988	159,182	181,448	162,522
Overdue within 3 months	1,080	310	1,080	310
Over 3 to 6 months	-	-	-	-
Over 6 to 12 months	162	78	162	78
Over 12 months	-	165	-	165
Total	183,724	160,850	184,184	164,190
<u>Less</u> : Allowance for doubtful accounts	(162)	(249)	(162)	(249)
Allowance for goods returned	(31,000)	(31,000)	(31,000)	(31,000)
Trade accounts receivable related parties-net	152,562	129,601	153,022	132,941
<b>Trade accounts receivable-others</b>				
Trade notes receivable				
Current	934	120	930	120
Trade accounts receivable				
Current	74,627	126,443	61,526	94,853
Overdue within 3 months	22,531	20,724	22,398	19,467
Over 3 to 6 months	1,362	519	1,360	343
Over 6 to 12 months	425	92	424	92
Over 12 months	-	235	-	235
Total	99,879	148,133	86,638	115,110
<u>Less</u> : Allowance for doubtful accounts	(425)	(301)	(424)	(301)
Trade accounts receivable-others-net	99,454	147,832	86,214	114,809
<b>Total Trade Accounts Receivable-net</b>	<b>252,016</b>	<b>277,433</b>	<b>239,236</b>	<b>247,750</b>

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

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATE PER YEAR (%)	
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30,2008	Dec. 31, 2007	Sept. 30,2008	Dec. 31, 2007
SSDC (Tigertex) Co., Ltd.						
Beginning balances	12,000	22,000	12,000	22,000		
<u>Add:</u> Increase during the periods	28,000	15,000	28,000	15,000	3.50 – 4.00	2.875 – 5.25
<u>Less:</u> Settlement during the period	-	(25,000)	-	(25,000)		
Ending balances	40,000	12,000	40,000	12,000		
Five Stars Plus Co., Ltd.						
Beginning balance	7,000	-	-	-		
<u>Add:</u> Increase during the periods	500	8,000	-	-	3.62 – 4.75	3.25 – 3.62
<u>Less:</u> Settlement during the periods	(1,500)	(1,000)	-	-		
Ending balances	6,000	7,000	-	-		
Thai Itokin Co., Ltd.						
Beginning balance	-	-	-	-		
<u>Add:</u> Increase during the period	36,000	-	36,000	-	4.50	-
<u>Less:</u> Settlement during the period	(25,000)	-	(25,000)	-		
Ending balances	11,000	-	11,000	-		
Erawan Textile Co., Ltd.						
Beginning balance	-	-	-	-		
<u>Add:</u> Increase during the period	83,200	-	83,200	-	5.50	-
Ending balances	83,200	-	83,200	-		
Total	140,200	19,000	134,200	12,000		

Short-term loans to related parties are unsecured loans.

**8. INVESTMENTS IN SUBSIDIARIES** comprise:

(THOUSAND BAHT)

SUBSIDIARY COMPANIES	% HOLDING		COST METHOD	
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 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	
			Sept. 30, 2008	Dec. 31, 2007	For the nine-month periods ended September 30,	
					2008	2007
S. Apparel Co., Ltd.	Manufacturing, subcontracting and distributing ready-made clothes	Management and shareholders	36,000	36,000	2,304	864
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 nine-month	
		Sept.	Dec.	Sept.	Dec.	periods ended Sept. 30,	
		30, 2008	31, 2007	30, 2008	31, 2007	2008	2007
<b>- Related Parties</b>							
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	3.31	3.17	109,015	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	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				235,364	218,821	23,264	29,770
<u>Add:</u> Unrealized gain on investment revaluation				455,244	533,345	-	-
Total net investments in available-for-sale securities-related parties				690,608	752,166	23,264	29,770
<b>- Other Companies</b>							
1. President Bakery Plc.				13,500	13,500	1,615	1,440
2. Thai Toray Textile Mill Plc.				265	265	45	30
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	12
10. PPT Aromatics and Refining Plc.				450	450	32	25
11. Regal Corporation				9,854	9,854	244	-
Total				49,148	46,943	2,700	2,087
<u>Add:</u> Unrealized gain on investment revaluation				16,032	22,389	-	-
Total net investments in available-for-sale securities-other companies				65,180	69,332	2,700	2,087
<b>TOTAL INVESTMENTS IN AVAILABLE FOR SALE SECURITIES</b>							
<b>(THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS)</b>				755,788	821,498	25,964	31,857

**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 nine-month	
		Sept.	Dec.	Sept.	Dec.	periods ended Sept. 30,	
		30, 2008	31, 2007	30, 2008	31, 2007	2008	2007
<b>- Related Parties</b>							
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	8.00	7.14	* 2,000	* 2,000	-	-
25. 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 nine-month		
		Sept.	Dec.	Sept.	Dec.	periods ended Sept. 30,		
		30, 2008	31, 2007	30, 2008	31, 2007	2008	2007	
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. Sriracha BSC Bowling Co., Ltd.	47,000	4.26	4.26	* 2,000	2,000	-	-	
33. Thai Shikibo Co., Ltd.	237,500	4.81	4.81	11,425	11,425	1,257	1,485	
34. Thai Staflex Co., Ltd.	60,000	4.00	4.00	2,400	2,400	276	300	
35. Treasure Hill Co., Ltd.	200,000	4.00	4.00	* 6,300	* 6,300	-	-	
36. BSC Entertainment Co., Ltd.	174,000	4.00	4.00	* 8,237	* 8,237	-	-	
37. Thai Asahi Kazei Spandex Co., Ltd.	850,000	6.35	4.00	54,000	34,000	5,248	1,711	
38. Value Added Textile Co., Ltd.	16,500	3.00	3.00	67	67	99	124	
39. Panland Co., Ltd.	300,000	3.00	3.00	* 9,000	* 9,000	-	-	
40. Wien Co., Ltd.	10,000	2.40	2.40	1,067	1,067	144	144	
41. Sahapat Real Estate Co., Ltd.	250,000	2.40	2.40	6,165	6,165	-	-	
42. Thai Janome Co., Ltd.	88,000	2.00	2.00	1,760	1,760	904	595	
43. Sahapat Properties Co., Ltd.	20,000	1.00	1.00	200	* 200	-	-	
44. Thai Itokin Co., Ltd.	50,000	1.00	1.00	* 911	* 911	-	-	
45. Racha Uchino Co., Ltd.	81,000	0.49	0.49	163	163	4	59	
46. Pattaya Manufacturing Co., Ltd.	30,000	0.33	0.33	741	741	35	45	
Total				289,445	258,119	19,647	18,816	
Less: * Provision for loss on diminution in investments				(41,326)	(26,908)	-	-	
Total general investments-related parties-net				248,119	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	
		As at		As at		For the nine-month	
		Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007	2008	2007
<b>- Other Companies</b>							
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. Bulton (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	-	-
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	-	47
<u>Less:</u> * Provision for loss on diminution in investments				(4,909)	(5,959)	-	-
Total general investments-other companies-net				8,138	10,838	-	47
<b>Total General Investments of the Separate Financial Statements-net</b>				256,257	242,049	19,647	18,863
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)	-	-
<b>Total General Investments of the Subsidiary-net</b>				-	-	-	-
<b>TOTAL GENERAL INVESTMENTS-NET (THE CONSOLIDATED)</b>				256,257	242,049	19,647	18,863

**11. INVESTMENTS IN DEBT SECURITIES** comprise :-

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007
The Siam Cement Public Company Limited.	36,000	36,000	36,000	36,000
CH. Karnchang Public Company Limited.	40,000	20,000	40,000	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
Bank of Ayudhya Public Company Limited	10,000	-	10,000	-
Total	104,200	74,200	104,200	74,200
<u>Less</u> Portion due for redemption within one year	(10,000)	(11,000)	(10,000)	(11,000)
Investments in debt securities-net	94,200	63,200	94,200	63,200

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>							
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
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

Issued date	Number of units (units)	Amount (Thousand Baht)	Type of debentures	Terms (years)	Coupon rate (per annum)	Interest payment	Maturity date
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>		36,000.00					
<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
Oct. 28, 05	10,000	10,000.00	Unsecured debenture, unsubordinated, trustee debenture with the holder's name	3	6.50	Every 6 months since the issuing date of debenture.	Oct. 28, 08
<u>Total</u>		40,000.00					
<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
<b>Total</b>		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
<b>Total</b>		10,000.00					
<u>Total in investments in debt securities</u>		104,200.00					

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	
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007
Long-term loans	-	13,866	-	13,866
<u>Less</u> Current portion of long-term loans	-	(6,933)	-	(6,933)
Long-term loans-net	-	6,933	-	6,933

PRINCIPAL BALANCE (Million Baht)		REPAYMENT CONDITIONS
Sept. 30, 2008	Dec. 31, 2007	
-	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.

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

## 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 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 is fixed on May 18, 2007. The Meeting also approved to pay the directors' remuneration not more than Baht 12 million.

For the nine-month periods ended September 30, 2008 and 2007, the subsidiary paid dividend and director's remuneration which are included in the consolidated financial statements.

## 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 September 30, 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	0.62	Oct. 08 – Mar. 09	31.51 – 34.63	0.59	Oct. 08 – Mar. 09	31.51 – 34.63
JPY	0.08	Feb. 09	0.3151	-	-	-

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	
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007
Assets								
USD	0.64	0.03	21.84	0.87	0.52	0.02	17.49	0.78
EUR	0.44	0.34	21.44	16.92	0.39	0.29	19.02	14.36
JPY	0.93	0.28	0.30	0.08	0.005	-	0.002	-
Total			43.58	17.87			36.512	15.14
Liabilities								
USD	0.18	0.19	6.28	6.30	0.18	0.14	6.23	4.81
EUR	0.18	0.09	9.10	4.61	0.18	0.09	8.98	4.61
JPY	5.30	3.88	1.75	1.16	2.97	0.96	0.98	0.29
GBP	0.001	-	0.08	-	0.001	-	0.08	-
Total			17.21	12.07			16.27	9.71

## 17. 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 (Terminated on 25/09/08)	Ready-made garment (Terminated 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.

## 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	
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007
Letters of credit				
- USD	0.39	-	0.39	-
- EUR	-	0.10	-	0.10
- JPY	1.34	-	1.34	-
Bank guarantee with Customs Department (BAHT)	6.50	7.39	5.09	5.77
Bank guarantee for electricity (BAHT)	4.95	4.95	4.28	4.28
Bank guarantee for business (BAHT)	0.21	-	0.21	-
Loan guarantee for related companies (BAHT)	172.26	0.31	172.26	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 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

## 19. 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)

CONSOLIDATED	September 30, 2008			September 30, 2007		
	Local	Export	Total	Local	Export	Total
Sales by segment	815.13	687.09	1,502.22	768.73	689.64	1,458.37
Result of operation by segment	103.54	108.42	211.96	105.98	73.78	179.76
Non-allocation expenses			157.47			147.92
Other income			126.60			128.08
Corporate income tax			9.11			9.21
Net profit of Minority Interest			(0.89)			(0.52)
Net profit			171.09			150.19
Property, plant and equipment-net			439.99			477.35
Intangible assets-net			3.96			5.44
Leasehold rights-net			12.69			13.70
Total assets			2,782.14			2,716.44

## 20. TRANSACTIONS WITH RELATED PARTIES

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.	Leather garment manufacturing	Management and shareholders
21. Morgan De Toi (Thailand) Ltd.	Apparel 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

RELATED PARTIES	TYPE OF BUSINESS	RELATIONSHIP
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
57. Pattaya Manufacturing Co., Ltd.	Garment manufacturing	Management and shareholders

RELATED PARTIES	TYPE OF BUSINESS	RELATIONSHIP
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. Kean Intertrade Co.,Ltd.	Agent	Management

The significant related accounting transactions are as follows:

(THOUSAND BAHT)

RELATED TRANSACTIONS IN BALANCE SHEETS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007
Trade accounts receivable				
- I.C.C. International Plc.	167,761	143,381	167,761	143,381
- Other companies	15,963	17,469	16,423	20,809
Total	183,724	160,850	184,184	164,190
Short-term loans extended (Note 7)	140,200	19,000	134,200	12,000
Accrued revenues	6,093	3,433	6,093	3,433
Investments - net (Notes 9 and 10)	938,727	983,377	938,727	983,377
Long-term loans extended (Note 12)	-	13,866	-	13,866
Purchase of fixed assets	598	-	598	-
Trade accounts payable	9,331	7,299	10,676	8,611
Accrued expenses	6,878	5,336	6,878	5,344

(THOUSAND BAHT)

RELATED TRANSACTIONS IN INCOME STATEMENTS FOR THE NINE-MONTH PERIODS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	Sept. 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Sales				
- I.C.C. International Plc.	678,609	635,157	678,609	635,157
- Other companies	40,080	42,233	42,546	42,387
Total	718,689	677,390	721,155	677,544
Dividend income (Notes 8, 9 and 10)	42,911	48,586	45,215	49,450
Other income	50,440	55,358	52,463	59,041
Gain(loss)on disposal of fixed assets	(93)	2	(93)	4
Purchase of goods and raw materials	51,039	61,625	53,589	66,358
Other expenses	51,269	39,559	51,298	39,568

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 agreed contracts.

## 21. INCOME TAXES

Corporate income taxes of the Company and its subsidiaries for the three-month and nine-month periods ended September 30, 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 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 on October 22, 2008.