

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

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.	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.
1.4 Number of employees as at			
December 31, 2007	2,887 persons.	407 persons.	1 person.
December 31, 2006	3,063 persons.	369 persons.	-
1.5 Employee expenses for the years ended			
December 31, 2007	Baht 508.02 million.	Baht 52.26 million.	Baht 0.11 million.
December 31, 2006	Baht 532.71 million.	Baht 50.69 million.	-

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 The consolidated and the 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).

2.2 The 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

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

2.5 The Company invested in T-CHAMBER Company Limited by holding its common stocks starting from April 18, 2007.

3 CHANGE IN ACCOUNTING POLICY

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”. In changing in such accounting policy, the Company has restated the previous periods of the separate financial statements shown herein as comparison as if the Company has recorded such investments by the cost method following the new accounting policy all through. Therefore, the information of the separate financial statements for the year ended December 31, 2006, shown herein as comparison was the information prepared under the new accounting policy. The effect of the change in accounting policy for the separate financial statements is as follows:

Balance sheet as at December 31, 2006	BAHT
Increase in investment in subsidiary	1,508,227
Increase in unrealized gain on investment revaluation in available-for-sale securities of subsidiary	(2,671)
Increase in ending retained earnings	1,505,556
Statement of income for the year ended December 31, 2006	
Decrease in share of profit from investment for using equity method	(5,642,214)
Increase in dividend income	11,519,800
Increase in net profit	5,877,586
Increase in earnings per share (Baht per share)	0.04

Cumulative effects from the change in accounting policy from the past to be increasingly (decreasingly) adjusted to beginning retained earnings for the separate financial statements as at January 1, 2007, was increasing amount of Baht 1.51 million and as at January 1, 2006, was decreasing amount of Baht (4.37) 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

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.

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 Negative goodwill

The Company recognized the incurred negative goodwill as revenues by the straight-line method based on the remaining useful lives of deteriorated assets as can be specified by approximately 10 years.

4.11 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.

4.12 Related parties

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

4.13 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.

4.14 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.

4.15 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.

4.16 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 expense in the statements of income in the incurred year.

Retirement fund

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

4.17 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 :-

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2007	2006	2007	2006
Investments in Open-end Fund	10,000	1,000,000	10,000	1,000,000
Provision for investment adjustment in Open-end Fund	-	10,301	-	10,301
Investments in Open-end Fund-net	10,000	1,010,301	10,000	1,010,301

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	
	2007	2006	2007	2006
Trade accounts receivable-related parties				
Trade notes receivable				
Current	1,115,185	795,840	1,115,185	795,840
Trade accounts receivable				
Current	159,181,908	218,318,879	162,521,805	218,378,422
Overdue within 3 months	310,403	8,804,123	310,403	8,831,548
Over 3 to 6 months	-	2,496,469	-	2,496,469
Over 6 to 12 months	77,810	-	77,810	-
Over 12 months	164,709	959,943	164,709	959,943
Total	160,850,015	231,375,254	164,189,912	231,462,222
<u>Less</u> : Allowance for doubtful accounts	(249,223)	(1,430,526)	(249,223)	(1,430,526)
Allowance for goods returned	(31,000,000)	(31,000,000)	(31,000,000)	(31,000,000)
Trade accounts receivable related parties-net	129,600,792	198,944,728	132,940,689	199,031,696
Trade accounts receivable-others				
Trade notes receivable				
Current	119,840	-	119,840	-
Trade accounts receivable				
Current	126,443,482	68,969,041	94,853,187	41,287,941
Overdue within 3 months	20,723,788	66,946,895	19,466,724	57,528,019
Over 3 to 6 months	518,960	6,073,478	342,651	6,049,566
Over 6 to 12 months	92,014	1,005,132	92,014	921,040
Over 12 months	235,069	-	235,069	-
Total	148,133,153	142,994,546	115,109,485	105,786,566
<u>Less</u> : Allowance for doubtful accounts	(300,674)	(736,820)	(300,674)	(694,774)
Trade accounts receivable others-net	147,832,479	142,257,726	114,808,811	105,091,792
Total Trade Accounts Receivable-net	277,433,271	341,202,454	247,749,500	304,123,488

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

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATE PER YEAR (%)	
	2007	2006	2007	2006	2007	2006
SSDC (Tigertex) Co., Ltd.						
Beginning balances	22,000,000	17,000,000	22,000,000	17,000,000		
<u>Add:</u> Increase during the years	15,000,000	52,000,000	15,000,000	52,000,000	2.875-5.25	3.50-5.50
<u>Less:</u> Settlement during the years	(25,000,000)	(47,000,000)	(25,000,000)	(47,000,000)		
Ending balances	12,000,000	22,000,000	12,000,000	22,000,000		
Five Stars Plus Co., Ltd.						
Beginning balance	-	-	-	-		
<u>Add:</u> Increase during the year	8,000,000	-	-	-		
<u>Less:</u> Settlement during the year	(1,000,000)	-	-	-	3.25-3.62	-
Ending balance	7,000,000	-	-	-		
Total	19,000,000	22,000,000	12,000,000	22,000,000		

Short-term loans to related parties are unsecured loans.

8. INVENTORIES comprise :-

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2007	2006	2007	2006
Finished goods	79,779,933	105,212,144	79,158,684	104,207,544
Goods in process	56,727,351	81,772,267	47,569,497	66,736,342
Raw materials	113,492,019	116,516,585	95,539,872	105,219,352
Goods in transit	4,354,482	851,588	4,354,482	722,337
Spare parts	1,403,205	1,587,778	1,403,205	1,587,778
Total	255,756,990	305,940,362	228,025,740	278,473,353

9. INVESTMENTS IN SUBSIDIARIES Comprise:

(THOUSAND BAHT)

SUBSIDIARY COMPANIES	% HOLDING		COST METHOD	
	2007	2006	2007	2006
S. Apparel Co., Ltd.	80.00	80.00	27,729	27,729
T-CHAMBER Co., Ltd.	99.99	-	9,999	-
Total			37,728	27,729

(THOUSAND BAHT)

SUBSIDIARY COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	PAID-UP CAPITAL		DIVIDEND	
			2007	2006	2007	2006
S. Apparel Co., Ltd.	Manufacturing, subcontracting and distributing ready-made clothes	Management and shareholders	36,000	36,000	864	11,520
T-CHAMBER Co., Ltd.	Distributing ready-made clothes	Shareholders	10,000	-	-	-

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

(THOUSAND BAHT)

Companies	Paid-up capital	% Holding		Investment		Dividend	
		2007	2006	2007	2006	2007	2006
- Related Parties							
1. People's Garment Plc.	96,000	14.05	14.05	52,683	52,683	17,530	10,113
2. I.C.C. International Plc.	290,634	3.17	3.14	92,972	89,266	9,138	8,852
3. Sahacogen (Chonburi) Plc.	955,000	1.72	1.72	30,422	30,422	4,920	3,280
4. Thai Wacoal Plc.	120,000	1.39	1.39	22,476	22,476	2,171	1,837
5. Textile Prestige Plc.	108,000	0.96	0.96	10,185	10,185	776	880
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	44	44
9. Saha Pathanapibul Plc.	275,875	0.07	0.07	495	495	100	100
Total				218,821	215,115	35,164	25,591
<u>Add:</u> Unrealized gain on investment revaluation				533,345	567,365	-	-
Total net investments in available-for-sale securities-related parties				752,166	782,480	35,164	25,591
- Other Companies							
1. President Bakery Plc.				13,500	13,500	1,440	1,410
2. Thai Toray Textile Mill Plc.				265	265	60	90
3. Nation Multimedia Group Plc.				8,608	8,608	-	-
4. Bangkok Bank Plc.				10,002	10,002	348	285
5. Kasikornbank Plc.				654	654	26	26
6. The Siam Cement Plc.				2,336	2,336	150	150
7. PTT Plc.				832	832	53	72
8. Thoresen Thai Agencies Plc.				75	75	3	4
9. Thai Oil Plc.				367	367	23	30
10. PTT Aromatics and Refining Plc. (Formerly : Rayong Refinery Plc.)				450	450	25	-
11. Regal Corporation				9,854	-	-	-
Total				46,943	37,089	2,128	2,067
<u>Add:</u> Unrealized gain on investment revaluation				22,389	22,488	-	-
Total net investments in available-for-sale securities-other companies				69,332	59,577	2,128	2,067
Total investments in available-for-sale securities (The separate financial statements)				821,498	842,057	37,292	27,658

(THOUSAND BAHT)

Companies	Paid-up capital	% Holding		Investment		Dividend	
		2007	2006	2007	2006	2007	2006
Investments in available-for-sale of the Subsidiary-related party							
Sahacogen (Chonburi) Plc.				-	262	-	-
<u>Less</u> : Unrealized loss on investment revaluation				-	(3)	-	-
Total Investments in Available-for-sale securities of the Subsidiary - net				-	259	-	-
TOTAL INVESTMENTS IN AVAILABLE FOR SALE SECURITIES (THE CONSOLIDATED)				821,498	842,316	37,292	27,658

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	
		2007	2006	2007	2006	2007	2006
- Related Parties							
1. P.T. Mesapro International Co., Ltd.	USD 800	-	19.00	-	* 3,817	-	-
2. Thai Monster Co., Ltd.	20,000	19.00	19.00	5,549	5,549	1,140	570
3. Total Way Image Co., Ltd.	20,000	19.00	19.00	7,132	7,132	1,330	1,330
4. Thai Naxis Co., Ltd.	20,000	19.00	19.00	4,700	4,700	760	570
5. Celebrate Wealth Co., Ltd.	10,000	19.00	19.00	1,900	950	-	-
	(Year 2006 : 5,000)						
6. SSDC (Tigertex) Co., Ltd.	270,000	18.96	18.96	58,394	58,394	4,096	2,048
7. International Commercial Coordination (Hong Kong) Ltd.	HKD 2,000	18.00	18.00	* 2,291	* 2,291	-	-
8. International Leather Fashion Corp., Ltd.	50,000	18.00	18.00	8,810	8,810	1,800	1,080
9. Wise Winner Co.,Ltd.	10,000	18.00	18.00	1,800	1,800	-	-
10. Five Stars Plus Co., Ltd.	50,000	17.00	17.00	8,500	8,500	-	-
11. Morgan De Toi (Thailand) Ltd.	25,000	15.99	15.99	3,999	* 3,999	320	-
12. Champ Ace Co., Ltd.	40,000	15.00	15.00	6,000	6,000	1,500	1,500
13. Pak Numpo Wattana Co., Ltd.	1,000	14.00	14.00	1,037	1,037	-	-
14. S.T.G.C. Co., Ltd.	2,500	13.00	13.00	* 325	* 325	-	-
15. Grand Star Industry Co., Ltd.	20,000	12.50	12.50	4,992	4,992	1,500	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	1,152	2,160
24. Wazeda Education (Thailand) Co., Ltd.	28,000	7.14	8.00	* 2,000	* 2,000	-	-
	(Year 2006 : 25,000)						

(THAI CURRENCY : THOUSAND BAHT

FOREIGN CURRENCIES : THOUSAND)

THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS							
Companies	Paid-up capital	% Holding		Investment		Dividend	
		2007	2006	2007	2006	2007	2006
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	6.67	1,700	2,000	-	-
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	175	150
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	1,485	1,485
34. Thai Staflex Co., Ltd.	60,000	4.00	4.00	2,400	2,400	300	600
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	4.00	4.00	34,000	28,000	1,711	-
	(Year 2006 : 700,000)						
38. Value Added Textile Co., Ltd.	16,500	3.00	3.00	67	67	124	50
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	132
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	595	1,186
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	59	79
46. Pattaya Manufacturing Co., Ltd.	30,000	0.33	0.33	741	741	45	42
Total				258,119	255,286	18,816	14,732
Less: * Provision for loss on diminution in investments				(26,908)	(28,619)	-	-
Total general investments-related parties-net				231,211	226,667	18,816	14,732

(THAI CURRENCY : THOUSAND BAHT

FOREIGN CURRENCIES : THOUSAND)

THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS							
Companies	Paid-up capital	% Holding		Investment		Dividend	
		2007	2006	2007	2006	2007	2006
- 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	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	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				16,797	16,797	99	-
<u>Less:</u> * Provision for loss on diminution in investments				(5,959)	(5,720)	-	-
Total general investments-other companies-net				10,838	11,077	99	-
Total General Investments of the Separate financial statements-net				242,049	237,744	18,915	14,732
General Investments of the Subsidiary-related party							
Treasure Hill Co., Ltd.				4,000	4,000	-	-
<u>Less:</u> Provision for loss on impairment of investments				(4,000)	(4,000)	-	-
Total General Investments of the Subsidiary-net				-	-	-	-
TOTAL GENERAL INVESTMENTS-NET (THE CONSOLIDATED)				242,049	237,744	18,915	14,732

12. INVESTMENTS IN DEBT SECURITIES comprise :-

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2007	2006	2007	2006
The Siam Cement Public Company Limited.	36,000,000	26,000,000	36,000,000	26,000,000
CH. Karnchang Public Company Limited.	20,000,000	10,000,000	20,000,000	10,000,000
Charoen Pokphand Foods Public Company Limited.	10,000,000	-	10,000,000	-
Thai Airways International Public Company Limited	8,200,000	-	8,200,000	-
Total	74,200,000	36,000,000	74,200,000	36,000,000
Less Portion due for redemption within one year	(11,000,000)	-	(11,000,000)	-
Investments in debt securities-net	63,200,000	36,000,000	63,200,000	36,000,000

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.

13. 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 follow.

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2007	2006	2007	2006
Long-term loans	13,866,667	20,800,000	13,866,667	20,800,000
<u>Less</u> Current portion of long-term loans	(6,933,333)	(6,933,333)	(6,933,333)	(6,933,333)
Long-term loans-net	6,933,334	13,866,667	6,933,334	13,866,667

PRINCIPAL BALANCE (Million Baht)		REPAYMENT CONDITIONS
2007	2006	
13.87	20.80	<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.

14. PROPERTY, PLANT AND EQUIPMENT comprise :-

(BAHT)

CONSOLIDATED					
PARTICULARS	2006	INCREASE	DISPOSAL/ UNUSED	TRANSFER TO / FROM	2007
Cost					
Land	199,513,479	-	-	-	199,513,479
Land development cost	14,833,464	87,572	-	25,662	14,946,698
Building and structures	340,554,237	-	(930,823)	-	339,623,414
Machineries	337,173,684	816,303	(4,750,297)	19,223,824	352,463,514
Office equipment	134,453,891	3,078,131	(4,096,612)	564,797	134,000,207
Vehicles	34,863,181	7,422,050	(4,326,326)	-	37,958,905
Furniture and fixtures	179,186,307	164,037	(447,451)	3,118,442	182,021,335
Assets under construction	44,795	23,125,315	-	(22,932,725)	237,385
Total	1,240,623,038	34,693,408	(14,551,509)	-	1,260,764,937
Accumulated depreciation					
Land development cost	12,067,309	1,370,512	-	-	13,437,821
Building and structures	172,273,435	17,216,047	(528,823)	-	188,960,659
Machineries	268,471,218	23,126,709	(4,750,215)	-	286,847,712
Office equipment	114,746,528	8,788,148	(4,043,105)	-	119,491,571
Vehicles	22,282,682	4,525,389	(3,535,731)	-	23,272,340
Furniture and fixtures	155,382,808	9,125,350	(447,449)	-	164,060,709
Total	745,223,980	64,152,155	(13,305,323)	-	796,070,812
Property, Plant and Equipment-net	495,399,058				464,694,125
Depreciation for the years	71,112,548				64,152,155

As at December 31, 2007 and 2006, the Company and subsidiaries have fully depreciated fixed assets up to their useful lives, but are usable at the cost of Baht 493.95 million and Baht 470.62 million, respectively.

(BAHT)

THE SEPARATE FINANCIAL STATEMENTS					
PARTICULARS	2006	INCREASE	DISPOSAL/ UNUSED	TRANSFER TO / FROM	2007
Cost					
Land	183,583,534	-	-	-	183,583,534
Land development cost	14,833,464	87,5	-	25,662	14,946,698
Building and structures	293,892,606	-	(930,823)	-	292,961,783
Machineries	275,108,926		(4,750,297)	19,152,633	289,511,539
Office equipment	123,289,827	2,669,349	(3,777,771)	528,09	122,709,501
Vehicles	32,997,544	6,223,050	(4,326,326)	-	34,894,268
Furniture and fixtures	148,300,291	164,03	(447,451)	3,118,442	151,135,319
Assets under construction	-	23,062,218	-	(22,824,833)	237,385
Total	1,072,006,192	32,206,503	(14,232,668)	-	1,089,980,027
Accumulated depreciation					
Land development cost	12,067,309	1,370,512	-	-	13,437,821
Building and structures	145,830,088	14,691,148	(528,823)	-	159,992,413
Machineries	210,927,719	21,887,643	(4,750,215)	-	228,065,147
Office equipment	104,226,254	8,523,032	(3,724,278)	-	109,025,008
Vehicles	20,417,048	4,384,793	(3,535,731)	-	21,266,110
Furniture and fixtures	125,049,601	8,931,494	(447,449)	-	133,533,646
Total	618,518,019	59,788,622	(12,986,496)	-	665,320,145
Property, Plant and Equipment-net	453,488,173				424,659,882
Depreciation for the years	66,253,173				59,788,622

As at December 31, 2007 and 2006, the Company has fully depreciated fixed assets up to their useful lives, but are usable at the cost of Baht 408.57 million and Baht 387.65 million, respectively.

15. INTANGIBLE ASSETS comprise :

(BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS			
Particulars	2006	Increase	2007
Computer softwares	21,141,946	931,031	22,072,977
<u>Less</u> Accumulated amortization	(15,410,244)	(1,627,614)	(17,037,858)
Intangible assets-net	5,731,702		5,035,119
Amortization for the years	2,118,725		1,627,614

As at December 31, 2007 and 2006, the Company has fully amortized intangible assets up to their useful lives, but are usable at the cost of Baht 11.93 million and Baht 11.49 million, respectively.

16. LEASEHOLD RIGHTS comprise:-

(BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS			
PARTICULARS	2006	Increase	2007
Leasehold rights	23,446,576	-	23,446,576
<u>Less</u> Accumulated amortization	(8,991,932)	(1,007,637)	(9,999,569)
Leasehold rights-net	14,454,644		13,447,007
Amortization for the years	1,007,636		1,007,637

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

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2007	2006	2007	2006
Trust Receipts	-	1,022,175	-	-
Bank overdrafts	95,198	187,216	95,198	15,731
Total	95,198	1,209,391	95,198	15,731

18. 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.

19. GENERAL RESERVE

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.

On April 24, 2006, the Ordinary General Shareholders' Meeting was held and approved a resolution to appropriate net profit for general reserve amount of Baht 13 million.

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

20. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

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.

On April 24, 2006 the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividends from BOI business operation at Baht 1.10 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 62.70 million, and Lamphun Project 2 according to the Promotional Certificate No. 1396/2543 amount of Baht 69.30 million, totalling Baht 132 million. The payment date was fixed on May 19, 2006. The Meeting also approved to pay the directors' remuneration not more than Baht 13 million.

For the years ended December 31, 2007 and 2006, the subsidiaries paid dividends and directors' remuneration which are included in the consolidated financial statements.

21. FOREIGN CURRENCY TRANSACTIONS

21.1 Forward exchange contracts

As at December 31, 2007 and 2006, 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 receivable from export trade accounts receivable.

The Company has the balance of Selling Forward Exchange Contracts which can be summarized as follows:

Particulars	CONSOLIDATED			THE SEPARATE FINANCIAL STATEMENTS		
	Amount (in Million)	Delivery will be made during	Exchange rate on delivery date (Currency exchange to Baht)	Amount (in Million)	Delivery will be made during	Exchange rate on delivery date (Currency exchange to Baht)
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	-	-	-
EUR	0.22	May 08	49.28 – 50.03	0.22	May 08	49.28 – 50.03
2006						
USD	0.64	Feb. – Jun. 07	35.67 – 36.57	0.40	May – Jun. 07	35.67 – 36.57
JPY	6.00	Mar. 07	0.301-0.304	-	-	-
EUR	0.09	Feb. – Mar. 07	46.90 – 47.86	-	-	-

21.2 Uncovered risk transactions

As at December 31, 2007 and 2006, 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	
	2007	2006	2007	2006	2007	2006	2007	2006
Assets								
USD	0.03	2.03	0.87	73.15	0.02	1.63	0.78	58.76
EUR	0.34	0.30	16.92	14.03	0.29	0.28	14.36	12.99
JPY	0.28	21.13	0.08	6.36	-	0.01	-	0.002
Total			17.87	93.54			15.14	71.752
Liabilities								
USD	0.19	0.33	6.30	12.00	0.14	0.31	4.81	11.35
EUR	0.09	0.13	4.61	6.12	0.09	0.13	4.61	6.12
JPY	3.88	4.61	1.16	1.41	0.96	0.79	0.29	0.24
HKD	-	0.004	-	0.02	-	0.004	-	0.02
Total			12.07	19.55			9.71	17.73

22. 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	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	5 years	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, 2007 and 2006 as follows :-

(MILLION)

PARTICULARS	CONSOLIDATED				THE SEPARATE FINANCIAL STATEMENTS			
	2007		2006		2007		2006	
	BAHT	%	BAHT	%	BAHT	%	BAHT	%
Export sales	990.79	48.93	920.65	40.39	752.55	42.23	713.20	34.63
Local sales	1,034.13	51.07	1,358.97	59.61	1,029.38	57.77	1,346.51	65.37
Total	2,024.92	100.00	2,279.62	100.00	1,781.93	100.00	2,059.71	100.00

23. COMMITMENT AND CONTINGENT LIABILITIES

23.1 As at December 31, 2007 and 2006, the Company and its subsidiaries have commitment and contingent liabilities as follows:

(MILLION)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2007	2006	2007	2006
	Letters of credit			
- EUR	0.10	0.10	0.10	0.10
- JPY	-	1.13	-	-
Bank guarantee with Customs Department (BAHT)	7.39	7.63	5.77	6.25
Bank guarantee for electricity (BAHT)	4.95	4.95	4.28	4.28
Bank guarantee for business operation (BAHT)	-	0.45	-	0.45
Loan guarantee for related companies (BAHT)	0.31	3.50	0.31	3.50

23.2 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.

23.3 The Company has commitment relating to land and building lease contract with the compensation for transferring of leasehold right and rental 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

24. 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					
	2007			2006		
	Local	Export	Total	Local	Export	Total
Sales by segment	1,034.13	990.79	2,024.92	1,358.97	920.65	2,279.62
Result of operation by segment	127.64	104.41	232.05	205.32	100.31	305.63
Non-allocation expenses			186.78			197.55
Other income			159.84			155.61
Negative goodwill			5.52			5.52
Corporate income tax			11.87			17.42
Net profit of Minority Interest			(0.82)			(0.27)
Net profit			197.94			251.52
Property, plant and equipment-net			464.69			495.40
Intangible assets-net			5.04			5.73
Leasehold rights-net			13.45			14.45
Total assets			2,742.56			2,737.59

25. 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 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, 2007 and 2006 are as follows:

(MILLION BAHT)

COMPANIES	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2007	2006	2007	2006
Thanulux Public Company Limited	8.68	8.58	8.68	8.58
S. Apparel Co., Ltd.	0.79	0.78	-	-
Total	9.47	9.36	8.68	8.58

26. RETIREMENT FUND

The Company and its subsidiaries have the policy 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 (for year 2007) and 50 years up (for year 2006) 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, 2007 and 2006 as follows:

(MILLION BAHT)

COMPANIES	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2007	2006	2007	2006
Thanulux Public Company Limited	14.99	8.37	14.99	8.37
S. Apparel Co., Ltd.	0.29	-	-	-
Total	15.28	8.37	14.99	8.37

27. 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. P.T. Mesapro International Co., Ltd.	Garment and leatherware manufacturing	Management and shareholders
13. Thai Monster Co., Ltd.	Garment manufacturing	Management and shareholders
14. Total Way Image Co., Ltd.	Leatherware manufacturing	Management and shareholders
15. Thai Naxis Co., Ltd.	Label manufacturing	Management and shareholders
16. Celebrate Wealth Co., Ltd.	Distributing import fashion goods	Management and shareholders
17. SSDC (Tigertex) Co., Ltd.	Bleaching, dyeing fabric and yarn	Management and shareholders

RELATED PARTIES	TYPE OF BUSINESS	RELATIONSHIP
18. International Commercial Coordination (Hong Kong) Ltd.	Apparel distributing	Management and shareholders
19. International Leather Fashion Corp., Ltd.	Leatherware manufacturing	Management and shareholders
20. Wise Winner Co., Ltd.	Distributing garment and sport equipment	Management and shareholders
21. Five Stars Plus Co., Ltd.	Garment manufacturing	Management and shareholders
22. Morgan De Toi (Thailand) Ltd.	Garment distributing	Management and shareholders
23. Champ Ace Co., Ltd.	Garment manufacturing	Management and shareholders
24. Pak Numpo Wattana Co., Ltd.	Apparel distributing	Management and shareholders
25. S.T.G.C. Co., Ltd.	Research and develop business	Management and shareholders
26. Grand Star Industry Co., Ltd.	Fabric manufacturing	Management and shareholders
27. Intanin Chiangmai Co., Ltd.	Apparel distributing	Shareholders
28. Koraj Wattana Co., Ltd.	Apparel distributing	Management and shareholders
29. Sun & Sand Co., Ltd.	Apparel distributing	Management and shareholders
30. Eastern I.C.C. Co., Ltd.	Apparel distributing	Management and shareholders
31. Maharachapreuk Co., Ltd.	Apparel distributing	Management and shareholders
32. Belle Maison (Thailand) Co., Ltd.	Catalog sale	Management and shareholders
33. Thai Takaya Co., Ltd.	Jeans manufacturing	Management and shareholders
34. Thai Gunze Co., Ltd.	Garment manufacturing	Management and shareholders
35. Waseda Education (Thailand) Co., Ltd.	Education institution	Management and shareholders
36. Thai Bunka Fashion Co., Ltd.	Fashion institution	Management and shareholders
37. Mit Pathana Homeshopping Co., Ltd.	Television direct sale	Management and shareholders
38. Sriracha Aviation Co., Ltd.	Machinery and plane maintenance	Management and shareholders
39. Guangdong Xiezhong Garment Co., Ltd.	Garment manufacturing	Management and shareholders
40. Sunrise Garment Co., Ltd.	Garment manufacturing	Management and shareholders
41. K. Commercial and Construction Co., Ltd.	Construction contractor	Management and shareholders
42. H & B Intertext Co., Ltd.	Fabric doll manufacturing	Shareholders
43. Sriracha BSC Bowling Co., Ltd.	Bowling alley	Management and shareholders
44. Thai Shikibo Co., Ltd.	Cotton yarn manufacturing	Management and shareholders
45. Thai Staflex Co., Ltd.	Fabric products	Management and shareholders
46. Treasure Hill Co., Ltd.	Golf course	Management and shareholders
47. BSC Entertainment Co., Ltd.	Bowling alley	Management and shareholders
48. Thai Asahi Kazei Spandex Co., Ltd.	Manufacturing and distributing spandex	Shareholders
49. Value Added Textile Co., Ltd.	Fabric embroidering and printing	Shareholders
50. Panland Co., Ltd.	Property development	Management and shareholders

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

The significant related accounting transactions are as follows:

(THOUSAND BAHT)

RELATED TRANSACTIONS IN BALANCE SHEETS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2007	2006	2007	2006
Trade accounts receivable				
- I.C.C. International Plc.	143,381	214,405	143,381	214,405
- Other companies	17,469	16,970	20,809	17,057
Total	160,850	231,375	164,190	231,462
Short-term loans extended (Note 7)	19,000	22,000	12,000	22,000
Accrued revenues	3,433	4,146	3,443	4,157
Investments - net (Notes 10 and 11)	983,377	1,009,406	983,377	1,009,147
Long-term loans extended (Note 13)	13,867	20,800	13,867	20,800
Trade accounts payable	7,299	17,674	8,611	18,406
Accrued expenses	5,336	7,549	5,344	7,549

(THOUSAND BAHT)

RELATED TRANSACTIONS IN INCOME STATEMENTS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2007	2006	2007	2006
Sales				
- I.C.C. International Plc.	846,999	1,190,944	846,999	1,190,944
- Other companies	55,956	55,262	59,352	56,427
Total	902,955	1,246,206	906,351	1,247,371
Dividend income (Notes 9, 10 and 11)	53,980	40,323	54,844	51,843
Other income	70,806	67,033	74,751	68,782
Gain on disposal of fixed assets	7	-	9	-
Purchase of goods and raw materials	77,691	133,943	83,899	145,383
Other expenses	54,474	65,933	54,491	65,961

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.

28. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

28.1 Accounting policies and procedure

- See Note 4.

28.2 Risk from breach of contracts

- Due to the counterparty 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 27)
 - 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.

28.3 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.

28.4 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.

28.5 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.

29. INCOME TAX

Corporate income taxes of the Company and its subsidiaries for the years ended December 31, 2007 and 2006 are calculated from the accounting profit and adjusted with some other revenues and 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 for 2007 and 25 per cent for 2006.

BOI business operation is calculated income tax according to the taxable privileges which are granted (see also Note 22).

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 2007 and 2006 is summarized as follows:

(MILLION BAHT)

Applicable tax rates	0%	12.50%	25%	30%	total
2007					
Accounting profit before income tax	122.88	-	-	78.14	201.02
Tax effect to accounting profit (loss) that are not considered to be taxable income or non-deductible expenses					
Net retirement reserve from actual payment	2.43	-	-	9.83	12.26
Loss on diminution in investments	-	-	-	3.13	3.13
Gain on reverse entry from loss on diminution in investment	-	-	-	(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
2006					
Accounting profit before income tax (before restated)	124.35	47.68	96.38	-	268.41
Tax effect to accounting profit that are not considered to be taxable income or non-deductible expenses					
Share of profit from investment for using equity method	-	-	(5.64)	-	(5.64)
Loss on diminution in investments	-	-	2.19	-	2.19
Gain on reverse entry from loss on diminution in investment	-	-	(11.92)	-	(11.92)
Tax-exempt dividend income	-	-	(42.37)	-	(42.37)
Increase in allowance for goods returned	-	-	7.75	-	7.75
Tax-exempt-utilities	(6.98)	-	-	-	(6.98)
Others	(1.45)	(2.04)	(1.64)	-	(5.13)
Taxable profit	115.92	45.64	44.75	-	206.31
Income tax at the applicable tax rates (The separate financial statements)	-	5.70	11.19	-	16.89
Income tax at the applicable tax rates (The subsidiaries)	-	-	-	0.53	0.53
Total	-	5.70	11.19	0.53	17.42

30. RECLASSIFICATION OF ACCOUNTS

Certain accounts in 2006 financial statements have been reclassified to conform with the presentation of 2007 financial statements.

31. FINANCIAL STATEMENTS APPROVAL

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