

Subject: Clarification of a change in accounting method  
for investments in subsidiaries company

February 28, 2008

Attention: Director and Managing Director  
The Stock Exchange of Thailand

Notification of the Federation of Accounting Professions (FAP) no. 26/2006 TAS 44, Consolidated Financial Statements and Accounting for Investment in Subsidiaries, requires companies to change accounting methods for investments in subsidiaries and affiliates from the equity method to the cost method as reports in separate financial statements. Such an adjustment leads net income and retained earnings in the separate financial statements to differ from those in the consolidated financial statements. Nonetheless, this is merely a change in accounting policy, not a change in any fundamental factors affecting our business.

The Company would like to report on the effect of the change in accounting method for investment in subsidiary as follows:

Since the First Quarter ended March 31, 2007, the company changed the accounting policy regarding investment in subsidiary so that the separate financial statement, which formerly reported investment using the equity method, now reports using the cost method. This is to comply with TAS 44. Thus the Company restated the financial statements by using the historical cost as the cost of the investment in subsidiary of the separate financial statement. This adjustment caused the net income on the separate financial statement to differ from that reported in the consolidated financial statement. The Company had net income of Baht 99.9 million as at December 31, 2007, according to the consolidated financial statement. However, the separate financial statement over the same period showed a net income of Baht 103.4 million. Therefore, the Company would like to clarify with the additional information as follows:

1. After restating, net income as at December 31, 2007 on the separate financial statement decreased by Baht 3.0 million from net profit Baht 106.4 million in the year of 2006 to net profit Baht 103.4 million and the comparable period as at December 31, 2006 decreased by Baht 0.7 million from net profit Baht 105.7 million to Baht 106.4 million. This is because the separate financial statement did not include any share of profits from investments.
2. The effect from the restating to other items on the separate financial statement as at December 31, 2007, such as the beginning unappropriated retained earnings on the separate financial statement, decreased by Baht 7.5 million from retained earnings Baht 722.9 million to retained earnings Baht 715.4 million. The cumulative effect of the accounting policy has been presented under the heading of "Cumulative effect of the change in accounting policy" in the statement of changes in shareholders' equity.

However, the change of accounting policy affects only the separate financial statement. It did not have any effect on the consolidated financial statement or business fundamental.

Please be informed accordingly.

Yours sincerely,

Signature

(Mr. Suwat Phongphasura)

Executive Director