

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
ROJANA INDUSTRIAL PARK PUBLIC COMPANY LIMITED

We have audited the consolidated balance sheets of Rojana Industrial Park Public Company Limited and its subsidiaries and the balance sheets of Rojana Industrial Park Public Company Limited as at December 31, 2007 and 2006, and the related consolidated and the separated financial statements of income, the statement of changes in shareholders' equity and the statements of cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits. The consolidated financial statements included the financial statement of subsidiaries which operate at oversea that has been audited by another auditors in accordance with generally accepted auditing standards. We received report of another auditor date January 16, 2008 and January 18, 2008 respectively. The subsidiaries financial statement stated the total assets are 6.37 percent and 0.66 percent of the total assets as at December 31, 2007 and 2006 respectively. Our opinion about the amount of the transaction of Rojana Industrial Park (Chagzhou) Co., Ltd and RPD properly Development Co., Ltd which has been included in the consolidated financial statements is followed the report of another auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

From our audit and report of another auditors, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rojana Industrial Park Public Company Limited and its subsidiaries and of Rojana Industrial Park Public Company Limited as at December 31, 2007 and 2006, the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

Miss. Pranee Phonngam

Certified Public Accountant No. 4987

United Auditing PKF Limited

Bangkok.

February 28, 2008.

FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
ROJANA INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

ROJANA INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2007 AND 2006

('Baht)

		CONSOLIDATED		SEPARATED FINANCIAL STATEMENT	
		2007	2006	2007	2006
					"After adjustment"
ASSETS					
Current assets	Note				
Cash and cash equivalents		662,307,835	129,607,877	161,376,925	91,113,456
Temporary investment used as collateral	4	658,517,371	415,908,295	-	-
Accounts and notes receivable	5	2,441,753,288	2,056,964,382	986,218,021	965,000,317
Spare part		136,850,056	127,681,085	-	-
Property development cost	6	2,498,994,024	1,835,041,603	#####	#####
Inventories		377,232	174,142	-	-
Short-term loan to related party	24.4	-	-	30,000,000	-
Short-term loan to person	7	-	83,168,046	-	-
Advances to purchase land		63,931,197	72,890,580	58,119,500	4,542,805
Other current assets		257,832,132	140,199,507	64,555,240	55,178,495
Total current assets		6,720,563,135	4,861,635,517	#####	#####
Non-current assets					
Cash at banks used as collateral		904,472	1,526,604	100,000	100,000
Land held for future development		2,154,307,955	2,059,529,805	#####	#####
Investments using the equity method	24.1	1,657,816,670	542,889,330	-	-
Investments using the cost method	24.2	-	-	#####	#####
Property, plant and equipment - net	8	8,927,487,906	7,440,878,709	631,446,045	635,721,903
Intangible asset - net	9.0	199,816,110	200,082,593	-	-
Other non- current assets	27.2	56,870,066	69,717,718	55,668,443	68,861,785
Total non - current assets		#####	#####	#####	#####
Total assets		#####	#####	#####	#####

ROJANA INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT DECEMBER 31, 2007 AND 2006

('Baht)

		CONSOLIDATED		SEPARATED FINANCIAL STATEMENT	
		2007	2006	2007	2006
				"After adjustment"	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities	Note				
Overdrafts from financial institute	10	133,153	1,978,695	-	-
Accounts and notes payable		474,412,056	426,518,316	40,584,128	40,054,202
Assets payable		526,739,679	245,111,555	10,747,840	-
Machine payable	24.6	-	65,577,470	-	-
Short - term loans	11	1,934,000,000	1,238,000,000	1,500,000,000	924,000,000
Amount due related party	24.5	561,000,000	40,674,895	-	24,352,678
Short-term loans from person and related company	24.6	57,754,618		37,111,094	
Long-term loans due within 1 year	13	1,846,400,309	1,015,054,712	785,000,000	570,000,000
Retention payable		127,155,428	132,689,809	141,637	7,020,209
Accrued expenses		165,197,782	163,503,571	85,064,599	97,709,308
Unearned income	5	881,717,821	32,186,963	269,640,000	-
Advances received from customers		39,553,495	15,299,340	8,054,050	15,053,625
Other current liabilities	12	142,401,498	59,715,735	24,449,253	7,626,309
Total current liabilities		6,756,465,839	3,436,311,061	#####	#####
Non - current liabilities					
Long-term loans	13	6,934,150,259	6,403,920,711	1,902,421,120	#####
Other liabilities - deposit received		32,164,621	35,455,609	31,738,421	35,355,409
Total non - current liabilities		6,966,314,880	6,439,376,320	#####	#####
Total liabilities		#####	9,875,687,381	#####	#####

ROJANA INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT DECEMBER 31, 2007 AND 2006

('Baht)

		CONSOLIDATED		SEPARATED FINANCIAL STATEMENT	
		2007	2006	2007	2006
					"After adjustment"
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
Shareholders' equity	Note				
Share capital	14				
Authorized share capital					
900,000,000 ordinary shares of Baht 1.00 each		900,000,000	900,000,000	900,000,000	900,000,000
Issued and paid-up share capital					
763,594,644 ordinary shares of Baht 1.00 each		763,594,644		763,594,644	
676,643,673 ordinary shares of Baht 1.00 each			676,643,673		676,643,673
Premium on share capital	14	944,057,655	773,001,062	944,057,655	773,001,062
Surplus on change in shareholding in subsidiary	24.1	187,379,359		-	-
Gain(loss) from converted subsidiaries financial statement		(8,346,936)	(1,973,533)	-	-
Retained earning					
Appropriated					
Legal reserves	16	90,000,000	90,000,000	90,000,000	90,000,000
Unappropriated		2,518,671,307	2,306,553,682	1,531,047,994	#####
Total		4,495,356,029	3,844,224,884	#####	#####
Minority interest		1,499,629,566	1,456,348,011	-	-
Total shareholders' equity		5,994,985,595	5,300,572,895	#####	#####
Total liabilities and shareholders' equity		#####	#####	#####	#####

ROJANA INDUSTRIAL PARK PUBLIC COMPANY AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(Baht)

	Note	CONSOLIDATED		SEPARATED FINANCIAL STATEMENT	
		2007	2006	2007	2006
				"After adjustment"	
Revenues					
Revenue from sales of land		1,152,106,806	1,561,762,805	1,246,581,251	1,590,890,805
Revenue from sales of condominium		773,651,491	933,824,616	-	-
Revenue from sales of electricity		3,849,932,432	3,530,332,447	-	-
Service income		344,161,941	286,954,295	362,900,996	301,588,007
Rental income		60,388,698	63,158,465	62,290,072	65,053,536
Other income		11,893,696	7,358,120	1,987,629	5,752,815
Dividend income		-	-	216,075,870	439,787,935
Other income : amortization of negative goodwill		1,735,744	1,735,744	-	-
Gain on exchange rate		8,684,537	81,400,902	-	-
Company's portion in profit of investment by equity method		367,852,965	91,497,905	-	-
Total revenues		6,570,408,310	6,558,025,299	1,889,835,818	2,403,073,098
Expenses					
Cost of land sold		584,613,635	758,514,382	625,351,731	787,642,382
Cost of condominium sold		465,359,545	656,098,800	-	-
Cost of electricity sold		3,222,428,086	2,821,920,614	-	-
Cost of services		144,817,646	126,584,813	301,776,805	252,369,819
Cost of rental		38,839,463	44,931,636	38,839,463	44,931,636
Reverse gain on land sold	18	-	170,687,537	-	170,687,537
Amortization of goodwill	24.3	36,588,004	-	-	-
Loss on cancellation project		-	10,724,616	-	-
Loss on cancellation fixed assets	8	-	5,057,026	-	-
Selling and administrative expenses		422,244,049	344,930,904	193,137,383	181,314,146
Directors' remuneration		6,575,593	7,200,000	6,575,593	7,200,000
Total expenses		4,921,466,021	4,946,650,328	1,165,680,975	1,444,145,520
Profit before interest and income tax		1,648,942,289	1,611,374,971	724,154,843	958,927,578
Interest		492,938,663	383,933,187	214,333,476	207,243,872
Income tax	19	70,675,559	3,191,481	-	-
Profit before minority interest		1,085,328,067	1,224,250,303	509,821,367	751,683,706
Share of profit in subsidiary to minority interest		161,281,555	330,892,046	-	-
Net profit		924,046,512	893,358,257	509,821,367	751,683,706
Basic earnings per share	20	1.30	1.35	0.72	1.14
Weighted average number of ordinary shares (share)		708,578,176	661,583,054	708,578,176	661,583,054
Diluted earnings per share		1.13	1.06	0.62	0.89
Diluted number of ordinary shares (share)		817,831,479	840,323,223	817,831,479	840,323,223

Notes to the financial statements form an integral part of these financial statements

ROJANA INDUSTRIAL PARK PUBLIC COMPANY AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

('Baht)

CONSOLIDATED

	Note	Issued and paid-up share capital	Premium on share capital	Surplus on change in shareholding in subsidiary	Gain (loss) from converted subsidiary' financial statement	Retained earnings		Minority interest	Total
						Appropriated legal reserve	Unappropriated		
Beginning balance as at January 1, 2006		#####	#####	-	7,263,649	#####	#####	#####	4,898,786,901
Share capital	14	46,247,523	-	-	-	-	-	177,000,000	223,247,523
Premium on share capital	14	-	92,208,762	-	-	-	-	-	92,208,762
Gain(loss) from converted subsidiary financial statement		-	-	-	#####	-	-	-	(9,237,182)
Net profit		-	-	-	-	-	893,358,257	330,892,046	1,224,250,303
Dividend	17	-	-	-	-	-	(597,683,412)	(531,000,000)	#####
Ending balance as at December 31, 2006		#####	#####	-	#####	#####	#####	#####	5,300,572,895
Beginning balance as at January 1, 2007		#####	#####	-	#####	#####	#####	#####	5,300,572,895
Share capital	14	86,950,971	-	-	-	-	-	-	86,950,971
Premium on share capital	14	-	#####	-	-	-	-	-	171,056,593
Surplus on change in shareholding in subsidiary	24.1			#####	-	-	-	-	187,379,359
Gain(loss) from converted subsidiaries financial statement		-	-	-	#####	-	-	-	(6,373,403)
Net profit		-	-	-	-	#####	924,046,512	161,281,555	1,085,328,067
Dividend	17	-	-	-	-	-	(711,928,887)	(118,000,000)	(829,928,887)
Ending balance as at December 31, 2007		#####	#####	#####	#####	#####	#####	#####	5,994,985,595

Notes to the financial statements form an integral part of these financial statements.

ROJANA INDUSTRIAL PARK PUBLIC COMPANY AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

('Baht)

SEPARATED FINANCIAL STATEMENT						
		Issued and paid-up share capital	Premium on share capital	Retained earnings Appropriated Unappropriated legal reserve	Total	
	Note					
Beginning balance as at January 1, 2006		#####	#####	90,000,000	2,010,878,837	3,412,067,287
<u>Add</u> Accumulated from change accounting policy	25	-	-	-	(431,723,617)	(431,723,617)
Beginning balance as at January 1, 2006 - after adjustment		#####	#####	90,000,000	1,579,155,220	2,980,343,670
Share capital	14	46,247,523	-	-	-	46,247,523
Premium on share capital		-	92,208,762	-	-	92,208,762
Net profit		-	-	-	751,683,706	751,683,706
Dividend	17	-	-	-	(597,683,412)	(597,683,412)
Ending balance as at December 31, 2006		#####	#####	90,000,000	1,733,155,514	3,272,800,249
Beginning balance as at January 1, 2007		#####	#####	90,000,000	2,306,553,682	3,846,198,417
<u>Add</u> Accumulated from change accounting policy	25	-	-	-	(573,398,168)	(573,398,168)
Beginning balance as at January 1, 2007 - after adjustment		#####	#####	90,000,000	1,733,155,514	3,272,800,249
Share capital	14	86,950,971	-	-	-	86,950,971
Premium on share capital		-	#####	-	-	171,056,593
Net profit		-	-	-	509,821,367	509,821,367
Dividend	17	-	-	-	(711,928,887)	(711,928,887)
Ending balance as at December 31, 2007		#####	#####	90,000,000	1,531,047,994	3,328,700,293

Notes to the financial statements form an integral part of these financial statements.

ROJANA INDUSTRIAL PARK PUBLIC COMPANY AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

		CONSOLIDATED		SEPARATED FINANCIAL STATEMENT	
	Note	2007	2006	2007	2006
					"After adjustment"
Cash flows from operating activities					
Net profit		924,046,512	893,358,257	509,821,367	751,683,706
Item to reconcile net profit to net cash flows from operating activities:					
Depreciation, amortization and write off fixed assets		359,773,797	296,485,979	38,763,795	37,307,917
Amortization negative goodwill		(1,735,744)	(1,735,744)	-	-
Amortization goodwill	24.3	36,588,004	-	-	-
Amortization intangible asset		10,155,312	10,155,312	-	-
Share of profit in subsidiary to minority interest		161,281,555	330,892,046	-	-
Unrealized (gain) loss on exchange rate		(4,687,597)	(20,872,499)	-	-
(Gain) loss on sale fixed asset		3,370,699	493,359	4,336,950	15,860
Loss from project cancellation		-	10,724,616	-	-
Gain from sale of land		(567,493,171)	(803,248,423)	(621,229,520)	(803,248,423)
Gain from sale of condominium		(308,291,946)	(277,725,816)	-	-
Reverse gain on land sold		-	170,717,537	-	170,687,537
Dividend income		-	-	(216,075,870)	(439,787,935)
Share of profit after tax of associated and subsidiary		(367,852,965)	(91,497,905)	-	-
Net profit (loss) from operations before changes in operating assets and liabilities		245,154,456	517,746,719	(284,383,278)	(283,341,338)
Operating assets (increase) decrease					
Cash at bank used as collateral		114,552,773	(220,128,623)	-	-
Accounts and notes receivable		1,540,969,391	1,190,590,539	1,215,576,047	919,259,182
Spare part		(9,168,971)	3,296,422	-	-
Property development cost		(683,562,535)	(661,926,589)	(177,421,406)	(216,567,400)
Inventories		(203,090)	(58,003)	-	-
Advance for purchase land and building		8,959,383	(51,634,304)	(53,576,695)	(4,542,805)
Other current assets		(74,326,663)	105,599,103	5,185,242	35,957,925
Land hold for future development		(572,234,067)	(983,086,044)	(268,543,837)	(983,086,044)
Other non - current assets		12,847,652	(960,844)	(1,368,645)	(2,793,283)

ROJANA INDUSTRIAL PARK PUBLIC COMPANY AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

		CONSOLIDATED		SEPARATED FINANCIAL STATEMENT	
	Note	2007	2006	2007	2006
					"After adjustment"
Cash flows from operating activities (Continued)					
Operating liabilities increase(decrease)					
Accounts and notes payable		47,893,740	196,678,302	529,926	(31,489,961)
Assets payable		(62,343,802)	9,413,661	-	-
Amounts due related company		18,579,725	18,191,651	12,758,416	22,756,339
Retention payable		(801,367)	24,755,058	(6,878,572)	6,887,183
Accrued expenses		1,694,211	31,461,495	(1,896,869)	34,192,703
Unearned income		557,565,096	(168,189,011)	-	-
Advances received from customers		10,413,413	9,126,804	262,640,425	10,100,000
Other current liabilities		(13,850,053)	12,580,869	16,822,944	2,800,824
Other liabilities - deposit received		(3,290,988)	3,616,103	6,170,512	3,122,304
(Gain) loss from converted subsidiaries financial statement		16,749,009	(2,030,410)	-	-
Net cash provided by (used in) operating activities		1,155,597,313	35,042,898	725,614,210	(486,744,371)
Cash flows from investing activities					
(Increase) decrease in amount due and loan to related company		-	-	(30,000,000)	58,652,918
(Increase) decrease in amount due and loan to person		83,168,046	(83,168,046)	-	-
Cash receive (payment) for investment in promissory note		(357,200,000)	79,800,000	-	-
(Increase) decrease in cash at banks used as collateral		622,132	1,802,114	-	1,832,495
Cash payment to investment in subsidiaries and associated	24.3	(689,386,046)	-	(773,654,886)	(100,116,000)
Cash payments to purchase of property, plant and equipment		(1,595,271,706)	(1,217,093,564)	(61,662,782)	(41,750,703)
Cash payments to purchase intangible asset		(9,888,829)	(12,988,398)	-	-
Cash receive from sale of property, plant and equipment		27,932,409	374,612	22,837,895	780
Cash receive dividend from subsidiaries and associated		134,075,870	70,787,935	216,075,870	316,787,935
Net cash provided by (used in) investing activities		(2,405,948,124)	(1,160,485,347)	(626,403,903)	235,407,425

ROJANA INDUSTRIAL PARK PUBLIC COMPANY AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	CONSOLIDATED		SEPARATED FINANCIAL STATEMENT	
	2007	2006	2007	2006
				('Baht)
				"After adjustment"
Cash flow from financing activities				
Increase (decrease) in overdrafts from financial institute	(1,845,542)	(29,845,829)	-	-
Decrease in amount due and loan from related person	298,278,028	-	-	-
Cash receive (payment) from short - term loans	696,000,000	507,000,000	576,000,000	213,000,000
Cash receive from long - term loans	3,086,320,000	2,146,434,000	1,193,775,120	948,600,000
Cash payment to long - term loan	(1,724,744,855)	(830,209,295)	(1,344,800,635)	(465,000,000)
Cash received from share capital	258,007,564	138,456,285	258,007,564	138,456,285
Cash payment for dividend	(711,928,887)	(597,683,412)	(711,928,887)	(597,683,412)
Cash payment for dividend of minority interest	(118,000,000)	(408,000,000)	-	-
Cash received increase share capital from minority interest	-	54,000,000	-	-
Net cash provided by (used in) financing activities	1,782,086,308	980,151,749	(28,946,838)	237,372,873
Effect of foreign exchange rate changes on cash and cash equivalents	964,461	(7,206,772)	-	-
Net increase (decrease) in cash and cash equivalents	532,699,958	(152,497,472)	70,263,469	(13,964,073)
Cash and cash equivalents at the beginning of the year	129,607,877	282,105,349	91,113,456	105,077,529
Cash and cash equivalents at the ending of the year	662,307,835	129,607,877	161,376,925	91,113,456
Supplementary disclosure of cash flow information				
Cash payment during for the year				
Interaset expense	549,351,907	586,062,222	209,660,950	321,103,633
Corporate income tax	99,024,628	25,348,636	5,145,432	4,870,741

ROJANA INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

1. Company and subsidiaries operations

1.1 Company operation

Rojana Industrial Park Public Company Limited is a public limited company is listed on the Stock Exchange of Thailand. The address of its registered office at 32/32 Sino-Thai Tower 11 Floor, Soi Asoke, Sukhumvit 21 Road, Klongtoey-Nua, Wattana, Bangkok. Its main business operations are the development of industrial estate at Ayuthaya and Rayong Provinces.

1.2 Subsidiaries operation

Rojana Industrial Management Company Limited registered in Thailand. Its head office is located at 32/32 Sino-Thai Tower 11 Floor, Soi Asoke, Sukhumvit 21 Road, Klongtoey - Nua, Wattana, Bangkok. Its main business is distributing consumed water supply for industrial companies.

Rojana Power Company Limited registered in Thailand. Its head office is located at 32/32 Sino-Thai Tower 11 Floor, Soi Asoke, Sukhumvit 21 Road, Klongtoey - Nua, Wattana, Bangkok. Its main business is manufacturing electricity.

Rojana Property Company Limited registered in Thailand. The address of its registered office at 148 Soi Sukhumvit 23(Prasanmit), Sukhumvit Road, Klongtoey - Nua, Wattana, Bangkok. Its main business is Real estate of condominium for sale and rent

Rojana Industrial Park (Chagzhou) Company Limited registered in China. The address of its registered office at 1 West Qinye Road, Changzhou Jiangsu, China. Its main business is dealer sales of land.

Rojana Distillery Company Limited registered in Thailand. The address of its registered office at 193/52 Lake Ratchada Tower 14 Floor, Soi Asoke, Ratchada - pisake Road, Kwaeng Klongtoey, Khet Klongtoey, Bangkok. Its main business is to produce refined alcohol including whisky, brandy, rice whisky and rice wine.

Rojana Property Development Company Limited registered in China. The address of its registered office at 1 West Qinye Road, Changzhou Jiangsu, China. Its main business is Real estate of condominium for sale in China.

1.3 Supplementary disclosure of staff

Supplementary of staff of the Company and subsidiaries company for the year ended December 31, 2007 and 2006, as follow:

	Consolidated		Separated financial statement	
	2007	2006	2007	2006
Total staff at the end year (persons)	177	137	77	73
Staff expenses for the year (unit : Baht Million)	98.29	91.01	32.85	36.08

2. Basis of presentation of the financial statements

2.1 These Consolidated and separated financial statements are presented in accordance with accounting principles and practices generally accepted in Thailand and in accordance with the regulations of The Stock Exchange of Thailand dated January 22, 2001, regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of listed companies B.E. 2544.

The brief particulars in the financial statements are shown in accordance with the Notification of the Department of Business Development dated September 14, 2001 regarding "The Brief Particulars in the Financial Statements B.E. 2544"

2.2 Adoption of accounting standards which are not effective

The Federation of accounting professions (FAP) has issued Notifications No. 9/2550 held on May 2, 2007, No. 38/2550 held on September 21, 2007, and No. 62/2550 held on December 7, 2007, regarding Thai Accounting Standards (TAS), which have been published in Royal Gazette. The Notifications mandate the use of the following Thai Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled.

Thai Accounting Standards (revised version) which are not effective in 2007

TAS 25 Cash Flow Statements

TAS 29 Leases

TAS 31 Inventories

TAS 33 Borrowing Costs

TAS 35 Presentation of Financial Statements

TAS 39 Accounting Policies, Changes in Accounting Estimates and Errors

TAS 41 Interim Financial Reporting

TAS 43 Business Combinations

TAS 49 Construction Contracts

TAS 51 Intangible Assets

These ten accounting standards will become effective for the financial statements for fiscal year beginning on or after January 1, 2008. The company's management have assessed these Thai accounting standards will not have a significant impact on the financial statements for the year in which they are initially applied. Except the Accounting Standard No.43, the company will change method execute as follows:-

- The goodwill from purchase business in the consolidated financial statement. The Company will stop for goodwill amortization from amortized goodwill to expense and considered impairment every year.
- The negative goodwill in the amount of Baht 72.22 million, will adjust with beginning of retained earning.

2.3 These consolidated financial statements are consolidated with Rojana Industrial Park Public Company Limited and subsidiaries which are operating in Thailand and oversea as follows :

Direct subsidiaries	Business	Percentage of shares hold by the Company (%)	
		2007	2006
Rojana Industrial Management Co., Ltd.	Distributing consumed water supply for Industrial	100	100
Rojana Power Co., Ltd.	Manufacturing and selling electricity	41	41
Rojana Property Co., Ltd.	Real estate of condominium for sale and rent	100	100
Rojana Industrial Park (Chagzhou) Company Limited	Dealer sales of land	100	100
Rojana Distillery Company Limited	Produce alcohol including whisky, brandy, rice whisky and rice wine.	100	100
Rojana Property Development Co., Ltd.	Real estate of condominium for sale	100	-
Indirect subsidiary			
RPD Property Development Co., Ltd.	Real estate of condominium for sale and rent	100	-

The Company and a shareholder which carry the share of Rojana Powers Company Limited more than 60% and have management policy in the same direction. Therefore, the Company has power to exercise control. The consolidated financial statements as at December 31, 2007 and 2006 then included the financial statement of Rajana Power Company Limited.

2.4 The consolidated financial statements are prepared by combining the company and subsidiaries' accounts with no inter-company transactions and balance as well as unrealized profit and loss. Subsidiaries' accounting policies are modified to be in accordance with the parent company in order to consolidated the information about minority interest which is the separate account in consolidated balance sheet and statement of income.

3. Summary of significant accounting policies

3.1 Revenue and expenses

3.1.1 Revenue from sales of land and commercial and condominium are recognized upon signing legally binding contracts of sale using the percentage of completion method. The percentage of completion is calculated based on actual costs incurred to total estimated construction costs, excluding cost of land, and result of surveys performed by independent engineers. The Company recognizes income only when deposits and installment received are at least twenty percent of total sale contract price and when the construction work is at least ten percent complete and sales of condominium has recognized when contracts of sale has less than 40% of for sale or for booking For consolidated financial statements, inter-group sales are eliminated.

3.1.2 Sales of electricity and water supply are recognized upon delivery of products and customer acceptance, net of sales taxes and discounts.

3.1.3 Service income is recognized to percentage of competition.

3.1.4 Rental income is recognized as revenues over the rental period.

3.1.5 Other revenue and expenses are recognized on an accrual basis.

3.2 Cash and cash equivalents is cash on hand and at financial institute not include cash at financial institute due over 3 months and cash at financial institute that is used for collateral.

- 3.3 Accounts and notes receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the end of the year. Bad debts are written off during the year in which they are identified.
- Group company's management estimates the allowance for doubtful accounts from the ending balance of accounts receivable. The estimate encompasses consideration of past collection experiences and other factors, such as changes in the composition and volume of the receivable, the relationship of the allowance for doubtful accounts to the receivable and the local economic conditions.
- 3.4 Inventories are stated at cost, raw material and spare parts are calculated by the first-in first-out basis or net realizable value whichever is lower
- 3.5 Property development cost is stated at the lower of cost or net realizable value. Cost consists of: cost of land, land development expenditures, borrowing cost and other expenses related directly incurred to the project. Capitalization of borrowing costs starts when the construction of a property commences and ceases when the property is ready for sale.
- 3.6 Land held for future development is stated at cost. Cost consists of: cost of land present at cost net allowance impairment (if any).
- 3.7 Investment
- 3.7.1 Investments in subsidiary
- Investment in subsidiary companies, which presented in the separated financial statement by the cost method. The cost method is has not amortized goodwill. In case impairment in value of investment has occurred, the loss of investment is recognized in the separated statement of income.
 - Investments in subsidiary are undertaking over which the Company has over 50% of the voting rights, or over which the company exercises control.
- 3.7.2 Investments in associate
- Investment in associated companies, which presented in the separated financial statement by the cost method. In case impairment in value of investment has occurred, the loss of investment is recognized in the separated statement of income.

- Investment in associated companies, which presented in the consolidated financial statement by the equity method. In case impairment in value of investment has occurred, the loss of investment is recognized in the consolidated statement of income
- Investments in associate are undertaking in which the group generally has between 20% and 50% of the voting rights, or over which the group has significant influence, but which it does control. Unrealized gains on transactions between the group and its associated undertaking are eliminated to the extent of the group's interest in the associated undertakings; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The group's investment in associated undertaking includes goodwill (net of accumulated amortization) on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the group has incurred obligations or guaranteed obligations in respect of the associated undertaking.

3.7.3 Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortized cost. The premium/discount on debt securities is amortized by the effective rate method with the amortized amount presented as an adjustment to the interest income.

3.8 Property, plant and equipment

3.8.1 Property, plant and equipment

Property, plant and equipment are recorded at cost. Cost is measured by cash or cash equivalent paid to obtain the asset and bring it to the location and condition necessary for its intended use. In the case of self-constructed assets, the cost of construction consists of the materials, direct labor and other expenses attributable to the construction, which are allocated to the assets on a systematic basis. Property, plant and equipment, except land, are presented in the balance sheet at historical cost less accumulated depreciation.

3.8.2 Depreciation is calculated on the straight line method, except for land as it is deemed to have an indefinite life, to their residual values over their estimated useful life as follows :

Plants	25 years
Machines	15 - 25 years
Buildings and constructions	20 years
Furniture and fixtures	5 years
Office equipment	5 years
Tools and equipment	5 years
Vehicles	5 years
Other systems	20 years

3.8.3 Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the assets less any costs of disposal.

3.8.4 Interest costs on borrowings to finance the construction of property, plant and equipment are capitalized as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. All other borrowing costs are expensed. The borrowing costs include:

- Interest on short-term and long-term borrowing, and related taxes;
- Amortization of ancillary costs incurred in connection with the arrangement of borrowing;

3.8.5 The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the group's outstanding borrowing during the year. Where funds are borrowed specifically for the acquisition, construction or production of property, plant or equipment, the amount of borrowing costs eligible for capitalization on that asset is determined from the actual borrowing costs incurred on that borrowing during the period.

3.8.6 Expenditures for addition, renewal and betterment, which result in a substantial increase in an asset's current replacement value, are capitalized. Repair and maintenance costs are recognized as an expense when incurred.

3.9 Intangible asset

3.9.1 A subsidiary company has amortized right of gas pipelines system, which presented in intangible asset by the straight-line method according to agreement 19 years.

3.9.2 A subsidiary company has amortized technical fee for manufacturing which presented in intangible asset by the straight-line method according to agreement 10 years.

3.9.3 A subsidiary company has amortized account program, which presented in intangible asset by the straight-line method according to agreement 3 years.

3.10 Goodwill

3.10.1 Negative goodwill represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition. Negative goodwill not exceeding the fair values of acquired identifiable non-monetary assets is recognized as income on a systematic basis over the remaining weighted average useful life of the identifiable acquired depreciable assets.

3.10.2 Goodwill represents the excess of the fair value of the Group's share of the net assets acquired less than the cost of acquisition. Goodwill not exceeding the fair values of acquired identifiable non-monetary assets is recognized as expense during the year.

3.11 Foreign currency transactions are recorded in the following exchange rates as follows:

- Transactions throughout the year are converted into Baht at the rates of transaction dates.
- Assets and liabilities at the end of the period are converted into Baht at the reference exchange rate established by the Bank of Thailand prevailing at the balance sheet date.
- Gains or losses on exchange rate are recognized as revenues or expenses in the statement of income.

3.12 Provision for liabilities

Provision for liabilities are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3.13 Employee benefits

The Company operates a provident fund, being a defined contribution plan, the asset for which are held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the relevant Group companies.

The Group's contributions to the provident fund are recorded to the statement of income in the year to which they relate.

3.14 Earnings per share

3.14.1 Basic earnings per share calculated by dividing net profit for the each year by the weighted average number of ordinary shares in the period of the each year.

3.14.2 Diluted earnings per share is calculated by dividing net income for the year by the sum of the weighted average number of ordinary shares and preference shares in issue during the year and the weighted average number of ordinary shares which might need to be issued for the conversion of the warrants into ordinary shares.

3.15 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management's estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. The actual result may differ from such estimates.

4. Temporary investment used as collateral

Temporary investment used as collateral as at December 31, 2007 and 2006 are as follows:

	('Baht)			
	Consolidated		Separated financial statement	
	2007	2006	2007	2006
Cash at Banks used as Collateral	113,517,371	228,108,295	-	-
Short-term debenture	545,000,000	-	-	-
Promissory Note	-	187,800,000	-	-
Total	<u>658,517,371</u>	<u>415,908,295</u>	<u>-</u>	<u>-</u>

In 2007, a subsidiary company has investment of debenture with a commercial bank due on January 2, 2008, interest rate at 3% per annum.

Promissory notes of the subsidiary as at December 31, 2006, represent 3 months deposit and carries interest at the rate of 4.5 - 4.875% per annum. According to the credit facility agreement, the promissory note is considered bank security.

Cash at financial institute of the subsidiary in consolidated financial statement as at December 31, 2007 and 2006, in the amount of Baht 113.52 million and Baht 228.11 million respectively, are considered bank security according to the credit facility agreement. The subsidiary cannot be used for any purpose other than repayments of loans, interest and factory maintenance.

5. Accounts and notes receivable

Accounts and notes receivable as at December 31, 2007 and 2006 are as follows:

	('Baht)			
	Consolidated		Separated financial statement	
	2007	2006	2007	2006
Receivables from sales of property				
Installment due	252,135,995	393,026,906	259,038,947	365,690,800
Unbilled completed work	1,617,242,936	1,134,076,424	665,958,791	554,912,483
Services and rental receivable	42,034,260	37,126,357	47,457,783	44,397,034
Water supply receivable	5,141,279	10,339,289	-	-
Receivable from sale of electricity	506,545,973	478,749,250	-	-
Notes receivable	18,652,845	3,646,156	13,762,500	-
Total	<u>2,441,753,288</u>	<u>2,056,964,382</u>	<u>986,218,021</u>	<u>965,000,317</u>

Accounts receivable from sales of property and service receivable that excluding unbilled completed work from receivable from sales of property classified by outstanding aging as at December 31, 2007 and 2006 as follows:

	(Baht Million)			
	Consolidated		Separated financial statement	
	2007	2006	2007	2006
Less than 3 months	621	549	129	58
More than 3 - 6 months	1	88	1	68
More than 6 - 12 months	155	175	155	167
Over 12 months	29	107	21	117
Total	<u>806</u>	<u>919</u>	<u>306</u>	<u>410</u>

The Company and the subsidiaries did not provide for an allowance for doubtful debt because the Company has not transferred the legal title of land to its customers and account receivable are account receivable installments due which have not recognize revenue.

Additional information on receivables from sales of property Installment due and unbilled completed work as at December 31, 2007 and 2006 are as follow:

	('Baht)			
	Consolidated		Separated financial statement	
	2007	2006	2007	2006
Total value of contracts signed	<u>13,142,238,977</u>	<u>11,205,672,461</u>	<u>10,766,382,296</u>	<u>9,463,039,770</u>
Installments due to date	11,306,952,304	9,014,829,660	9,985,662,258	8,580,487,315
Less : Collection to date	<u>(11,054,816,309)</u>	<u>(8,621,802,754)</u>	<u>(9,726,623,311)</u>	<u>(8,214,796,515)</u>
Accounts receivable installments due	<u>252,135,995</u>	<u>393,026,906</u>	<u>259,038,947</u>	<u>365,690,800</u>
Unbilled completed work/Unearned income				
Revenues recognized to date	12,042,477,419	10,116,719,121	10,381,981,049	9,135,399,798
Less : Installments due to date	<u>(11,306,952,304)</u>	<u>(9,014,829,660)</u>	<u>(9,985,662,258)</u>	<u>(8,580,487,315)</u>
	<u>735,525,115</u>	<u>1,101,889,461</u>	<u>396,318,791</u>	<u>554,912,483</u>
This balance comprises:				
Unbilled completed works	1,617,242,936	1,134,076,424	665,958,791	554,912,483
Unearned income on installment due	<u>(881,717,821)</u>	<u>(32,186,963)</u>	<u>(269,640,000)</u>	<u>-</u>
	<u>735,525,115</u>	<u>1,101,889,461</u>	<u>396,318,791</u>	<u>554,912,483</u>

6. Property development cost

Property development cost as at December 31, 2007 and 2006 are as follow:

	Consolidated		Separated financial statement	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2007	2006	2007	2006
Land	5,214,362,193	4,232,461,339	4,193,531,131	3,789,833,433
Development cost	3,491,781,417	2,789,707,150	2,355,033,657	2,104,258,492
Borrowing cost	423,703,725	393,753,245	384,112,616	384,112,616
	<u>9,129,847,335</u>	<u>7,415,921,734</u>	<u>6,932,677,404</u>	<u>6,278,204,541</u>
<u>Less: Transfer to cost of sales to date</u>	<u>(6,696,504,845)</u>	<u>(5,660,209,524)</u>	<u>(5,525,786,804)</u>	<u>(4,914,112,932)</u>
Developed cost - net	<u>2,433,342,490</u>	<u>1,755,712,210</u>	<u>1,406,890,600</u>	<u>1,364,091,609</u>
Developed land for sales	29,128,000	29,128,000	-	-
Factory for sales	36,523,534	50,201,393	36,523,534	50,201,393
Total	<u>65,651,534</u>	<u>79,329,393</u>	<u>36,523,534</u>	<u>50,201,393</u>
Total property development cost	<u>2,498,994,024</u>	<u>1,835,041,603</u>	<u>1,443,414,134</u>	<u>1,414,293,002</u>

The company has mortgaged 85% of total area of land (including land under property, plant and equipment) and a subsidiary has mortgaged land (some) with the financial institutions as collaterals for long-term loans (see note 13).

7. Short-term loan to person

In 2006, a subsidiary which operates in oversea has loan to person in Thailand in the amount of RMB 18 million which is equal to Baht 83.16 million which has the agreement specified the interest rate at 6.5 per annum per year. This loan is due in March 2007.

In February 2007, a subsidiary that operates in oversea has loan to person in Thailand increase from RMB 18 million to in the amount of RMB 20.22 million, with the interest rate at 6.5% per annum. This loan is due in June 30, 2007. A subsidiary has agreed with borrower to expand repayment on September 28, 2007. These loan guaranteed by borrower has the guarantee issue by bank to a subsidiary company in the amount of less than Baht 90 million. In third quarter 2007 a subsidiary has receive totaling.

8. Property, plant and equipment - net

Property, plant and equipment of the Company and subsidiaries company have movement transaction as follows:

	Consolidated			('Baht)
	Balance as at December 31, 2006	Increase	Disposal	Balance as at December 31, 2007
Land	333,873,283	24,542,606	-	358,415,889
Plant and buildings	2,282,228,490	337,012,222	(30,060,685)	2,589,180,027
Furniture and fixture	67,055,330	15,927,876	(820,230)	82,162,976
Machinery, tool and equipment	5,858,516,379	87,190,707	(13,350,099)	5,932,356,987
Vehicles	62,213,472	21,070,308	(10,621,228)	72,662,552
Building in progress	58,593,494	155,474,082	-	214,067,576
Construction in progress	504,659,747	1,672,221,546	* (424,312,759)	1,752,568,534
Total	9,167,140,195	2,313,439,347	(479,165,001)	11,001,414,541
<u>Less</u> Accumulated depreciation				
Plant and buildings	(592,865,976)	(83,787,030)	2,893,442	(673,759,564)
Furniture and fixture	(49,720,070)	(7,536,126)	709,024	(56,547,172)
Machinery, tool and equipment	(1,020,552,478)	(259,156,859)	371,814	(1,279,337,523)
Vehicles	(36,610,717)	(9,549,613)	6,654,454	(39,505,876)
Total	(1,699,749,241)	(360,029,628)	10,628,734	(2,049,150,135)
Property, plant and equipments - net	7,467,390,954	1,953,409,719	(468,536,267)	8,952,264,406
<u>Less</u> Negative goodwill	(26,512,245)			(24,776,500)
Property, plant and equipments - net	7,440,878,709			8,927,487,906
Depreciation of assets for the years	291,428,953			360,029,628

Land of the Company, plant and buildings, machinery and equipment of the subsidiaries are mortgaged to guarantee overdraft, short-term and long-term loan from the financial institute (see note 10,11 and 13).

As at December 31, 2007 and 2006, the Company and subsidiaries have fixed assets, which were fully depreciated but still in use in the financial statements, stated at book value less accumulated depreciation in approximately Baht 86.75 million and Baht 85.17 million respectively.

* In 2007, the Company and subsidiary has transfer construction in progress to building machine, tool and equipment.

In 2006, the Company and subsidiary have transfer construction in progress to plant and building and machine, tool and equipment and a subsidiary company has write off office building which is in Sukhumvit Project in the amount of Baht 5.05 million.

(‘Baht)

	Separated financial statement			
	Balance as at December 31, 2006	Increase	Disposal	Balance as at December 31, 2007
Land	112,206,304	16,724,606	-	128,930,910
Buildings and construction	586,839,634	60,298,109	(30,060,685)	617,077,058
Furniture and fixture	39,105,373	3,567,765	(245,195)	42,427,943
Tool and equipment	57,698,406	7,397,927	(324,590)	64,771,743
Vehicles	28,496,906	10,447,707	-	38,944,613
Construction in progress	183,570,101	31,899,392	* (68,672,724)	146,796,769
Total	1,007,916,724	130,335,506	(99,303,194)	1,038,949,036
<u>Less</u> Accumulated depreciation				
Buildings and construction	(285,326,730)	(30,476,559)	2,893,442	(312,909,847)
Furniture and fixture	(35,529,166)	(2,170,854)	245,194	(37,454,826)
Tool and equipment	(27,783,806)	(3,696,879)	316,989	(31,163,696)
Vehicles	(23,555,119)	(2,419,503)	-	(25,974,622)
Total	(372,194,821)	(38,763,795)	3,455,625	(407,502,991)
Property, plant and equipments-Net	635,721,903	91,571,711	(95,847,569)	631,446,045
Depreciation of assets for the years	37,307,917			38,763,795

Land of the Company are mortgaged to guaranteed overdraft, short-term and long-term loans from financial institute (see note 10, 11 and 13).

Assets with fully depreciated but can be used have book value before less accumulated depreciation as at December 31, 2007 and 2006 in the amount of Baht 73.92 million and Baht 72.75 million respectively.

9. Intangible assets - net

Intangible asset as at December 31, 2007 and 2006 are as follow

	Consolidated		Separated financial statement	
	2007	2006	2007	2006
Right to use gas pipeline	192,950,942	192,950,942	-	-
Technical agreement for manufacturing	10,476,000	10,476,000	-	-
Development product	22,877,227	12,988,398	-	-
Accounting program	305,271	305,271	-	-
Total	226,609,440	216,720,611	-	-
<u>Less</u> Accumulated amortization	(26,793,330)	(16,638,018)	-	-
Net	199,816,110	200,082,593	-	-

In 2005, a subsidiary has transferred right of gas pipeline system for received gas from PTT Public Company Limited by link to the pipeline system of PTT. According to the condition of supply agreement to purchase gas, a subsidiary has right to use gas pipeline according to the space of time of supply agreement to purchase gas within 21 years and renew the contract for 4 years. A subsidiary has recorded the right to use gas pipeline in historical cost less accumulated depreciation in the amount of Baht 192.95 million and presented in "Intangible assets". Intangible assets are amortized by the straight-line method of supply agreement to purchase gas.

In 2005, a subsidiary has entered into technical agreement for manufacturing with oversea company for manufacturing goods in the amount of Yen 100 million. A subsidiary has paid part of technical fee in the amount of Baht 10.47 million. A subsidiary has amortized technical fee when manufacturing according to 10 years agreement period. In 2007, a subsidiary has development product for produce-refined alcohol, which has amortized from agreement for five years.

10. Overdraft from the financial institute

A subsidiary has entered into overdraft agreement with several local commercial banks in the amount of Baht 30 million with the interest rate of MOR per annum. These loans are guaranteed by mortgage land, plant and building and machinery, tool and equipment of a subsidiary together with long-term loan (see note 11 and 13).

11. Short-term loans

In 2007, a subsidiary has entered into short-term loans agreements with several banks and financial institute for purchase company it main business Real estate of condominium for sale in China, by issuing promissory note are in the amount of Baht 300 million, with the interest rate of MMR per annum due in 2008. These loans are guaranteed by parent company.

The Company and subsidiaries has entered into short-term loans agreements with several banks and financial institute, by issuing promissory note and bill of exchange with the interest rate of specified short-term loan by each financial instituted. As at December 31, 2007 and 2006, in the amount of Baht 1,934 million and Baht 1,238 million respectively.

These loans are guaranteed together with long-term loan by mortgage land of the Company and land and construction in progress of subsidiary (see note 13).

12. Current liabilities

In 2007, a subsidiary that operate in oversea has receive deposit from contractor and sell man for the project of a subsidiary in the amount of Baht 54.29 million.

13. Long-term loans

Long-term loans of the Company and subsidiaries as at December 31, 2007 and 2006 are as follow :

	('Baht)			
	Consolidated		Separated financial statement	
	2006	2006	2006	2006
Long-term loans	8,780,550,568	7,418,975,423	2,687,421,120	2,838,446,635
<u>Less</u> Current portion of long-term loans				
due within 1 year	(1,846,400,309)	(1,015,054,712)	(785,000,000)	(570,000,000)
Balance	<u>6,934,150,259</u>	<u>6,403,920,711</u>	<u>1,902,421,120</u>	<u>2,268,446,635</u>

13.1 The Company has entered into loan agreement with local commercial bank and financial institute totaling Baht 4,690 million are as follow:

No.	Limit loan (Baht million)	Interest rate (Per year)	Term of payment	Correctoral
1	940	MLR-1.5	Repayment of principal in the amount of Baht 25 million per quarter	Mortgaging 85% of total area of cost of development and land under property plant and equipment)
2	200	MLR-1.5	Repayment of principal in the amount of Baht 12.50 million per quarter	
3	1,950	At fixed deposit for one year + 2.50% per annum	Repayment the principal in the second to fifth year not less than Baht 80 million per quarter and the sixth and seventh year not less than Baht 83.75 million per quarter.	Mortgage land and construction and transfer right of cash at bank of debtor.
4	500	Average MLR - 1.5	Repayment of principal in the amount of Baht 25 million per quarter since April 2006 until repay the total amount.	Mortgage pawn shares certificate of Ticon Industrial Connection Public Company Limited.
5	400	Fixed deposit for one year + 2.50 per annum	Repayment the principal in the second to fifth year not less than Baht 25 million per quarter.	Mortgage land and construction in project.
6	700	Average MLR - 1.5	Repayable up to contract and repayment the principal together every three month and repay the total amount in year 2012.	Mortgage pawn shares certificate of Ticon Industrial Connection Public Company Limited.

13.2 A subsidiaries have entered into loan agreement with commercial bank and financial institute totaling Baht 7,414.95 million and USD 54 million are as follow:

No.	Limit loan (Baht million)	Interest rate (Per year)	Term of payment	Correctoral
1	1,080	MLR - 1.5	Repayable up to contract and repayment the principal together every six month, start paying on January 2000.	Mortgage land, factory building and structure including machinery and tools of the subsidiary company which has the net book value as at December 31, 2007 and 2006 in the amount of Baht 7,197.82 million and Baht 6,078.92 million respectively and guarantee by cash at financial institute and promissory note of a subsidiary in the amount of Baht 658.52 million and Baht 415.92 million respectively.
2	750	MLR - 1.5	Repayable up to contract and repayment the principal together every six month, start paying on January 2004.	
3	USD 54 million	MLR - 1.5	Repayable up to contract and repayment the principal together every year at January and July. In 2005, a subsidiary company has entered into converted credit line USD 42 million to Baht in the amount of USD 21 million equal to Baht 808.08 million and on April 2006, has into converted loan in the amount of USD 16.98 million equal to Baht 650.98 million. Repayment the principal according to the original condition.	
4	1,602	MLR - 1.5	Repayable up to contract and repayment the principal together every six month, start paying on January 2007.	
5	2,100	MLR - 1.5	Repayable up to contract and repayment the principal together every six month.	
6	800	Interest rate of fixed deposit + 3 to 3.25 per annum.	Repayment rate is 65% of sale price condominium within 3 years and 6 months.	

No.	Limit loan (Baht million)	Interest rate (Per year)	Term of payment	Correctoral
7	200	MLR - 1 per annum since the first withdrawal until December 2006 and MLR per annum for the remaining repayments	These loan has discharge the principal within 1 year and for the second to seventh years repayment by quarterly total 24 period, for 1-8 period in the amount of Baht 3.50 million, for 9-16 period in the amount of Baht 7.50 million, for 17-23 period in the amount of Baht 14 million and 24 period repayment less than Baht 14 million and/or repayment totaling.	Mortgage land, machinery and pawn shares capital of subsidiary with parent company has hold and transfer right of cash at bank of debtor which has net book value as at December 31, 2007 and 2006 in the amount of Baht 544.97 Million and Baht 293.22 million respectively.
8	320	MLR - 1.5 per year	Repayment of principal in the amount of Baht 12.5 million of every quarter since September 2004 until June 2007, and in the amount of Baht 17 million of every quarter since September 2007, until December 2009.	Mortgage land, machinery any other system and construction in progress of the subsidiary company which has net book value as at December 31, 2007 and 2006, in the amount of Baht
9	162.95	MLR - 1.5% per annum, except the principal loan of the Environment Fund approved that the interest rate are according to the condition of the Environment Fund.	Repayment of principal in the amount of Baht 5.58 million of every quarter since December 2004 until December 2009. And repayment of principal in year 2010 in the amount of Baht 11.16 million per quarter.	736.14 million and Baht 653.96 million respectively.
10	306	The first to third years at MLR-1.5 per annum and since the forth year until at MLR-0.5 per annum.	Repayment the principal quarterly, in the amount of Baht 15.30 million quarterly since November 2007. In 2007 a subsidiary has change condition agreement to receive all loan in April 30, 2008. As at December 31, 2007, a subsidiary company has received loan in the amount of Baht 164.78 million.	
11	94	The first to third years at MLR-1.5 per annum and since the forth year until at MLR-0.5 per annum.	Repayable up to contract and repayment the principal together quarterly sine March 2008 in the amount of Baht 4.7 million per quarterly. As at December 31, 2007, a subsidiary company has receive loan in the amount of Baht 7.89 million	

14. Issued and paid-up share capital

	Number of shares (shares)	Paid-up share capital (Baht)	Premium on Share capital (Baht)	Registered share capital
Issued and paid-up share capital				
Balance as at December 31, 2006	676,643,673	676,643,673	773,001,062	
Exercise of warrants during year				
No. 12	1,266,266	1,266,266	2,514,797	March 1, 2007
No. 13	291,231	291,231	572,849	June 1, 2007
No. 14	84,756,137	84,756,137	166,715,309	August 22, 2007
No. 15	637,337	637,337	1,253,638	December 3, 2007
Balance as at December 31, 2007	<u>763,594,644</u>	<u>763,594,644</u>	<u>944,057,655</u>	

15. Warrants

On May 14, 2007, the Company adjust the exercise price of warrant to follow rules and condition of the company prospectus from Baht 2.986 per share to Baht 2.967 per share. This is effective for the exercise of warrants as from May 21, 2007.

On May 15, 2006, the Company adjust the exercise price of warrant from Baht 3 per share to Baht 2.986 per share. This is effective for the exercise of warrants as from May 20, 2006.

16. Legal reserve

Under the provisions of the Limited Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund, until the reserve fund reaches no less than 10% of the authorized share capital. Such reserve fund is not available for distribution as dividend and the Company has full reserve.

17. Dividend

According to the Minutes of Shareholders' Meeting of 2007 held on April 20, 2007, gave the resolution to pay dividend to the shareholders Baht 0.60 per share in the amount of Baht 406.74 million and according to the Board of Director Meeting No.8/2007 held on August 14, 2007, gave the resolution to pay dividend to the shareholders Baht 0.40 per share in the amount of Baht 305.19 million totaling Baht 711.93 million. The dividend was paid in the year 2007.

According to the Minutes of Shareholders' Meeting of the Company of 2006 held on April 21, 2006, gave the resolution to pay dividend to the shareholders Baht 0.50 per share in the amount of Baht 328.10 million and according to the Board of Director Meeting No. 8/2006 held on August 15, 2006, gave the resolution to pay interim dividend to the shareholder Baht 0.40 per share in the amount of Baht 269.58 million. Total of dividend is Baht 597.68 million. The dividend was paid in the year 2006.

The Extraordinary shareholders' meeting of a subsidiary No.2/2007 was held on November 9, 2007 approved to dividends to pay the shareholders at Baht 1.25 per share in the amount of Baht 200 million. The dividend was paid in the year 2007.

According to the Minutes of Shareholders' Meeting of a subsidiary No. 1/2006 held on April 4, 2006, gave the resolution to pay dividend to the shareholders Baht 0.77 per share in the amount of Baht 100 million. And according to the extraordinary shareholders' meeting No.2/2006 held on November 3, 2006, gave the resolution to pay interim dividend to the shareholders Baht 6.15 per share in the amount of Baht 800 million. Total of dividend is Baht 900 million. The dividend was paid in the year 2006.

18. Reverse gain on land sold

In 2006, the Company has recorded reverse transaction of gain on land sold cancellation in the amount of Baht 170.68 million due to the Company has cancelled the agreement for purchase and sale land with customers in the amount of Baht 306.83 million. The Company has recorded total revenue and cost of land sold.

19. Income tax

The Company and two subsidiaries has several promotion certificates which are using the right of exemption corporate income tax, but a subsidiary has net profit from some operate that ended promotion certificates and plus other expenses that are not considered to be expenses follow revenue code.

A subsidiary has corporate income tax from net profit after adjust revenue and expenses base on revenue code for the year ended December 31, 2007 so a subsidiary has corporate income tax.

20. Earnings per share

Basic earnings per share are calculated by dividing net profit attributable to shareholders by the weighted average number of ordinary shares issue during the year for the each year as follows;

	Consolidated		Separated financial statement		
	For the years ended December 31,		For the years ended December 31,		
	2007	2006	2007	2006	
			After adjustment	Before adjustment	
Net profit (Baht)	924,046,512	893,358,257	509,821,367	751,683,706	893,358,257
Weighted average number of ordinary shares (Share)	708,578,176	661,583,054	708,578,176	661,583,054	661,583,054
Basic earnings per share	1.30	1.35	0.72	1.14	1.35
Effect of diluted ordinary shares					
Diluted number of ordinary shares (Share)	817,831,479	840,323,223	817,831,479	840,323,223	840,323,223
Diluted earnings per share	1.13	1.06	0.62	0.89	1.06

As at December 31, 2007 and 2006, the Company has balance warrants 136,395,106 units and 233,346,077 units respectively, which have an exercise price of Baht 2.967 and 2.986 per share of one warrant per one ordinary share. The calculation of the diluted earning per share based on the assumption that there is the exercise of warrant holders, the fair values is calculated by weighted average of purchase and selling price during the period, are Baht 14.91 and Baht 12.76 respectively.

21. Business segment information

Financial information by business segments - Consolidated for the years ended December 31, 2007 and 2006 consist of:

	2007				(Baht)
	Real estate	Power plant	Utility	Ethyl alcohol plant	Total
Revenues	2,305,215,033	3,849,932,432	25,093,903	-	6,180,241,368
Segment result	1,079,752,255	627,504,346	16,926,392	-	1,724,182,993
Other income					13,881,509
Gain (loss) from exchange rate					8,684,537
Other income : amortization of negative goodwill					1,735,744
Company's portion in profit of investment in associated					367,852,965
Unallocated costs					(994,421,677)
Loss on land sold cancellation					(36,588,004)
Minority interest					(161,281,555)
Net profit					<u>924,046,512</u>
Asset operating (As at December 31, 2007)	<u>9,678,496,693</u>	<u>8,792,743,578</u>	<u>802,057,111</u>	<u>444,468,932</u>	<u>19,717,766,314</u>

	2006				(Baht)
	Real estate	Power plant	Utility	Ethyl alcohol plant	Total
Revenues	2,829,161,940	3,530,332,447	16,538,241	-	6,376,032,628
Segment result	1,248,844,178	708,411,833	10,726,372	-	1,967,982,383
Other income					7,358,120
Gain (loss) from exchange rate					81,400,902
Other income : amortization of negative goodwill					1,735,744
Company's portion in profit of investment in associated					91,497,905
Unallocated costs					(755,037,214)
Loss on land sold cancellation					(170,687,537)
Minority interest					(330,892,046)
Net profit					<u>893,358,257</u>
Asset operating (As at December 31, 2006)	<u>7,029,063,915</u>	<u>7,343,231,491</u>	<u>653,522,362</u>	<u>150,442,508</u>	<u>15,176,260,276</u>

22. Promotional privileges

The Company has been granted certain rights and privileges as a promoted industry under the Investment Promotion Act. Of 1977, the main privileges include an exemption from corporate income tax for a period of 7 years from the date when income is first derived from the promoted activities. The promotion privileges of phase are promoted industry at the industrial estate in Ayuttaya province and project in Rayong Province are still exist. To be entitled to such rights and privileges, the company has to comply with the requirements specified in the industrial promotion certificates.

Subsidiary company been granted certain rights and privilege as a promoted industry under the Investment Promotion Act. Of 1997. The main privileges include an exemption from corporate income tax for a period of 8 years from the date when income is first derived from the promoted activities. To be entitled to such rights and privileges, the subsidiary company has to comply with the requirements specified in the industrial promotion certificates.

23. Revenues reporting of a promoted industry

Based on the announcement of the Board of the Investment No. 14/1998 dated December 30, 1998 regarding revenues reporting of a promoted industry, the Company is required to report the revenues from domestic sales and export sales separately. Also report separately between the promoted and non-promoted business. The required information is as follows:

	('Baht)		
	Consolidated		
	For the year ended December 31, 2007		
	Promoted Business	Non-Promoted Business	Total
Revenue			
Revenue from sales of land	1,096,989,720	55,117,086	1,152,106,806
Revenue from sales of condominium	-	773,651,491	773,651,491
Revenue from sales of electricity	1,611,049,878	2,238,882,554	3,849,932,432
Service income	74,197,973	269,963,968	344,161,941
Rental income	10,697,664	49,691,034	60,388,698
Interest income	20,000	7,195,631	7,215,631
Other revenue	78,000	4,600,065	4,678,065
Other income : amortization of negative goodwill	-	1,735,744	1,735,744
Gain on exchange rate	7,034,818	1,649,719	8,684,537
Company's portion in profit of investment by equity method	-	367,852,965	367,852,965
Total	<u>2,800,068,053</u>	<u>3,770,340,257</u>	<u>6,570,408,310</u>

('Baht)

	Consolidated		
	For the year ended December 31, 2006		
	Promoted Business	Non-Promoted Business	Total
Revenue			
Revenue from sales of land	1,489,492,704	72,270,101	1,561,762,805
Revenue from sales of condominium	-	933,824,616	933,824,616
Revenue from sales of electricity	3,455,770,603	74,561,844	3,530,332,447
Service income	37,805,157	249,149,138	286,954,295
Rental income	17,351,664	45,806,801	63,158,465
Interest income	67,362	6,007,436	6,074,798
Other revenue	37,979	1,245,343	1,283,322
Other income : amortization of negative goodwill	-	1,735,744	1,735,744
Gain on exchange rate	81,645,577	(244,675)	81,400,902
Company's portion in profit of investment by equity method	-	91,497,905	91,497,905
Total	5,082,171,046	1,475,854,253	6,558,025,299

('Baht)

	Separated financial statement		
	For the year ended December 31, 2007		
	Promoted Business	Non-Promoted Business	Total
Revenue			
Revenue from sales of land	1,191,464,165	55,117,086	1,246,581,251
Service income	97,012,256	265,888,740	362,900,996
Rental income	10,697,664	51,592,408	62,290,072
Interest income	-	479,192	479,192
Other revenue	78,000	1,430,437	1,508,437
Dividend income	-	216,075,870	216,075,870
Total	1,299,252,085	590,583,733	1,889,835,818

('Baht)

	Separated financial statement		
	For the year ended December 31, 2006		
	Promoted Business	Non-Promoted Business	Total
Revenue			
Revenue from sales of land	1,489,492,704	101,398,101	1,590,890,805
Service income	57,800,449	243,787,558	301,588,007
Rental income	17,351,664	47,701,872	65,053,536
Interest income	-	4,570,813	4,570,813
Other revenue	-	1,182,002	1,182,002
Dividend income	-	439,787,935	439,787,935
Total	1,564,644,817	838,428,281	2,403,073,098

24. Related party transactions

24.1 Investment in subsidiary equity method

('Baht)

Company's Name	Nature of business	Nature of relationship	Consolidated					
			Paid up share capital		Investment Portion (%)		Equity method	
			As at December 31, 2007	As at December 31, 2006	As at December 31, 2007	As at December 31, 2006	December 31, 2007	December 31, 2006
Associated Companies								
Ticon Industrial Connection Public Company Limited	Building standard factory in the industrial estate for rent and/or for sale	Common director and shareholder	650.75	645.21	21.93	17.72	1,615,532,566	514,594,027
Operational Energy group Limited	Maintenance and service of power plant	Shareholder	30	30	25	25	42,284,104	28,295,303
Total investment							<u>1,657,816,670</u>	<u>542,889,330</u>

On May 17, 2007, the Company has purchased ordinary shares of Ticon Industrial Connection Public Company Limited 5.73% of the share capital. The Company has paid for purchase in the amount of Baht 693.77 million fair value of net assets at the purchase date in the amount of Baht 745.85 million. The Company has amortized goodwill of Baht 52.08 million by straight-line method within 5 years.

Ticon Industrial Connection Public Company Limited, associate company has the warrant holders to purchase common stock (TICON-W1 and TICON-W2) to exercise and has issued the additional share capital to specific person therefore the ratio of the shareholder were changed. In 2007, the Company has recalculated the ratio of the shareholder and record the increase of investment in associate and present in "Surplus on change in shareholding in subsidiary" in shareholders' equity in the amount of Baht 187.38 million.

24.2 Investments using the cost method

(Baht)

Company's Name	Nature of business	Nature of relationship	Separated financial statement					
			Paid up share capital		Investment portion (%)		Cost method	
			As at December 31, 2007	As at December 31, 2006	As at December 31, 2007	As at December 31, 2006	As at December 31, 2007	As at December 31, 2006
Subsidiaries								
Rojana Power Company Limited	Power plant	Shareholder	1,600	1,600	41	41	709,764,465	709,764,465
Rojana Industrial Management Company Limited	Distributing consumed water supply for industrial	Shareholder	170	170	100	100	169,999,930	169,999,930
Rojana Property Company Limited	Real estate of Building for sale and rent	Shareholder	400	400	100	100	399,999,300	399,999,300
Rojana Industrial Park (Chagzhou) Company Limited	Dealer sales of land	Shareholder	USD 3 million	USD 3 million	100	100	122,599,500	122,599,500
Rojana Distillery Company Limited	produce refined alcohol including whisky, brandy, rice whisky and rice wine	Shareholder	200	120.12	100	100	199,999,300	120,115,300
Total investment in subsidiaries							<u>1,602,362,495</u>	<u>1,522,478,495</u>
Associated companies								
Ticon Industrial Connection Public Company Limited	Building standard factory in the industrial estate for rent and/or for sale	Common director and shareholder	650.75	645.21	21.93	17.72	1,115,298,447	421,527,561
Operational Energy Group Limited	Maintenance and service of power plant	Shareholder	30	30	25	25	24,071,000	24,071,000
Total investment in associated companies							<u>1,139,369,447</u>	<u>445,598,561</u>
Total investment							<u><u>2,741,731,942</u></u>	<u><u>1,968,077,056</u></u>

In 2007, Rojana Distillery Company Limited has increase paid-up share capital from Baht 55.62 per share to Baht 100 per share total in the amount of Baht 79.89 million. The increase share capital was paid totaling.

24.3 Acquisition

In August 14, 2007, Rojana Property Development Company Limited has entered agreement to purchase RPD Property Development Company Limited is register in China. It's main business is Real estate of condominium for sale in China. These acquisition has short-term loan from financial institute and director (See note 11 and 24.5) are in the amount of USD 15 million equal to Baht 560 million. Book value of net asset at purchase date are in the amount of Baht 523.41 million, that has goodwill in the amount of Baht 36.59 million. The Company has amortized to expense in year 2007, because subsidiary' project has term of construction for sale in three years that has not benefit in long time.

Asset and liabilities of the company as follow :

	(Baht million)
Cash at bank	564.38
Property development cost	552.91
Other assets	45.59
Short-term loan from related company	(261.22)
Other liabilities	(110.37)
Unearned income	(291.96)
Loss from converted subsidiary financial statement	24.08
Fair value of net assets	<u>523.41</u>
Goodwill	<u>36.59</u>
Total payment to purchase consideration	560.00
<u>Less</u> Cash at bank' subsidiary	<u>564.38</u>
Net cash flow to purchase consideration	<u><u>(4.38)</u></u>

24.4 Short-term loan to related party

Rojana Industrial Park (Chagzhou) Company Limited (Direct subsidiary) has loan to RPD Property Development Company Limited (Indirect subsidiary) it operate in China in the amount of RMB 20.26 million equal to Baht 92.91 million, interest rate at 7.02% per annum. This loan due in December 31, 2008.

('Baht)

	Separated financial statement				
	Balance as at December 31, 2006	Received loans	Paid loans	Balance as at December 31, 2007	Cost of related loans policy
Subsidiary company					
Rojana Property Company Limited	-	30,000,000	-	30,000,000	-

24.5 Short-term loan from related person

The subsidiaries has loan from director for purchase company that operate in oversea (See note 24.3) and for operating of the subsidiaries company. These loan no guarantee are as follow :

('Baht)

	Separated financial statement				
	Balance as at	Received	Paid loans	Balance as at	Cost of related
	December 31, 2006	loans		December 31, 2007	loans policy
Director					
Mr. Direk Vinichbutr	-	561,000,000	-	561,000,000	4% per annum

24.6 Related party transaction

Asset, liabilities, revenues, and expenses. The transactions are from common shareholders and/or directorship both directly and indirectly. Transaction and balance of account with related companies as follow:

('Baht)

	Consolidated		Separated financial statement	
	As at	As at	As at	As at
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
Balance of account				
Subsidiaries				
Rojana Power Co., Ltd				
Account receivable	-	-	15,617,968	19,726,677
Other liability-deposit received	-	-	184,800	184,800
Rojana Industrial Management Co., Ltd.				
Account payable	-	-	17,312,685	16,960,099
Other liability – deposit received	105,000	-	-	-
Rojana Distillery Co., Ltd.				
Account receivable	-	-	2,000	24,000
Other liability-deposit received	-	-	4,000	56,000
Associated				
Ticon Industrial Connection PLC				
Account receivable	187,696,958	119,485,209	187,696,958	118,970,800
Operational Energy Group Limited				
Prepaid expenses	-	10,721,843	-	-
Accrued service charge	30,143,525	33,888,671	-	-
Related party				
Sumikin Bussan Corporation				
(Relationship is Shareholder and common director)				
Accrued commission	37,111,094	24,352,678	37,111,094	24,352,678
Accrued service charge	1,500,000	1,500,000	-	-
Machine payable	-	65,577,470	-	-

('Baht)

Revenues and expenses	For the years ended December 31, 2007 and 2006				Cost of related policy	
	Consolidated		Separated financial statement			
	2007	2006	2007	2006	2007	2006
Subsidiaries						
Rojana Power Co., Ltd						
Revenue from sales of land	-	-	33,938,445	-	Market price under condition of limit quantity	
Service income	-	-	43,079,932	30,624,467		
Rental income	-	-	1,669,770	1,644,000		
Other income	-	-	600,000	600,000	50,000 Baht/Month	50,000 Baht/Month
Rojana Industrial Management Co., Ltd.						
Revenue from sales of land	-	-	60,536,000	-	Market price under condition of limit quantity	
Service income	-	-	675,932	475,134		
Cost of water supply	-	-	179,830,703	151,751,415	13 Baht/Cubic meter	13 Baht/Cubic meter
Interest receive	-	-	-	1,797,686		
Rojana Distillery Co., Ltd.						
Revenue from sales of land	-	-	-	29,128,000	Evaluation by independent professional	
Service income	-	-	6,069	72,352		
Rental income	-	-	231,604	251,071		
Interest receive	-	-	-	1,935,985		
Associated						
Ticon Industrial Connection PLC.						
Revenue from sales of land	277,396,626	233,367,432	277,396,626	233,367,432	Market price under condition of limit quantity	
Service income	1,283,444	514,409	-	-		
Operational Energy Group Limited						
Service charge	163,693,501	116,231,311	-	-		
Related party						
Sumikin Bussan Corporation						
Commission	37,182,877	36,743,487	37,182,877	36,743,487	4%	4%
Service charge	1,500,000	16,634,399	-	-		

Management income was charged at negotiated prices which were higher than actual cost.

25. Result from changing in accounting policy

According to the board of director's meeting No.1/2007, held on February 26, 2007, has resolution to change accounting policy about investment in subsidiary and associated company which presented in the separated financial statement from recorded investment in subsidiary and associated company on equity method to cost method before amortized goodwill un-amortized goodwill. According to the announcement of Federation of Accounting Professions No. 26/2006 and No. 32/2006 related accounting standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" and No. 45 "Accounting for Investments in Associates". The Company has retroactive adjusted the separated financial statement as if the company has record such investments in subsidiaries and associated companies to used new accounting policy continuously. Therefore, the comparative information of the separated statement of income for the year ended December 31, 2006 and balance sheet as at December 31, 2006, which present for comparison are presented in accordance with new accounting policy. The effect of changing in accounting policy are as follow :

	(Million Baht)
	As at December 31, 2006
Balance sheet	
Decrease in investments in subsidiaries and associated companies	573.40
Decrease in retained earnings	573.40
	For the year ended
	December 31, 2006
Statement of income	
Increase in dividend income	439.79
Decrease in profit sharing from subsidiaries and associated companies	(581.46)
Decrease in net in income	(141.67)
Decrease in basic earnings per share (Baht)	(0.21)
Decrease in diluted earnings per share (Baht)	(0.17)

Accumulative effects from the change in accounting policy from the past to the beginning of the accounting for the year 2007 and 2006 to be adjusted to retained earnings brought forward for the separated financial statement as at December 31, 2006 and 2005 is Baht 573.40 million and Baht 431.73 million, respectively.

26. Letter of guarantee

- 26.1 As at December 31, 2007 and 2006, the Company and subsidiary company has the following guarantees issued by banks to Provincial Electricity Authority to guarantee the Company's payment of electricity consumption amounting to Baht 238.83 million and Baht 94.71 million respectively.
- 26.2 As at December 31, 2007 and 2006, a subsidiary has the guarantees issued by banks to the Electricity Generating Authority of Thailand against the company's cancellation the Electricity Sales Agreement before and expiry date amounting to Baht 163 million for each year.
- 26.3 In 2007, the Company has the following guarantees issued by bank to the Electricity General Authority of Thailand for apply by motion of small private electricity manufacture FIRM 90 MW in the amount of Baht 45 million.
- 26.4 As at December 31, 2007, a subsidiary has the guarantees issued by bank for import machinery to the Custom Department in the amount of Baht 1.37 million and guarantee performance bond for the permission to produce and sell white spirit contract in the amount of Baht 0.10 million. The letter of guarantee has guaranteed by saving account of a subsidiary.
- 26.5 As at December 31, 2007 and 2006, a subsidiary has the following guarantees issued by banks to the committee of Bangkok Metropolitan administration for construct utility of another subsidiary in the amount of Baht 8.17 million for the each years.
- 26.6 As at December 31, 2006, a subsidiary has guarantee issued by bank for pay duty to the Custom Department in the amount of Baht 1.15 million.

27. Commitments and contingent liabilities

27.1 As at December 31, 2007 and 2006, the Company and subsidiaries have commitments in respect of projects development and constructions of approximately Baht 617.06 million, USD 15.89 million and Baht 1,362.58 million, USD 37.10 million respectively.

27.2 The Company has entered into letter of guarantee for supply agreement to purchase gas of the Company's customer which has business in Rojana Industrial Park Rayong Province with PTT Public Company Limited in the amount of Baht 90.15 Million for 10 years. The Company has cash in hand which present in non-current assets for guarantee and will receive cash for the each year follow the quantity of customer use in rate Baht 12.91 per million BTU. All those the total quantity not less than million 6.98 BTU.

27.3 A Subsidiary has commitments from long - term agreement as follow:

27.3.1 Agreement to sale electricity to the Electricity Generation Authority of Thailand (EGAT), which is effective for a period of 25 years commencing from May 1999. Such company has to provide security of Baht 163 million in form of bank guarantee according to the Power Purchase Agreement with EGAT.

27.3.2 Agreement to purchase gas from PTT Public Company limited for the period of 21 years. Such agreement can be renewed or extended by 4 years.

27.4 As at December 31, 2007 and 2006, the Company and a subsidiary company has entered into the purchase and sale land agreement in the amount of Baht 219.21 million and Baht 121.81 million respectively. The Company and a subsidiary company has paid deposit of land in the amount of Baht 58.62 million and Baht 21.82 million respectively.

27.5 As at December 31, 2006, a subsidiaries has letter of credit unused in the amount of Baht 65.74 million and has bill of import in the amount USD 1.81 million.

28. Presentation and disclosure for financial instruments

28.1 Interest rate risk

The interest rate risks is the risks that affected from market interest rates fluctuation. It also affect the company's and subsidiary's operation in this period and in the future. The company and subsidiary does not engage in interest rate swap because the effect is expected to be immaterial.

28.2 Investment and account receivable risk

The Company and subsidiaries has no significant concentrations of investment and account receivable risk related to its cash and short-term investments. The subsidiaries places its cash and short-term investments in low risk investment accounts and with banks and high quality financial institution. The Company has a policy in place to ensure that when land is sold, ownership is transferred only when customers make full payment.

28.3 Foreign exchange rate risk

A subsidiary is exposed to foreign exchange rate risk subject to borrowings are entered into in foreign currencies. The management has policy to enter into any types of foreign exchange contracts to hedge transaction risk for short-term currency exposure by enter into short-term agreement for payment during the year. As at December 31, 2007, a subsidiary has foreign currency financial liabilities in the amount of USD 3.17 million and SGD 0.09 million and no balance of foreign exchange contracts.

28.4 Fair value for financial instruments

The carrying amounts of the following financial assets and financial liabilities approximate to their fair values:

- Cash and cash equivalents and accounts and notes receivable : book value is equal to the estimated fair value.
- Investment in associated and subsidiaries : fair value is equal to net present value which present at note 24.1 and 24.2
- Account and note payable, construction payable and amount due from related party : book value is equal to the estimated fair value.
- Short-term and long-term loans : book value is equal to the estimated fair value.

As at December 31, 2007 and 2006, fair value of financial assets are not materiality different from book value. Financial liabilities are present at book value with equal to the estimated fair value.

Moreover, the fair value is calculated by using the above method and assumption. The actual fair value way be different.

29. Transaction reclassification

The brief particulars in the consolidated financial statements for the year ended December 31, 2006, are reclassified in order to in line for the consolidated financial statements as at December 31, 2007, are as follow:

- Cash at banks used as collateral is reclassified to cash and cash equivalents

30. Approving of issuing the financial statements

The financial statements are approved to issue by authorized directors of the Company held on February 28, 2008.