

February 29, 2008

Subject : Clarification on Operating Results for 2007 Fiscal Year

Attention : Director and Manager

Stock Exchange of Thailand

The Company's operating results for the year ended December 31, 2007 as reported in the consolidated financial statements showed a net profit of Baht 330.7 million, a reduction of Baht 190.1 million or 36.5 percent from previous year, which was attributed to the following factors:

1. Sales revenues and other income increased by Baht 131.8 million or 0.7 percent.
2. Cost of sales increased by Baht 258.9 million or 1.9 percent. The increase was mainly the result of the increase of labor cost and production fuel, as well as the full year impact of the increase of raw material and packaging material costs, as well as the higher excise tax.
3. Selling and administrative expenses increased by Baht 39.1 million or 0.9 percent mainly as a result of the increase of labor cost offset by reduction of other expenses as the Company employed strong measures to control costs and increase efficiency in all working units within the organization.

Explanation on the Effects of the Change in Accounting Policy for Investments in Subsidiary and Associate Companies

The Company has changed its accounting policy for the investments in Subsidiary and Associate Companies in the "Separate Financial Statements" from the equity method to the cost method starting in the 1st quarter of 2007 and restated the 2006 financial statements for comparative purposes. Investments in Subsidiaries and Associate Companies presented in the "Separate Financial Statements" were recorded using "historical cost". Effects of the change in the accounting policies for 2007 financial statements are as follows:

1. Profit & Loss Statement Net profit in the "Separate Financial Statements" for the year ending December 31, 2007 was higher than net profit presented in the Consolidated Financial Statements by Baht 7.3 million with higher earnings per share of Baht 0.02 per share. Such higher net profit in the "Separate Financial Statements" represented profit from operations of the Company and actual dividends received from the Associate Company but excluding any share of losses or profits of the Subsidiary and Associate Companies for the period. For 2006, net profit in the "Separate Financial Statements" for the year was lower than net profit in the Consolidated Financial Statements by Baht 164.2 million with lower earnings per share of Baht 0.62 per share. The lower net profit in the "Separate Financial Statements" in 2006 was mainly due to loss from the sales of investment in Serm Suk Beverages Co., Ltd. of Baht 172.4 million.
2. Balance Sheet In the "Separate Financial Statements", investments in Subsidiary and Associate Companies as at December 31, 2007 and 2006 at Baht 380 million each represented investments using historical cost method of Baht 350 million for the Subsidiary Company and Baht 30 million for the Associate Company.

3. Statements of Changes in Shareholders' Equity An adjustment was made on the opening balances of the unappropriated retained earnings in the "Separate Financial Statements" as at January 1, 2006 (increase of Baht 43.4 million) and January 1, 2007 (decrease of Baht 120.8 million) to reflect the brought forward unappropriated retained earnings of the Company only.

Such change, however, was the change in accounting policy only and did not cause any change in business fundamentals.

Please be so informed.

Yours Sincerely,

(Somchai Bulsook)
President & C.E.O.