

At T.34/2007

November 8, 2007

Re : 3rd Quarter, 2007 Financial Statements and their clarifications.

To : Managing Director

The Stock Exchange of Thailand

Attachment :  
1. Copy of the Company Financial Statement and its subsidiaries as of September 30, 2007 (Thai and English Versions)  
2. Operational summary report of the company and its subsidiaries (Thai and English Versions)

Attached herewith please find S & J's financial statements as of September 30, 2007 compared with the same period of prior year certified by public accountant.

Please be informed the operational result of the nine-month periods ended September 30, 2007 compared with the same period of prior year showed net profit amounting to 148.5 million baht, an increase of 40.4 million baht. The incremental profit were due to gross margin improvement accounting for gross profit increased over prior year 51.0 million bath which derived from sales increased 122.5 million baht coupled with dividend income increased 13.1 million baht

In addition, please be informed of the changed effect from accounting policy regarding to investment record in its subsidiary and associate companies.

The Company changed its accounting policy regarding investment in subsidiary and associated companies so that the Company's separate financial statement in 3<sup>rd</sup> quarter, 2007 ended September 30, 2007 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 its financial statement by using the historical cost as the cost of the investment in subsidiaries of the Company's separate financial statement. This adjustment caused the net income on the Company's separate financial statement to be different from that reported in the consolidated financial statement. The Company had net income of Baht 53.2 million for the three-month and Baht 148.5 million for

the nine-month period ended September 30, 2007 according to the consolidated financial statement. However, the Company's separate financial statement over the same period showed a net income of 44.8 and 125.7 million baht respectively. Therefore, the Company would like to clarify with the additional information as follows:

1. The change of accounting record method per aforementioned resulting of net income for the three-month period and nine-month period ended September 30, 2007 and the comparable period as follows :

		(Unit : Million baht)
Net profit increased (decreased)		Earning per share increased (decreased)
Three-Month-2007	8.4	0.08
Three-Month-2006	6.4	0.06
Nine-Month-2007	22.8	0.22
Nine-Month-2006	18.5	0.18

This is due to the Company's separate financial statement did not include any share of profits from investments using equity method.

2. The effect from the restating to other items on the Company's separate financial statement for the quarter ended September 30, 2007 such as investment in subsidiaries and retained earnings on the balance sheets decreased by Baht 95.1 million. The cumulative effect of the accounting policy has been presented under the heading of "Cumulative effect of the change in accounting policy for investments in subsidiary and associated companies in the Company's separate financial statements" in the statement of changes in shareholders' equity.

However, the change of accounting policy affects only the Company's separate financial statement relating to investment in its subsidiary and associate companies. It did not have any effect on the consolidated financial statements or business fundamentals.

Please kindly be informed and post as appropriate.

Sincerely yours,

Mr.Thirasak Vikitset  
Manager Director

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