

**Thai Beverage Public Company Limited
and its Subsidiaries**

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month and nine-month periods ended
30 September 2007



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Review Report of Certified Public Accountant

To the Board of Directors of Thai Beverage Public Company Limited

I have reviewed the accompanying consolidated and separate balance sheets as at 30 September 2007, and the related statements of income for the three-month and nine-month periods ended 30 September 2007 and 2006, and the related statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2007 and 2006 of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated and the Company's financial statements for the year ended 31 December 2006 of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated 27 February 2007. The Company's financial statements for the year ended 31 December 2006 have been restated for the effects of the change in accounting policy for investments in subsidiaries and associates from the equity method of accounting to the cost method, as described in note 16 to the financial statements, and are now termed 'separate' financial statements. I have audited the adjustments that were applied to the restatement of the Company's 2006 financial statements and in my opinion these adjustments are appropriate and have been properly applied. Except for the audit of those adjustments, I have not performed any auditing procedures since the date of my audit report. The consolidated and separate balance sheets as at 31 December 2006, which are included in the accompanying financial statements for comparative purposes, are components of those financial statements.



Disclosure of significant differences between generally accepted accounting principles in Thailand and International Financial Reporting Standards is not a required part of the basic financial statements under generally accepted accounting principles in Thailand, but it is presented in note 21 to the financial statements for information purposes only. I have not audited or reviewed such information and therefore do not express any audit opinion or review report thereon.

A handwritten signature in black ink, appearing to read 'N. Lilamethwat', with a large, stylized flourish at the end.

(Nirand Lilamethwat)
Certified Public Accountant
Registration No. 2316

KPMG Phoomchai Audit Ltd.
Bangkok
14 November 2007

Thai Beverage Public Company Limited and its Subsidiaries

Balance sheets

As at 30 September 2007 and 31 December 2006

Assets	Note	Consolidated		Separate	
		30 September 2007 (Unaudited)	31 December 2006	30 September 2007 (Unaudited)	31 December 2006 (Restated)
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		2,534,915	1,919,577	2,874	15,623
Current investments		6,463	4,359	-	-
Trade accounts receivable	7	890,050	1,317,930	-	-
Short-term loans to and amounts due					
from related parties	6	12,247	50,952	9,283,488	9,635,505
Inventories		31,155,551	28,315,158	-	-
Other current assets		1,563,252	1,914,238	12,958	16,989
Total current assets		36,162,478	33,522,214	9,299,320	9,668,117
Non-current assets					
Investments in subsidiaries and associates	8	99,479	135,490	72,160,390	63,594,730
Other long-term investments		114,074	3,754	-	-
Long-term loans to and amounts due					
from related parties	6	14,174	13,563	6,523,443	6,900,512
Property, plant and equipment	9	46,001,687	49,532,724	76,018	845,926
Intangible assets		340,376	354,845	18,806	12,353
Other non-current assets		1,982,596	2,016,922	353,488	357,129
Total non-current assets		48,552,386	52,057,298	79,132,145	71,710,650
Total assets		84,714,864	85,579,512	88,431,465	81,378,767

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Balance sheets

As at 30 September 2007 and 31 December 2006

	Note	Consolidated		Separate	
		financial statements		financial statements	
Liabilities and shareholders' equity		30 September 2007 (Unaudited)	31 December 2006	30 September 2007 (Unaudited)	31 December 2006 (Restated)
<i>(in thousand Baht)</i>					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	11	12,328,640	6,753,305	9,511,015	3,029,559
Trade accounts payable	10	1,932,208	2,275,671	-	-
Short-term guaranteed bonds	11	-	2,200,000	-	2,200,000
Current portion of long-term guaranteed bonds	11	3,000,000	2,300,000	3,000,000	2,300,000
Current portion of long-term loans	11	2,130,000	1,500,000	2,130,000	1,500,000
Short-term loans from and amounts due					
to related parties	6	71,175	4,837,042	3,391,532	12,958,829
Income tax payable		1,700,205	2,180,870	64,978	47,792
Other current liabilities		4,997,717	4,103,315	468,181	394,209
Total current liabilities		26,159,945	26,150,203	18,565,706	22,430,389
Non-current liabilities					
Long-term guaranteed bonds	11	-	3,000,000	-	3,000,000
Long-term loans from financial institutions	11	4,500,000	3,755,000	4,500,000	3,755,000
Long-term loans from related parties	6	-	-	2,943,717	4,498,200
Other non-current liabilities		126,648	120,753	-	-
Total non-current liabilities		4,626,648	6,875,753	7,443,717	11,253,200
Total liabilities		30,786,593	33,025,956	26,009,423	33,683,589

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Balance sheets

As at 30 September 2007 and 31 December 2006

	Consolidated		Separate	
	financial statements		financial statements	
<i>Note</i>	30 September	31 December	30 September	31 December
	2007	2006	2007	2006
	(Unaudited)		(Unaudited)	(Restated)
<i>(in thousand Baht)</i>				
Shareholders' equity				
Share capital				
Authorised share capital	29,000,000	29,000,000	29,000,000	29,000,000
Issued and paid-up share capital	12 25,110,025	25,110,025	25,110,025	25,110,025
Difference arising from common control transactions	(17,141,406)	(17,141,406)	-	-
Reserves				
Share premium	17,215,737	17,215,737	17,215,737	17,215,737
Currency translation changes	(59,036)	(19,508)	-	-
Fair value changes and revaluation surplus	6,451,742	6,586,263	-	134,521
Retained earnings				
Appropriated to legal reserve	2,500,000	1,700,000	2,500,000	1,700,000
Unappropriated	19,851,209	19,102,445	17,596,280	3,534,895
Total shareholders' equity	53,928,271	52,553,556	62,422,042	47,695,178
Total liabilities and shareholders' equity	84,714,864	85,579,512	88,431,465	81,378,767

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Statements of income

For the three-month periods ended 30 September 2007 and 2006 (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
			(Restated)		(Restated)
		<i>(in thousand Baht)</i>			
Revenues	6				
Revenue from sales		22,192,054	21,406,294	-	-
Interest income		8,523	12,583	195,405	223,073
Management fees		-	-	604,473	806,513
Dividends		-	-	4,888,734	2,769,513
Other income		30,728	31,178	11,151	2,850
Total revenues		22,231,305	21,450,055	5,699,763	3,801,949
Expenses	6				
Cost of sales		15,388,983	15,058,310	-	-
Selling and administrative expenses		3,610,524	2,941,072	263,813	218,061
Total expenses		18,999,507	17,999,382	263,813	218,061
Profit before interest and					
income tax expenses		3,231,798	3,450,673	5,435,950	3,583,888
Interest expense		260,177	277,832	342,329	447,503
Income tax expense		1,042,069	879,409	63,434	-
Net profit	16	1,929,552	2,293,432	5,030,187	3,136,385
Basic earnings per share (Baht)	14	0.08	0.09	0.20	0.12

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Statements of income

For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
			(Restated)		(Restated)
		<i>(in thousand Baht)</i>			
Revenues	6				
Revenue from sales		71,299,324	69,186,339	-	-
Interest income		28,037	40,139	558,459	647,991
Management fees		-	-	1,860,865	2,368,470
Dividends		-	-	20,290,213	8,055,409
Other income		189,473	82,676	84,271	5,102
Total revenues		71,516,834	69,309,154	22,793,808	11,076,972
Expenses	6				
Cost of sales		49,978,921	48,691,303	-	-
Selling and administrative expenses		9,826,308	9,027,288	844,353	660,372
Total expenses		59,805,229	57,718,591	844,353	660,372
Profit before interest and					
income tax expenses		11,711,605	11,590,563	21,949,455	10,416,600
Interest expense		816,880	1,223,573	1,272,327	1,790,798
Income tax expense		3,705,176	2,990,454	174,958	-
Net profit	3, 16	7,189,549	7,376,536	20,502,170	8,625,802
Basic earnings per share (Baht)	14	0.29	0.32	0.82	0.37

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

Consolidated financial statements (Restated)

	Note	Issued and paid-up share capital	Difference arising from common control transactions	Share premium	Reserves		Retained earnings		Total shareholders' equity
					Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	
<i>(in thousand Baht)</i>									
Balance at 1 January 2006		22,000,000	(15,630,790)	-	(5,341)	6,584,735	1,110,000	17,655,899	31,714,503
Change in shareholders' equity for 2006									
Surplus on property revaluation		-	-	-	-	1,528	-	-	1,528
Translation loss relating to financial statements of foreign operations		-	(6,172)	-	(37,701)	-	-	-	(43,873)
Net expense recognised directly in shareholder's equity		-	(6,172)	-	(37,701)	1,528	-	-	(42,345)
Net profit		-	(17,196)	-	-	-	-	7,393,732	7,376,536
Total recognised income and expense		-	(23,368)	-	(37,701)	1,528	-	7,393,732	7,334,191
Legal reserve		-	-	-	-	-	255,500	(255,500)	-
Dividends	15	-	-	-	-	-	-	(8,042,103)	(8,042,103)
Increase in share capital in subsidiaries before business restructuring		-	27,040	-	-	-	-	-	27,040
Issue of ordinary shares	12	3,110,025	-	17,216,993	-	-	-	-	20,327,018
Balance at 30 September 2006		25,110,025	(15,627,118)	17,216,993	(43,042)	6,586,263	1,365,500	16,752,028	51,360,649

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

	Note	Consolidated financial statements							Total shareholders' equity
		Issued and paid-up share capital	Difference arising from common control transactions	Share premium	Reserves		Retained earnings		
					Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	
<i>(in thousand Baht)</i>									
Balance at 1 January 2007		25,110,025	(17,141,406)	17,215,737	(19,508)	6,586,263	1,700,000	19,102,445	52,553,556
Change in shareholders' equity for 2007									
Net surplus on property revaluation	5	-	-	-	-	(134,521)	-	134,521	-
Translation loss relating to financial statements of foreign operations		-	-	-	(39,528)	-	-	-	(39,528)
Net expense recognised directly in shareholder's equity		-	-	-	(39,528)	(134,521)	-	134,521	(39,528)
Net profit		-	-	-	-	-	-	7,189,549	7,189,549
Total recognised income and expense		-	-	-	(39,528)	(134,521)	-	7,324,070	7,150,021
Legal reserve		-	-	-	-	-	800,000	(800,000)	-
Dividends	15	-	-	-	-	-	-	(5,775,306)	(5,775,306)
Balance at 30 September 2007		25,110,025	(17,141,406)	17,215,737	(59,036)	6,451,742	2,500,000	19,851,209	53,928,271

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

		Separate financial statements (Restated)							
					<i>Reserves</i>		<i>Retained earnings</i>		
	<i>Note</i>	Issued and paid- up share capital	Difference arising from common control transactions	Share premium	Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	Total shareholders' equity
<i>(in thousand Baht)</i>									
Balance at 1 January 2006		22,000,000	(15,979,265)	-	(5,341)	6,584,735	1,110,000	17,655,899	31,366,028
Changes in accounting policy	16	-	15,979,265	-	5,341	(6,450,214)	-	(14,494,368)	(4,959,976)
Restated balance		22,000,000	-	-	-	134,521	1,110,000	3,161,531	26,406,052
Changes in shareholders' equity for 2006									
Net profit		-	-	-	-	-	-	8,625,802	8,625,802
Legal reserve		-	-	-	-	-	255,500	(255,500)	-
Dividends	15	-	-	-	-	-	-	(8,042,103)	(8,042,103)
Issue of ordinary shares	12	3,110,025	-	17,216,993	-	-	-	-	20,327,018
Balance at 30 September 2006		25,110,025	-	17,216,993	-	134,521	1,365,500	3,489,730	47,316,769

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

	<i>Note</i>	Separate financial statements (Restated)							Total shareholders' equity
		Issued and paid-up share capital	Difference arising from common control transactions	Share premium	Reserves		Retained earnings		
					Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	
<i>(in thousand Baht)</i>									
Balance at 1 January 2007		25,110,025	(17,141,406)	17,215,737	(19,508)	6,586,263	1,700,000	19,102,445	52,553,556
Change in accounting policy	16	-	17,141,406	-	19,508	(6,451,742)	-	(15,567,550)	(4,858,378)
Restated balance		25,110,025	-	17,215,737	-	134,521	1,700,000	3,534,895	47,695,178
Change in shareholders' equity for 2007									
Net surplus on property revaluation	5	-	-	-	-	(134,521)	-	134,521	-
Net profit		-	-	-	-	-	-	20,502,170	20,502,170
Total recognised income and expense		-	-	-	-	(134,521)	-	20,636,691	20,502,170
Legal reserve		-	-	-	-	-	800,000	(800,000)	-
Dividends	15	-	-	-	-	-	-	(5,775,306)	(5,775,306)
Balance at 30 September 2007		25,110,025	-	17,215,737	-	-	2,500,000	17,596,280	62,422,042

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
			(Restated)		(Restated)
<i>(in thousand Baht)</i>					
<i>Cash flows from operating activities</i>					
Net profit		7,189,549	7,376,536	20,502,170	8,625,802
<i>Adjustments for</i>					
Depreciation and amortisation		3,710,443	3,390,706	21,897	17,365
Interest income		(28,037)	(40,139)	(558,459)	(647,991)
Interest expense		816,880	1,223,573	1,272,327	1,790,798
Unrealised (gain) loss on exchange rate		18,309	(5,268)	4,628	-
Amortisation of advance payments to a specialist		37,500	37,500	7,032	7,032
Increase (decrease) in allowance for obsolete inventories		180,827	(49,805)	-	-
(Gain) loss on sale and disposal of property, plant and equipment	9	(37,519)	6,335	(63,881)	47
Gain on sale of investment		-	-	(6)	-
Dividends		-	-	(20,290,213)	(8,055,409)
Income tax expense		3,705,176	2,990,454	174,958	-
		<u>15,593,128</u>	<u>14,929,892</u>	<u>1,070,453</u>	<u>1,737,644</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		427,700	421,059	-	-
Amounts due from related parties		33,232	80,477	1,391,370	783,651
Inventories		(3,021,219)	(2,277,777)	-	-
Prepaid excise tax		(46,935)	954,087	-	-
Other current assets		397,645	(39,480)	(35,739)	3,713
Trade accounts payable		(345,143)	999,836	-	-
Amounts due to related parties		(154,357)	49,779	7,729	(10,836)
Other current liabilities		998,858	(1,115,069)	199,040	243,639
Other non-current liabilities		5,895	(2,856)	-	-
Advance payments to a specialist		-	(2,000,000)	-	(375,000)
Income taxes paid		(4,185,841)	(4,521,678)	(157,772)	(196,531)
Net cash provided by operating activities		<u>9,702,963</u>	<u>7,478,270</u>	<u>2,475,081</u>	<u>2,186,280</u>

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2007 and 2006 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
			(Restated)		(Restated)
		<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>					
Interest received		28,262	41,985	548,295	646,384
Dividends received		-	-	20,290,213	8,055,409
Current investments		(2,105)	5,703	-	-
Loans to related parties		-	40,850	(656,748)	(4,500)
Investments in subsidiaries and associates		36,010	(4,871)	(8,565,662)	-
Increase in share capital in subsidiaries					
before business restructuring		-	27,040	-	-
Purchase of long-term investments		(110,370)	-	-	-
Sale of long-term investments		50	724	8	-
Purchase of property, plant and equipment	9	(944,417)	(2,432,327)	(2,161)	(91,577)
Sale of property, plant and equipment	9	846,487	46,188	819,206	57
Purchase of intangible assets		(29,489)	(9,713)	(10,319)	(5,790)
Other non-current assets		(2,993)	(23,823)	(3,391)	(27)
Net cash provided by (used in) investing activities		(178,565)	(2,308,244)	12,419,441	8,599,956
<i>Cash flows from financing activities</i>					
Interest paid		(929,330)	(1,176,418)	(1,452,991)	(1,756,185)
Dividends paid		(5,775,306)	(8,042,103)	(5,775,306)	(8,042,103)
Bank overdrafts and short-term loans from					
financial institutions		5,575,335	(30,103,208)	6,521,226	(32,699,993)
Proceeds from short-term guaranteed bonds		-	4,700,000	-	4,700,000
Repayment of short-term guaranteed bonds		(2,200,000)	(2,500,000)	(2,200,000)	(2,500,000)
Loans from related parties		(4,615,231)	(45,590)	(11,075,200)	(1,761,500)
Proceeds from long-term guaranteed bonds		-	5,300,000	-	5,300,000
Repayment of long-term guaranteed bonds		(2,300,000)	-	(2,300,000)	-
Proceeds from issuance of share capital		-	20,327,018	-	20,327,018
Proceeds from long-term loans from					
financial institutions		4,500,000	26,600,000	4,500,000	26,600,000
Repayment of long-term loans from					
financial institutions		(3,125,000)	(21,960,000)	(3,125,000)	(20,970,000)
Net cash used in financing activities		(8,869,532)	(6,900,301)	(14,907,271)	(10,802,763)
Currency translation changes		(39,528)	(43,873)	-	-
Net increase (decrease) in cash and cash equivalents		615,338	(1,774,148)	(12,749)	(16,527)
Cash and cash equivalents at beginning of period		1,919,577	3,397,994	15,623	18,562
Cash and cash equivalents at end of period		2,534,915	1,623,846	2,874	2,035

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 14 November 2007.

1 General information

Thai Beverage Public Company Limited, the “Company”, is incorporated and registered as a public company in Thailand on 29 October 2003. The registered office of the Company is at 14 Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok.

The Company was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in May 2006.

The principal activities of the Company and its subsidiaries are the production, distribution and marketing of alcoholic and non-alcoholic beverages, industrial alcohol and other by-products. Details of the Company’s subsidiaries are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2007	2006
<i>Direct subsidiaries</i>				
1. Beer Thai (1991) PCL.	Beer brewery	Thailand	100.00	100.00
2. Beer Thip Brewery (1991) Co., Ltd.	Beer brewery	Thailand	100.00	100.00
3. Sangsom Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
4. Fuengfuanant Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
5. Mongkolsamai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
6. Thanapakdi Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
7. Kanchanasingkorn Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
8. Sura Bangyikhan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
9. Athimart Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
10. S.S. Karnsura Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
11. Kankwan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
12. Theparunothai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
13. Red Bull Distillery (1988) Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
14. United Winery and Distillery Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
15. Simathurakij Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
16. Nateechai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
17. Luckchai Liquor Trading Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
18. Sura Piset Thipparat Co., Ltd.*	Spirits distillery	Thailand	100.00	100.00
19. Thai Alcohol PCL.	Alcohol distillery	Thailand	100.00	100.00
20. Pomthip Co., Ltd.	Beer distributor	Thailand	100.00	100.00
21. Pomkit Co., Ltd.	Beer distributor	Thailand	100.00	100.00
22. Pomkung Co., Ltd.	Beer distributor	Thailand	100.00	100.00
23. Pomchok Co., Ltd.	Beer distributor	Thailand	100.00	100.00
24. Pomcharoen Co., Ltd.	Beer distributor	Thailand	100.00	100.00
25. Pomburapa Co., Ltd.	Beer distributor	Thailand	100.00	100.00
26. Num Yuk Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
27. Num Kijjakarn Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
28. Num Palang Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
29. Num Muang Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
30. Num Nakorn Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
31. Num Thurakij Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
32. Thipchalothorn Co., Ltd.	Beer and sprits agency	Thailand	100.00	100.00
33. Krittayabun Co., Ltd.	Beer and sprits agency	Thailand	100.00	100.00
34. Surathip Co., Ltd.	Spirits agency	Thailand	100.00	100.00
35. Sunthronpirom Co., Ltd.	Spirits agency	Thailand	100.00	100.00
36. Piromsurang Co., Ltd.	Spirits agency	Thailand	100.00	100.00

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Notes to the interim financial statements
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Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2007	2006
(%)				
Direct subsidiaries (continued)				
37. Bionic Humus Co., Ltd.	Trading of fertilizer	Thailand	100.00	100.00
38. Maharas Agri Co., Ltd.	Japanese rice farming	Thailand	100.00	100.00
39. Thai Molasses Co., Ltd.	Trading of molasses	Thailand	99.72	99.72
40. Additive Food Co., Ltd.	Trading of feeds	Thailand	100.00	100.00
41. Pan International (Thailand) Co., Ltd.	Trading of equipment and supplies	Thailand	100.00	100.00
42. Charun Business 52 Co., Ltd.	Brick producer	Thailand	100.00	100.00
43. Thai Cooperage Co., Ltd.	Oak barrel producer	Thailand	100.00	100.00
44. Bang-Na Logistic Co., Ltd.	Trading of bottles	Thailand	100.00	100.00
45. Thai Beverage Logistics Co., Ltd. (Formerly: Sahatipkarnkonsong Co., Ltd.)	Transportation	Thailand	100.00	100.00
46. Thai Beverage Marketing Co., Ltd.	Import and export spirits for trading/ international marketing	Thailand	100.00	100.00
47. Dhanasindhi Co., Ltd.	Construction	Thailand	100.00	100.00
48. Dhospaak Co., Ltd.	Advertising agency	Thailand	100.00	100.00
49. International Beverage Holdings Ltd.	Holding company	Hong Kong	100.00	100.00
50. Cosmos Brewery (Thailand) Co., Ltd.	Beer brewery	Thailand	100.00	100.00
51. T.C.C. Cosmo Corporation Ltd.	Trademark holding	Thailand	100.00	100.00
52. Beer Chang Co., Ltd.	Trademark holding and production of concentrate materials	Thailand	100.00	100.00
53. Archa Beer Co., Ltd.	Trademark holding and production of concentrate materials	Thailand	100.00	100.00
54. Sura Piset Phatra Lanna Co., Ltd. ##	Holding company	Thailand	100.00	100.00
Indirect subsidiaries				
55. Thai Thum Distillery Co., Ltd. #	Trading of spirits	Thailand	99.90	99.90
56. Sura Piset Sahasan Co., Ltd. #	Production and distribution of spirits	Thailand	100.00	100.00
57. Sura Piset Sampan Co., Ltd. #	Production and distribution of spirits	Thailand	100.00	100.00
58. Muangkij Co., Ltd. #	Import of oak woods	Thailand	100.00	100.00
59. Sint Ek Panich Co., Ltd. #	Mining	Thailand	100.00	100.00
60. Pan Alcohol Co., Ltd. #	Production and distribution of vinegar	Thailand	100.00	100.00
61. Banglen Agriculture Co., Ltd. #	Agriculture	Thailand	100.00	100.00
62. Vitayathan Co., Ltd.	Environmental public relations	Thailand	100.00	100.00
63. InterBev (Singapore) Limited	Trading of alcoholic beverages	Singapore	100.00	100.00
64. InterBev (Cambodia) Co., Ltd.	Trading of alcoholic beverages	Cambodia	100.00	100.00
65. InterBev Malaysia Sdn. Bhd.	Trading of alcoholic beverages	Malaysia	100.00	100.00
66. InterBev USA Inc.	Trading of alcoholic beverages	United States of America	100.00	100.00
67. Best Spirits Company Limited**	Trading of alcoholic beverages	Hong Kong	100.00	100.00
68. Pacific Spirits (UK) Limited**	Holding company	United Kingdom	100.00	100.00
Subsidiaries of indirect subsidiaries***				
69. Blairmhor Limited #	Holding Company	United Kingdom	100.00	100.00
70. Inver House Distillers Limited	Production and distribution of spirits	United Kingdom	100.00	100.00
71. Blairmhor Distillers Limited #	Dormant	United Kingdom	100.00	100.00
72. Wee Beastie Limited	Production and distribution of alcoholic beverages	United Kingdom	100.00	100.00
73. Speyburn-Glenlivet Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00
74. The Knockdhu Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00
75. The Pulteney Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00
76. The Balblair Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00
77. R. Carmichael & Sons Limited #	Dormant	United Kingdom	100.00	100.00
78. J MacArthur Junior & Company Limited #	Dormant	United Kingdom	100.00	100.00
79. Mason & Summers Limited #	Dormant	United Kingdom	100.00	100.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2007	2006 (%)
<i>Subsidiaries of indirect subsidiaries*** (continued)</i>				
80. Hankey Bannister Limited #	Dormant	United Kingdom	100.00	100.00
81. James Catto & Company Limited #	Dormant	United Kingdom	100.00	100.00
82. Glen Calder Blenders Limited #	Dormant	United Kingdom	100.00	100.00
83. Moffat & Towers Limited # (Formerly: Blairmhor Blender Limited)	Dormant	United Kingdom	100.00	100.00
<i>Associates of indirect subsidiaries****</i>				
84. Liquorland Limited	Off licences	United Kingdom	49.90	49.90
85. Inver House Polska Limited #	Trading of alcoholic beverages	Poland	40.00	40.00
86. Inver House Distribution SA #	Dormant	France	50.00	50.00

* A subsidiary was changed from indirect subsidiary to direct subsidiary in October 2006.

** These subsidiaries were transferred from ultimate controlling shareholder controlled the business to the Company in October 2006.

*** Subsidiaries of Pacific Spirits (UK) Limited

**** Associates of Pacific Spirits (UK) Limited

These are currently non-trading.

A subsidiary was changed from indirect subsidiary to direct subsidiary in October 2007 and is currently non-trading.

2 Basis of preparation of financial statements

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 41 *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2006. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2006.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month periods ended 30 September 2007 are consistent with those applied in the financial statements for the year ended 31 December 2006 except for the change in accounting policy as discussed in Note 16 to the financial statements in respect of interests in subsidiaries and associates in the separate financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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3 Business restructuring

The Company was formed in 2003 to combine the separate beverages businesses of the ultimate controlling shareholder group, the Siriwadhanabhakdi family, which were held as part of the operations of 89 separate companies, into a single group of companies. Of these, 65 businesses were transferred between 2003 and 2004, 4 businesses were transferred during 2005 and 20 businesses were transferred during 2006. Prior to the restructuring these business were under the common control of the ultimate controlling shareholder of the Company.

The Company recognised these transfers as business combinations involving entities and businesses under common control and were accounted for in a manner similar to a pooling of interest. This business restructuring is disclosed further in the financial statements for the year ended 31 December 2006. However, the effect of the restated financial statements has decreased the consolidated net profit for the nine-month period ended 30 September 2006 by Baht 17 million.

4 Seasonal operations

The Group is subject to seasonal sales revenue from both its beer and spirits operations. Sales revenue fluctuates particularly around festive occasions, whilst expenditure is generally incurred evenly throughout the year.

5 Significant transactions

Significant transactions occurring during the nine-month period ended 30 September 2007 are as follows:

- (a) On 5 February 2007, the Company entered into a long-term loan agreement with a commercial bank in the amount of Baht 4,500 million in order to increase the capital of International Beverage Holdings Ltd., the Company's subsidiary, in the amount of HKD 980 million.
- (b) On 20 March 2007, the Company sold its land and building of ThaiBev Tower Project to TCC Hotel Collection Co., Ltd., a related party, in the amount of Baht 819 million. Gain on sale of Baht 64 million was recognised in the statement of income and revaluation surplus on a revalued asset in the amount of Baht 134 million was transferred from equity to retained earnings directly.
- (c) On 27 March 2007, the Company purchased the new ordinary shares of Red Bull Distillery (1988) Co., Ltd., the Company's subsidiary, which issued 200 million ordinary shares with a Baht 10 par value, totaling Baht 2,000 million.
- (d) On 29 March 2007, a subsidiary company submitted a conditional bid in the amount of RMB 980 million for the purchase of all businesses of Anhui Gujing Group Limited, a state-owned enterprise, which engaged in distillery, hotels and other businesses from a state entity of The People's Republic of China. If the bidding is successful, such subsidiary will dispose of the non liquor-related businesses to T.C.C. International Limited who issued a written undertaking, to purchase the non liquor-related businesses per pro-rata of bidding value of the fair value of non liquor-related businesses and the fair value of total businesses. On 3 April 2007, that subsidiary had been selected to negotiate the final terms of the acquisition and has paid a deposit for bidding in the amount of RMB 50 million.

Subsequently, on 28 June 2007, the subsidiary did not proceed with the acquisition of those businesses and the deposit for bidding was entirely refunded to the subsidiary on 6 July 2007.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

- (e) On 22 May 2007, the Company purchased the new ordinary shares of Bionic Humus Co., Ltd., the Company's subsidiary, which issued 8.5 million ordinary shares with a Baht 100 par value. The first call for the capital paid up is to be 40% in the amount of Baht 340 million.
- (f) On 28 May 2007, International Beverage Holdings Ltd. increased share capital of InterBev USA Inc., the Company's indirect subsidiary, from USD 1,000 to USD 2.6 million for providing its working capital for 2007.

On the same date, the Executive Board of Directors' Meeting approved the issuance of an irrevocable and unconditional guarantee in favour of a bank in United Kingdom to support a loan of GBP 24 million to Pacific Spirits (UK) Limited, the Company's indirect subsidiary. Subsequently, on 14 August 2007, the Company cancelled the acceptance of bank facility by Pacific Spirits (UK) Limited from the mentioned bank and the issuance of an irrevocable and unconditional guarantee of the Company in favor of such bank.

- (g) On 24 July 2007, the Executive Board of Directors' Meeting unanimously approved the principle for distribution center construction project of Thai Beverage Logistics Co., Ltd., the Company's subsidiary, under the budget of Baht 2,541 million.
- (h) On 5 September 2007, the Company entered into a short-term loan with a commercial bank in the amount of Baht 1,600 million in order to increase the capital of International Beverage Holdings Ltd. in the amount of HKD 390 million. The proceeds utilized to increase the capital of Pacific Spirits (UK) Limited in the amount of GBP 24 million.
- (i) On 6 September 2007, the Company issued bill of exchange and offered to and exchanged among institutional investors and/or substantial investors in the amount of Baht 5,000 million.
- (j) On 20 September, 2007, Sura Piset Phatra Lanna Co., Ltd. entered into a share purchase agreement with the existing shareholders and certain directors of United Product Co., Ltd. and SPM Foods and Beverages Co., Ltd. for consideration totaling Baht 911 million, of which included loans granted to those two companies for repayment of loans from financial institutions.
- (k) The Group is performing revaluation of its lands through independent professional valuers. The Group's policy requires an appraisal to be conducted every three to five years or when there are factors that might materially impact the value of the land, to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date. The said revaluation is expected to be completed in quarter 4 of 2007. Such lands were revalued during 2003 and 2004.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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6 Related party transactions and balances

Related parties include subsidiary companies and those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of finished goods	Agreed prices which approximate market prices
Purchase of raw materials	Agreed prices which approximate market prices
Rendering of services	Contractual prices
Purchase and sale of property, plant and equipment	Contractual prices
Purchase and sale of investments	Contractual prices
Interest income and expense	Rate as mutually agreed by shareholders with reference interest rates quoted by domestic commercial banks

Significant transactions for the three-month periods ended 30 September 2007 and 2006 with related parties were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in million Baht)</i>			
Subsidiaries				
Service income	-	-	605	806
Dividends	-	-	4,889	2,769
Purchases of investments (See note 5 to the financial statements)	-	-	1,720	-
Interest income	-	-	196	216
Interest expense	-	-	137	221
Other income	-	-	1	1
Other expenses	-	-	18	5
Others				
Revenue from sales	38	29	-	-
Service income	4	4	-	-
Purchases of raw materials and packaging	1,239	419	-	-
Overhead costs	59	65	-	-
Purchases of equipment	1	1	-	-
Interest expense	16	24	-	-
Other income	5	4	-	-
Other expenses	70	60	23	7
Directors' remuneration	37	39	37	37

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2007 (Unaudited)

Significant transactions for the nine-month periods ended 30 September 2007 and 2006 with related parties were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in million Baht)</i>			
Subsidiaries				
Service income	-	-	1,861	2,368
Dividends	-	-	20,290	8,055
Purchases of investments (See note 5 to the financial statements)	-	-	8,565	-
Interest income	-	-	558	635
Interest expense	-	-	629	657
Other income	-	-	6	3
Other expenses	-	-	38	11
Others				
Revenue from sales	115	118	-	-
Service income	11	26	-	-
Purchases of raw materials and packaging	3,541	3,003	-	-
Overhead costs	164	132	-	-
Sales of property, plant and equipment	819	-	819	-
Purchases of land property, plant and equipment	32	4	-	-
Interest expense	66	70	-	-
Other income	77	10	64	-
Other expenses	218	192	55	19
Directors' remuneration	190	196	189	189

Balances as at 30 September 2007 and 31 December 2006 with related parties were as follows:

Trade accounts receivable from related parties	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in million Baht)</i>			
Other related companies				
Pisetkij Co., Ltd.	4	4	-	-
Oishi Trading Co., Ltd.	4	2	-	-
PS Recycle Co., Ltd.	3	7	-	-
Others	3	8	-	-
Total	14	21	-	-

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Short-term loans to and amounts due from related parties

	Consolidated financial statements						Separate financial statements					
	30 September 2007			31 December 2006			30 September 2007			31 December 2006		
	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total
	<i>(in million Baht)</i>											
Subsidiaries												
Beer Thai (1991) PCL.	-	-	-	-	-	-	3,193	38	3,231	1,539	136	1,675
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	-	21	21	-	146	146
Sangsom Co., Ltd.	-	-	-	-	-	-	-	5	5	-	47	47
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	40	2	42	-	12	12
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	-	1	1	-	3	3
Thanapakdi Co., Ltd.	-	-	-	-	-	-	17	1	18	-	4	4
Kanchanasingkom Co., Ltd.	-	-	-	-	-	-	293	2	295	313	6	319
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	749	13	762	1,052	45	1,097
Athimart Co., Ltd.	-	-	-	-	-	-	72	2	74	-	13	13
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	171	2	173	-	12	12
Kankwan Co., Ltd.	-	-	-	-	-	-	186	3	189	214	14	228
Theparunothai Co., Ltd.	-	-	-	-	-	-	-	2	2	-	10	10
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	452	5	457	2,467	32	2,499
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	-	1	1	-	7	7
Simathurakij Co., Ltd.	-	-	-	-	-	-	79	5	84	70	9	79
Nateechai Co., Ltd.	-	-	-	-	-	-	217	4	221	357	12	369
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	223	7	230	197	11	208
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	76	3	79	82	2	84
Thai Alcohol PCL.	-	-	-	-	-	-	491	6	497	244	14	258
Pomthip Co., Ltd.	-	-	-	-	-	-	-	7	7	-	37	37
Pomkit Co., Ltd.	-	-	-	-	-	-	-	8	8	-	107	107
Pomkung Co., Ltd.	-	-	-	-	-	-	-	7	7	-	40	40
Pomchok Co., Ltd.	-	-	-	-	-	-	-	8	8	-	48	48
Pomcharoen Co., Ltd.	-	-	-	-	-	-	-	4	4	-	21	21
Pomburapa Co., Ltd.	-	-	-	-	-	-	-	5	5	-	35	35
Num Yuk Co., Ltd.	-	-	-	-	-	-	650	10	660	-	67	67

Thai Beverage Public Company Limited and its Subsidiaries
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Short-term loans to and amounts due from related parties

	Consolidated financial statements						Separate financial statements					
	30 September 2007			31 December 2006			30 September 2007			31 December 2006		
	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total
	<i>(in million Baht)</i>											
Subsidiaries (continued)												
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	380	10	390	-	89	89
Num Palang Co., Ltd.	-	-	-	-	-	-	387	6	393	-	39	39
Num Muang Co., Ltd.	-	-	-	-	-	-	246	7	253	-	47	47
Num Nakorn Co., Ltd.	-	-	-	-	-	-	95	4	99	-	25	25
Num Thurakij Co., Ltd.	-	-	-	-	-	-	230	5	235	-	30	30
Thipchalothorn Co., Ltd.	-	-	-	-	-	-	150	23	173	85	203	288
Krittayabun Co., Ltd.	-	-	-	-	-	-	-	33	33	-	190	190
Surathip Co., Ltd.	-	-	-	-	-	-	225	13	238	-	72	72
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	-	2	2	-	61	61
Piromsurang Co., Ltd	-	-	-	-	-	-	-	1	1	-	14	14
Bionic Humus Co., Ltd.	-	-	-	-	-	-	-	-	-	23	-	23
Bang-Na Logistics Co., Ltd.	-	-	-	-	-	-	114	-	114	-	-	-
Thai Beverage Logistics Co., Ltd. (Formerly: Sahatipkarnkonsong Co., Ltd.)	-	-	-	-	-	-	81	-	81	50	-	50
International Beverage Holdings Ltd.	-	-	-	-	-	-	177	10	187	1,275	8	1,283
T.C.C. Cosmo Corp., Ltd.	-	-	-	-	-	-	3	-	3	-	-	-
Total subsidiaries	-	-	-	-	-	-	8,997	286	9,283	7,968	1,668	9,636

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Short-term loans to and amounts due from related parties

	Consolidated financial statements						Separate financial statements					
	30 September 2007			31 December 2006			30 September 2007			31 December 2006		
	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total
	<i>(in million Baht)</i>											
Related companies												
The Southeast Insurance (2000) Co., Ltd.	-	3	3	-	2	2	-	-	-	-	-	-
New Noble Property And Loan Fund	-	3	3	-	3	3	-	-	-	-	-	-
Pisetkij Co., Ltd.	-	2	2	-	7	7	-	-	-	-	-	-
The Mae Wang Sugar Industry Co., Ltd.	-	-	-	-	6	6	-	-	-	-	-	-
The Cholburi Sugar Corp. Ltd.	-	-	-	-	8	8	-	-	-	-	-	-
The Uttaradit Sugar Industry Co., Ltd.	-	-	-	-	7	7	-	-	-	-	-	-
The Suphanburi Sugar Industry Co., Ltd.	-	-	-	-	12	12	-	-	-	-	-	-
Others	-	4	4	-	6	6	-	1	1	-	-	-
Total related companies	-	12	12	-	51	51	-	1	1	-	-	-
Total	-	12	12	-	51	51	8,997	287	9,284	7,968	1,668	9,636

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Long-term loans to and amounts due from related parties

	Consolidated financial statements						Separate financial statements					
	30 September 2007			31 December 2006			30 September 2007			31 December 2006		
	Long-term loans to	Amounts due from	Total	Long-term loans to	Amounts due from	Total	Long-term loans to	Amounts due from	Total	Long-term loans to	Amounts due from	Total
<i>(in million Baht)</i>												
Subsidiaries												
Beer Thai (1991) PCL.	-	-	-	-	-	-	2,087	-	2,087	2,087	-	2,087
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	93	-	93	99	-	99
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	613	-	613	867	-	867
Kankwan Co., Ltd.	-	-	-	-	-	-	100	-	100	116	-	116
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	93	-	93	495	-	495
Simathurakij Co., Ltd.	-	-	-	-	-	-	706	-	706	600	-	600
Nateechai Co., Ltd.	-	-	-	-	-	-	208	-	208	337	-	337
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	1,092	-	1,092	963	-	963
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	617	-	617	678	-	678
Thai Alcohol PCL.	-	-	-	-	-	-	872	-	872	436	-	436
Maharas Agri Co., Ltd.	-	-	-	-	-	-	14	-	14	13	-	13
International Beverage Holdings Ltd.	-	-	-	-	-	-	29	-	29	210	-	210
Total subsidiaries	-	-	-	-	-	-	6,524	-	6,524	6,901	-	6,901
Related companies												
Dynamic Assets Property and Loan Fund	-	14	14	-	14	14	-	-	-	-	-	-
Total	-	14	14	-	14	14	6,524	-	6,524	6,901	-	6,901

Thai Beverage Public Company Limited and its Subsidiaries
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Summary of loans to related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in million Baht)</i>			
Short-term	-	-	8,997	7,968
Long-term	-	-	6,524	6,901
Loans to related parties	-	-	15,521	14,869

Movements of loans to related parties during the nine-month periods ended 30 September 2007 and 2006 were as follows:

<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in million Baht)</i>			
Short-term				
Subsidiaries				
At 1 January	-	-	7,968	8,430
Increase	-	-	4,662	8,979
Decrease	-	-	(3,633)	(9,725)
At 30 September	-	-	8,997	7,684
Others				
At 1 January	-	41	-	-
Decrease	-	(41)	-	-
At 30 September	-	-	-	-
Total short-term				
At 1 January	-	41	7,968	8,430
Increase	-	-	4,662	8,979
Decrease	-	(41)	(3,633)	(9,725)
At 30 September	-	-	8,997	7,684
Long-term				
Subsidiaries				
At 1 January	-	-	6,901	5,310
Increase	-	-	672	762
Decrease	-	-	(1,049)	(12)
At 30 September	-	-	6,524	6,060

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<i>Trade accounts payable - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2007
	<i>(in million Baht)</i>			
Other related companies				
Berli Jucker PCL.	433	554	-	-
Thai Beverage Can Ltd.	106	126	-	-
PS Recycle Co., Ltd.	48	74	-	-
Pisetkij Co., Ltd.	6	60	-	-
Others	23	5	-	-
Total	616	819	-	-

Thai Beverage Public Company Limited and its Subsidiaries
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Short-term loans from and amounts due to related parties

	Consolidated financial statements						Separate financial statements					
	30 September 2007			31 December 2006			30 September 2007			31 December 2006		
	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total
	<i>(in million Baht)</i>											
Subsidiaries												
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	784	13	797	964	18	982
Sangsom Co., Ltd.	-	-	-	-	-	-	170	1	171	1,052	5	1,057
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	-	-	-	200	1	201
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	84	-	84	92	-	92
Thanapakdi Co., Ltd.	-	-	-	-	-	-	-	-	-	130	-	130
Athimart Co., Ltd.	-	-	-	-	-	-	-	-	-	193	1	194
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	-	-	-	396	2	398
Theparunothai Co., Ltd.	-	-	-	-	-	-	13	-	13	286	1	287
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	53	2	55	50	2	52
Pomthip Co., Ltd.	-	-	-	-	-	-	155	1	156	305	2	307
Pomkit Co., Ltd.	-	-	-	-	-	-	264	-	264	1,395	7	1,402
Pomkung Co., Ltd.	-	-	-	-	-	-	199	-	199	311	1	312
Pomchok Co., Ltd.	-	-	-	-	-	-	146	1	147	258	2	260
Pomcharoen Co., Ltd.	-	-	-	-	-	-	103	1	104	123	1	124
Pomburapa Co., Ltd.	-	-	-	-	-	-	136	1	137	333	2	335
Num Yuk Co., Ltd.	-	-	-	-	-	-	-	-	-	120	-	120
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	-	-	-	1,249	5	1,254
Num Palang Co., Ltd.	-	-	-	-	-	-	-	-	-	95	-	95
Num Muang Co., Ltd.	-	-	-	-	-	-	-	-	-	170	1	171
Num Nakorn Co., Ltd.	-	-	-	-	-	-	-	-	-	126	-	126
Num Thurakij Co., Ltd.	-	-	-	-	-	-	-	-	-	175	1	176
Krittayabun Co., Ltd.	-	-	-	-	-	-	176	1	177	474	3	477
Surathip Co., Ltd.	-	-	-	-	-	-	-	-	-	594	3	597
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	159	1	160	1,012	6	1,018
Piromsurang Co., Ltd.	-	-	-	-	-	-	102	-	102	674	4	678
Bionic Humus Co., Ltd.	-	-	-	-	-	-	165	-	165	-	-	-

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Short-term loans from and amounts due to related parties

	Consolidated financial statements						Separate financial statements					
	30 September 2007			31 December 2006			30 September 2007			31 December 2006		
	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total
	<i>(in million Baht)</i>											
<i>Subsidiaries (continued)</i>												
Thai Molasses Co., Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
Additive Food Co., Ltd.	-	-	-	-	-	-	-	-	-	25	-	25
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	10	-	10	55	-	55
Charun Business 52 Co., Ltd.	-	-	-	-	-	-	10	-	10	-	-	-
Thai Cooperage Co., Ltd.	-	-	-	-	-	-	14	-	14	161	1	162
Thai Beverage Marketing Co., Ltd.	-	-	-	-	-	-	150	1	151	-	-	-
Dhospaak Co., Ltd.	-	-	-	-	-	-	7	14	21	30	13	43
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	382	1	383	1,690	11	1,701
Beer Chang Co., Ltd.	-	-	-	-	-	-	37	-	37	100	1	101
Archa Beer Co., Ltd.	-	-	-	-	-	-	18	-	18	20	-	20
Total subsidiaries	-	-	-	-	-	-	3,337	39	3,376	12,858	94	12,952
<i>Related companies</i>												
Dynamic Assets Property and Loan Fund	-	23	23	-	-	-	-	-	-	-	-	-
South East Capital Co., Ltd.	-	14	14	-	17	17	-	2	2	-	2	2
T.C.C. Technology Co., Ltd.	-	11	11	-	10	10	-	7	7	-	5	5
T.C.C. Capital Land Co., Ltd.	-	6	6	-	-	-	-	6	6	-	-	-
The Southeast Insurance (2000) Co., Ltd.	-	2	2	-	41	41	-	-	-	-	-	-
Great Oriole Limited	-	-	-	4,615	129	4,744	-	-	-	-	-	-
Others	-	15	15	-	26	26	-	1	1	-	-	-
Total related companies	-	71	71	4,615	223	4,838	-	16	16	-	7	7
Total	-	71	71	4,615	223	4,838	3,337	55	3,392	12,858	101	12,959

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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<i>Long-term loan from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2007
		<i>(in million Baht)</i>		
Beer Thip Brewery (1991) Co., Ltd.	-	-	2,016	2,525
United Winery and Distillery Co., Ltd.	-	-	351	344
Pomthip Co., Ltd.	-	-	70	140
Pomkit Co., Ltd.	-	-	40	208
Pomchok Co., Ltd.	-	-	178	315
Pomburapa Co., Ltd.	-	-	67	163
Sunthronpirom Co., Ltd.	-	-	30	189
Piromsurang Co., Ltd.	-	-	15	99
Thai Molasses Co., Ltd.	-	-	83	83
Thai Cooperage Co., Ltd.	-	-	1	15
Dhospaak Co., Ltd.	-	-	3	10
Cosmos Brewery (Thailand) Co., Ltd.	-	-	90	407
Total	-	-	2,944	4,498

Summary of loans from related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
		<i>(in million Baht)</i>		
Short-term	-	-	3,337	12,858
Long-term	-	-	2,944	4,498
Loans from related parties	-	-	6,281	17,356

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Movements of loans from related parties during the nine-month periods ended 30 September 2007 and 2006 were as follows:

<i>Loans from related parties</i>	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
<i>Shot-term</i>	<i>(in million Baht)</i>			
Subsidiaries				
At 1 January	-	-	12,858	12,808
Increase	-	-	327	13,066
Decrease	-	-	(9,848)	(16,500)
At 30 September	-	-	3,337	9,374
Others				
At 1 January	4,615	4,015	-	-
Decrease	(4,615)	(45)	-	-
At 30 September	-	3,970	-	-
Total short-term				
At 1 January	4,615	4,015	12,858	12,808
Increase	-	-	327	13,066
Decrease	(4,615)	(45)	(9,848)	(16,500)
At 30 September	-	3,970	3,337	9,374
Long-term				
Subsidiaries				
At 1 January	-	-	4,498	2,733
Increase	-	-	8	1,672
Decrease	-	-	(1,562)	-
At 30 September	-	-	2,944	4,405

Significant agreements with related parties

Supporting service agreement

The Company entered into the supporting service agreement with subsidiaries for the supporting service such as human resource, administration, accounting, finance, public relations, public co-ordination, technology, law, secretary and share register and internal audit for the period of one year from 1 January 2004 to 31 December 2004. Unless there are notifications to terminate the agreement within 30 days before the expiry date, this agreement continues to be in effect for the successive one year term. The subsidiaries are committed to pay a service fee at the rate of 0.5% of their principal revenue.

Up to date, supporting service fee rate was adjusted to 1% of the principal revenue. Service fee rate was adjusted for development of new goods, experiment and quality test, analysis, research and marketing survey for new products and procurement of information.

Application service provisioning agreement

The Company and subsidiaries entered into the application service provisioning agreement with T.C.C. Technology Co., Ltd., a related party, for the providing ongoing support and maintenance of the systems and infrastructure and are committed to pay system, hardware and software rental fee and service fee on monthly basis throughout the contract period for five years.

Thai Beverage Public Company Limited and its Subsidiaries
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Procurement agreement

The Group entered into the procurement agreement with Pan International (Thailand) Company Limited, the Company's subsidiary, for necessary purchase and procurement services to the Group. The Group is committed to pay procurement fee at 1% of the value of goods and services purchased under such agreement.

Molasses purchase agreement

Thai Molasses Co., Ltd., the Company's subsidiary, entered into the molasses purchase agreement with various related companies in order to sell to other subsidiary companies within the Group. The term and condition as specified in the agreements is that the sellers would sales molasses to the buyers in specified quantity, price, quality, delivery and received, payments, responsibility, weight, sample analysis on molasses, and quality control, etc. These were mutually agreed by the parties.

Glass bottle purchase and sale agreement

Bang-Na Logistic Co., Ltd., the Company's subsidiary, entered into the glass bottle purchase and sale agreement with Berli Jucker Public Company Limited, a related party, to purchase various types of new glass bottles in order to sell to other subsidiaries within the Group for a period of two years and eight months, effective date from 1 May 2007 to 31 December 2009 under the price and condition stated in the contract.

License agreement

- Three subsidiaries entered into license agreements with Beer Chang Co., Ltd. and Archa Beer Co., Ltd., related companies, in order to receive the rights and obligations in drinking water, soda water, beer draft beer and lager beer under the trade names of "CHANG" and "ARCHA". Subsidiaries are committed to pay fee at a rate of 2% based on net sale at price distributing at the factory (excluding VAT) after deducting the excise tax and health promotion fund.
- Sura Bangyikhan Co., Ltd., the Company's subsidiary, entered into license agreements with 12 subsidiaries to provide the rights to use trademark for white liquor and Chiang - Chun blended liquor as stipulated in the agreement. The trademark fee the rate ranging from Baht 0.50 - 1.50 per bottle based on contents of each type of bottles.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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7 Trade accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 September 2007	31 December 2006	30 September 2007	31 December 2006
		<i>(in million Baht)</i>			
Related parties	6	14	21	-	-
Other parties		877	1,321	-	-
		<u>891</u>	<u>1,342</u>	<u>-</u>	<u>-</u>
<i>Less</i> allowance for doubtful accounts		(1)	(24)	-	-
Total		<u>890</u>	<u>1,318</u>	<u>-</u>	<u>-</u>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in million Baht)</i>			
Related parties				
Within credit terms	10	18	-	-
Overdue:				
Less than 3 months	4	3	-	-
	<u>14</u>	<u>21</u>	<u>-</u>	<u>-</u>
Other parties				
Within credit terms	575	940	-	-
Overdue:				
Less than 3 months	235	340	-	-
3-6 months	66	17	-	-
6-12 months	-	19	-	-
Over 12 months	1	5	-	-
	<u>877</u>	<u>1,321</u>	<u>-</u>	<u>-</u>
<i>Less</i> allowance for doubtful accounts	(1)	(24)	-	-
Net	<u>876</u>	<u>1,297</u>	<u>-</u>	<u>-</u>
Total	<u>890</u>	<u>1,318</u>	<u>-</u>	<u>-</u>

The normal credit term granted by the Group is ranging from 7 days to 150 days.

Thai Beverage Public Company Limited and its Subsidiaries
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8 Investments in subsidiaries and associates

Movements on investments during the nine-month periods ended 30 September 2007 and 2006 were as follows:

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
	<i>(in million Baht)</i>			
At 1 January	135	129	63,595	63,085
Share of net profits (losses) of investments - equity method	(3)	5	-	-
Acquisitions (See note 5 to the financial statements)	-	-	8,565	-
Disposal	(33)	-	-	-
At 30 September	99	134	72,160	63,085

Thai Beverage Public Company Limited and its Subsidiaries
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Investments in subsidiaries and associates as at 30 September 2007 and 31 December 2006 were detailed as follows:

Consolidated financial statements

	Ownership interest (%)		Paid-up capital		Cost method		Equity method		Dividends for nine-months ended	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006	30 September 2007	31 December 2006	30 September 2007	31 December 2006	30 September 2007	30 September 2006
<i>Associates</i>										
<i>Held by subsidiaries of indirect subsidiaries</i>										
Liquorland Limited	49.90	49.90	69	69	18	51	99	135	-	-
Inver House Polska Limited	40.00	40.00	8	8	4	4	-	-	-	-
Inver House Distribution SA	50.00	50.00	2	2	1	1	-	-	-	-
Total			79	79	23	56	99	135	-	-

(in million Baht)

Thai Beverage Public Company Limited and its Subsidiaries
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Separate financial statements (Restated)

	Ownership interest (%)		Paid-up capital		Cost method		Dividends for nine-months ended	
	30	31	30	31	30	31	30	30
	September 2007	December 2006	September 2007	December 2006	September 2007	December 2006	September 2007	September 2006
	<i>(in million Baht)</i>							
Direct subsidiaries								
Beer Thai (1991) PCL.	100.00	100.00	5,550	5,550	12,500	12,500	2,259	821
Beer Thip Brewery (1991) Co., Ltd.	100.00	100.00	6,600	6,600	12,500	12,500	2,277	1,089
Sangsom Co., Ltd.	100.00	100.00	7,500	7,500	7,500	7,500	750	840
Fuengfuanant Co., Ltd.	100.00	100.00	900	900	900	900	307	104
Mongkolsamai Co., Ltd.	100.00	100.00	700	700	700	700	-	25
Thanapakdi Co., Ltd.	100.00	100.00	700	700	700	700	57	25
Kanchanasingkorn Co., Ltd.	100.00	100.00	700	700	700	700	85	32
Sura Bangyikhan Co., Ltd.	100.00	100.00	4,000	4,000	4,000	4,000	628	60
Athimart Co., Ltd.	100.00	100.00	900	900	900	900	273	109
S.S. Karnsura Co., Ltd.	100.00	100.00	800	800	800	800	398	129
Kankwan Co., Ltd.	100.00	100.00	800	800	800	800	340	122
Theparunothai Co., Ltd.	100.00	100.00	700	700	700	700	190	95
Red Bull Distillery (1988) Co., Ltd.	100.00	100.00	5,000	3,000	5,000	3,000	-	-
United Winery and Distillery Co., Ltd.	100.00	100.00	1,800	1,800	1,800	1,800	70	67
Simathurakij Co., Ltd.	100.00	100.00	900	900	900	900	149	23
Nateechai Co., Ltd.	100.00	100.00	800	800	800	800	157	38
Luckchai Liquor Trading Co., Ltd.	100.00	100.00	800	800	800	800	70	24
Sura Piset Thipparat Co., Ltd.	100.00	100.00	500	500	510	510	-	-
Thai Alcohol PCL.	100.00	100.00	800	800	1,666	1,666	357	120
Pomthip Co., Ltd.	100.00	100.00	10	10	10	10	292	100
Pomkit Co., Ltd.	100.00	100.00	10	10	10	10	570	116
Pomkung Co., Ltd.	100.00	100.00	10	10	10	10	275	74
Pomchok Co., Ltd.	100.00	100.00	10	10	10	10	534	155
Pomcharoen Co., Ltd.	100.00	100.00	10	10	10	10	26	-
Pomburapa Co., Ltd.	100.00	100.00	10	10	10	10	382	93

Thai Beverage Public Company Limited and its Subsidiaries
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	Separate financial statements (Restated)							
	Ownership interest (%)		Paid-up capital		Cost method		Dividends for nine-months ended	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006	30 September 2007	31 December 2006	30 September 2007	30 September 2006
	<i>(in million Baht)</i>							
Direct subsidiaries (continued)								
Num Yuk Co., Ltd.	100.00	100.00	10	10	10	10	858	247
Num Kijjakarn Co., Ltd.	100.00	100.00	10	10	10	10	1,424	604
Num Palang Co., Ltd.	100.00	100.00	10	10	10	10	387	170
Num Muang Co., Ltd.	100.00	100.00	10	10	10	10	528	267
Num Nakorn Co., Ltd.	100.00	100.00	10	10	10	10	238	119
Num Thurakij Co., Ltd.	100.00	100.00	10	10	10	10	413	196
Thipchalothorn Co., Ltd.	100.00	100.00	1	1	3	3	573	233
Krittayabun Co., Ltd.	100.00	100.00	5	5	27	27	359	234
Surathip Co., Ltd.	100.00	100.00	1	1	7	7	649	413
Sunthronpirom Co., Ltd.	100.00	100.00	5	5	25	25	1,075	437
Piromsurang Co., Ltd.	100.00	100.00	5	5	24	24	711	350
Bionic Humus Co., Ltd.	100.00	100.00	350	10	354	14	-	-
Maharas Agri Co., Ltd.	100.00	100.00	2	2	2	2	-	-
Thai Molasses Co., Ltd.	99.72	99.72	40	40	35	35	165	63
Additive Food Co., Ltd.	100.00	100.00	1	1	38	38	49	12
Pan International (Thailand) Co., Ltd.	100.00	100.00	1	1	54	54	80	19
Charun Business 52 Co., Ltd.	100.00	100.00	122	122	84	84	-	-
Thai Cooperage Co., Ltd.	100.00	100.00	300	300	300	300	31	8
Bang-Na Logistic Co., Ltd.	100.00	100.00	123	123	134	134	75	30
Thai Beverage Logistics Co., Ltd. (Formerly: Sahatipkarnkonsong Co., Ltd.)	100.00	100.00	12	12	12	12	118	23
Thai Beverage Marketing Co., Ltd.	100.00	100.00	300	300	300	300	100	7
Dhanasindhi Co., Ltd.	100.00	100.00	20	20	24	24	27	8
Dhospaak Co., Ltd.	100.00	100.00	25	25	61	61	20	-
International Beverage Holdings Ltd.	100.00	100.00	6,760	535	6,760	535	-	-
Cosmos Brewery (Thailand) Co., Ltd.	100.00	100.00	1,667	1,667	5,150	5,150	1,610	257

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9 Property, plant and equipment

Acquisitions and disposals of property, plant and equipment during the nine-month periods ended 30 September 2007 and 2006 were as follows:

	Consolidated financial statements			
	2007		2006	
	Acquisitions - at cost	Disposals - net book value <i>(in million Baht)</i>	Acquisitions - at cost	Disposals - net book value
Land	24	(546)	329	-
Land improvement	1	-	1	-
Building and improvements	26	(19)	77	(7)
Machinery and equipment	124	(24)	723	(41)
Oak barrels	1	(4)	7	(1)
Furniture, fixtures and office equipment	42	(1)	57	(1)
Vehicles	14	(5)	13	(2)
Construction in progress	712	(210)	1,225	(1)
Total	944	(809)	2,432	(53)

	Separate financial statements			
	2007		2006	
	Acquisitions - at cost	Disposals - net book value <i>(in million Baht)</i>	Acquisitions - at cost	Disposals - net book value
Land	-	(545)	-	-
Furniture, fixtures and office equipment	2	-	7	-
Construction in progress	-	(210)	85	-
Total	2	(755)	92	-

10 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 September 2007	31 December 2006	30 September 2007	31 December 2006
<i>(in million Baht)</i>					
Related parties	6	616	819	-	-
Other parties		1,316	1,457	-	-
Total		1,932	2,276	-	-

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11 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in million Baht)</i>			
Current				
Bank overdrafts				
- Guaranteed	649	1,516	-	-
- Unsecured	100	367	1	30
	<u>749</u>	<u>1,883</u>	<u>1</u>	<u>30</u>
Short-term loans from financial institutions				
- Unsecured	11,580	4,870	9,510	3,000
Short-term guaranteed bonds				
- Guaranteed / Negative pledge	-	2,200	-	2,200
Current portion of long-term guaranteed bonds				
- Guaranteed / Negative pledge	3,000	2,300	3,000	2,300
Current portion of long-term loan				
- Guaranteed / Negative pledge	2,130	1,500	2,130	1,500
	<u>17,459</u>	<u>12,753</u>	<u>14,641</u>	<u>9,030</u>
Non-current				
Long-term guaranteed bonds				
- Guaranteed / Negative pledge	-	3,000	-	3,000
Long-term loans from financial institutions				
- Guaranteed / Negative pledge	-	3,755	-	3,755
- Unsecured	4,500	-	4,500	-
	<u>4,500</u>	<u>6,755</u>	<u>4,500</u>	<u>6,755</u>
Total	<u>21,959</u>	<u>19,508</u>	<u>19,141</u>	<u>15,785</u>

The interest rate exposure of the borrowings as at 30 September 2007 and 31 December 2006 were as follows:

	30 September 2007		31 December 2006	
	Range	Weighted	Range	Weighted
Bank overdrafts	6.75 - 7.62	6.82	6.00 - 10.75	7.16
Short-term loans from financial institutions	3.45 - 4.05	3.68	5.27 - 5.45	5.41
Guaranteed bonds	5.75	5.75	5.40 - 5.75	5.66
Long-term loans and current portion	5.00 - 5.70	5.49	5.70 - 5.75	5.73

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The principal features of the borrowings were as follows:

- (a) Bank overdrafts are repayable on demand. As at 30 September 2007, the Group has a total overdraft facilities amounting to Baht 3,744 million (*31 December 2006: Baht 3,705 million*) which is partially guaranteed by five subsidiaries.
- (b) Short-term loans from financial institutions as at 30 September 2007, the Group has short-term loan facilities from several financial institutions totalling Baht 25,010 million (*31 December 2006: Baht 20,820 million*) with money market rate quoted by bank. The Group utilized those facilities in term of promissory notes issued by the Group to several domestic financial institutions totalling Baht 6,620 million (*31 December 2006: Baht 4,870 million*)

In September 2007, the Company issued and offered short-term bill of exchange amounting to Baht 5,000 million to two financial institutions, the said bills represents short-term bill of exchange offered to and exchanged among institutional investors and/or substantial high net worth investors as prescribed in accordance with Notifications of the Securities and Exchange Commission.

- (c) Guaranteed bonds as at 30 September 2007 and 31 December 2006 were guaranteed bonds with a full co-guarantee by four subsidiaries and negative pledge undertaken by the Company whereby 17 subsidiaries agree not to sell, transfer, mortgage, pledge, encumber or grant any preferential right in relation to their land, buildings, plants and machinery. The Company is required to maintain a consolidated debt (interest-bearing debt) to equity (excluding unrealised foreign exchange gain or loss) ratio of not more than 2.5 to 1 based on the annual consolidated financial statements prepared in accordance with generally accepted accounting standards in Thailand.

The bonds have the following payment terms:

	Amount	Fixed interest rate	Maturity
	<i>(in million Baht)</i>	<i>(% per annum)</i>	
First tranche	2,500	4.95	22 August 2006
Second tranche	2,200	5.40	22 February 2007
Third tranche	2,300	5.55	22 August 2007
Fourth tranche	3,000	5.75	22 February 2008

The principal is to be redeemed at maturity. Interest is payable semi-annually commencing on 22 August 2006.

- (d) Long-term loan and its current portion as at 31 December 2006 were loan agreements with eight financial institutions to obtain long-term borrowings totalling Baht 26,600 million. Of this, the principal of Baht 23,600 million has a grace period of 2 years and is to be repaid in 36 monthly installments, Baht 654.22 million each for the first 35 installments and Baht 702.20 million for the last installment, from 28 April 2008 to 31 March 2011 with interest at the fixed rates of 5.75% and 6% per annum for the first and the second years, respectively, and MLR-1.5% to MLR-1.75% per annum from the third year onwards, payable monthly, commencing in March 2006. The remaining principal of Baht 3,000 million is to be repaid in eight quarterly installments, Baht 375 million each, from 28 June 2006 to 28 March 2008 with a fixed interest rate of 5.70% per annum, payable quarterly, commencing in June 2006.

The borrowings are fully co-guaranteed by four subsidiaries with a negative pledge made by 17 subsidiaries whereby these subsidiaries agree not to sell, transfer, mortgage, pledge,

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encumber or grant any preferential right in relation to their land, buildings, plant and machinery.

In 2006 and May 2007, the Company partially repaid long-term loans amounting to Baht 20,220 million and Baht 2,000 million, respectively, with accrued interest to seven financial institutions and the interest rate in the second year decrease from 6% to 5% per annum.

During February 2007, the Company entered into a long-term loan agreement with a commercial bank in the amount of Baht 4,500 million which is to be repaid monthly in 12 installments, Baht 375 million each, commencing in February 2009. Interest is payable monthly at 5.60% per annum for the first year and 5.75% per annum afterwards.

Subsequently on 19 October 2007, the Company has been granted the reduction of interest rate to be 4.50% per annum for the first year and 4.75% per annum afterwards. The Company was charged an unwind fee of Baht 11.25 million for this change.

12 Share capital

The Company listed on the SGX-ST on 29 May 2006 and issued 2,444 million new ordinary shares, sold to the public through an Initial Public Offering (“the IPO”). The Company registered the change in paid-up capital with the Ministry of Commerce on 29 May 2006 from Baht 22,000 million to Baht 24,444 million.

On 3 July 2006, an over allotment option was exercised related to its recent IPO, whereby the Company sold a further 666 million new ordinary shares. The Company registered the change in paid-up capital with the Ministry of Commerce on 3 July 2006 from Baht 24,444 million to Baht 25,110 million.

13 Segment information

Segment information is presented in respect of the Group’s business and geographical segments. The primary format, business segments, is based on the Group’s management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

In preparing segmental information, those liabilities and related interest expense that are not specifically attributable to a particular segment are allocated on a percentage of net assets basis. Management believes this to be a fair indication of the actual use of the liabilities.

Inter-segment transactions are eliminated on consolidation.

Business segments

The Group comprises the following main business segments:

<i>Beer/water</i>	Production and sales of branded beer and water products (mostly outside the group);
<i>Spirits</i>	Production and sales of branded spirits products (mostly outside the group); and
<i>Alcohol</i>	Production and sales of alcohol (mostly outside the group)

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Geographic segments

Operating units of the Group are mainly located in Thailand. Portions of product produced from these units are exported directly or indirectly through foreign subsidiaries to external customers. Certain operating units of subsidiaries are located in foreign countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

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Business segment results

Business segment results in the consolidated financial statements for the three-month periods ended 30 September were as follows:

	Beer/water		Spirits		Alcohol		Elimination		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	<i>(in million Baht)</i>									
Revenue	11,014	9,933	11,329	11,588	152	499	(303)	(614)	22,192	21,406
Interest income	5	5	-	7	-	1	3	-	8	13
Other income	25	10	11	22	-	4	(5)	(5)	31	31
Total revenues	11,044	9,948	11,340	11,617	152	504	(305)	(619)	22,231	21,450
Cost of sales	8,593	7,765	6,996	7,476	164	434	(364)	(617)	15,389	15,058
Selling and administrative expenses	1,705	1,297	1,809	1,612	63	32	33	-	3,610	2,941
Total expenses	10,298	9,062	8,805	9,088	227	466	(331)	(617)	18,999	17,999
Profit (loss) before interest and income tax expenses	746	886	2,535	2,529	(75)	38	26	(2)	3,232	3,451
Interest expense	66	48	182	214	9	16	3	-	260	278
Income tax	452	407	590	473	-	-	-	-	1,042	880
Net profit (loss)	228	431	1,763	1,842	(84)	22	23	(2)	1,930	2,293

Business segment capital expenditure, depreciation and amortisation for the three-month periods ended 30 September were as follows:

	Beer/water		Spirits		Alcohol		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	<i>(in million Baht)</i>							
Capital expenditure								
- Property, plant and equipment	148	201	162	544	8	16	318	761
- Intangible assets	9	2	9	1	-	-	18	3
Depreciation	603	496	600	560	48	30	1,251	1,086
Amortisation	2	2	12	10	-	-	14	12

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Business segment results

Business segment results in the consolidated financial statements for the nine-month periods ended 30 September were as follows:

	Beer/water		Spirits		Alcohol		Elimination		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	<i>(in million Baht)</i>									
Revenue	34,100	32,487	37,491	36,944	502	712	(794)	(957)	71,299	69,186
Interest income	17	19	10	21	1	2	-	(2)	28	40
Other income	75	30	114	63	15	4	(14)	(14)	190	83
Total revenues	34,192	32,536	37,615	37,028	518	718	(808)	(973)	71,517	69,309
Cost of sales	26,457	25,387	23,932	23,590	485	594	(895)	(880)	49,979	48,691
Selling and administrative expenses	4,618	4,036	5,057	4,868	126	135	25	(12)	9,826	9,027
Total expenses	31,075	29,423	28,989	28,458	611	729	(870)	(892)	59,805	57,718
Profit (loss) before interest and income tax expenses	3,117	3,113	8,626	8,570	(93)	(11)	62	(81)	11,712	11,591
Interest expense	207	210	582	960	28	56	-	(2)	817	1,224
Income tax	1,633	1,388	2,071	1,602	1	-	-	-	3,705	2,990
Net profit (loss)	1,277	1,515	5,973	6,008	(122)	(67)	62	(79)	7,190	7,377

Business segment capital expenditure, depreciation and amortisation for the nine-month periods ended 30 September were as follows:

	Beer/water		Spirits		Alcohol		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	<i>(in million Baht)</i>							
Capital expenditure								
- Property, plant and equipment	270	967	637	1,411	37	54	944	2,432
- Intangible assets	12	5	17	5	-	-	29	10
Depreciation	1,762	1,473	1,759	1,668	145	90	3,666	3,231
Amortisation	3	124	41	35	-	-	44	159

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Business segments financial position

Business segment assets and liabilities as at 30 September 2007 and 31 December 2006 were as follows:

	Beer/water		Spirits		Alcohol		Total	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in million Baht)</i>							
Inventories, net	4,104	2,838	26,303	25,202	748	275	31,155	28,315
Property, plant and equipment, net	19,028	20,724	24,905	26,599	2,069	2,209	46,002	49,532
Other assets	2,047	1,802	5,064	5,364	447	567	7,558	7,733
Total assets	25,179	25,364	56,272	57,165	3,264	3,051	84,715	85,580
Total debts	6,657	5,633	14,458	13,182	843	693	21,958	19,508
Other liabilities	4,505	5,249	4,279	8,219	44	50	8,828	13,518
Total liabilities	11,162	10,882	18,737	21,401	887	743	30,786	33,026

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Geographic segments

The segment financial information based on geographical segments in the consolidated financial statements for nine-month periods ended 30 September were as follows:

	Consolidated financial statements			
	Revenue 30 September 2007	Revenue 30 September 2006	Property, plant and equipment 30 September 2007 31 December 2006	
	<i>(in million Baht)</i>			
Thailand	68,945	67,348	44,578	48,032
Overseas	2,572	1,961	1,424	1,500
Total	<u>71,517</u>	<u>69,309</u>	<u>46,002</u>	<u>49,532</u>

14 Earnings per share

The calculation of basic earnings per share of the consolidated and separate financial statements for the three-month period ended 30 September 2007 was based on the consolidated and separate net profit attributable to ordinary shareholders for the said period of Baht 1,930 million and Baht 5,030 million, respectively, (*consolidated and separate net profit for the three-month period ended 30 September 2006: Baht 2,293 million and Baht 3,136 million, respectively*) and the weighted average number of shares outstanding during the three-month period ended 30 September 2007 of 25,110 million shares, (*three-month period ended 30 September 2006: 25,096 million shares*).

The calculation of basic earnings per share of the consolidated and separate financial statements for the nine-month period ended 30 September 2007 was based on the consolidated and separate net profit attributable to ordinary shareholders for the said period of Baht 7,190 million and Baht 20,502 million, respectively, (*consolidated and separate net profit for the nine-month period ended 30 September 2006: Baht 7,377 million and Baht 8,626 million, respectively*) and the weighted average number of shares outstanding during the nine-month period ended 30 September 2007 of 25,110 million shares, (*nine-month period ended 30 September 2006: 23,339 million shares*).

15 Dividends

At the Board of Directors' Meeting held on 14 August 2007, an interim dividend payment for the first half of 2007 of 25,110 million ordinary shares, Baht 0.12 per share, totalling Baht 3,013 million was approved. The interim dividend was paid to shareholders on 11 September 2007.

At the Annual General Meeting of the shareholders of the Company held on 20 April 2007, the shareholders approved the appropriation of dividends of Baht 0.22 per share, totalling Baht 5,524 million. On 8 September 2006, the interim dividend were paid of Baht 0.11 per share, totalling Baht 2,762 million. The remaining dividend payment of Baht 0.11 per share, totalling Baht 2,762 million was paid on 16 May 2007.

At the Annual General Meeting of the shareholders of the Company held on 27 March 2006, the shareholders approved the appropriation of dividends of Baht 0.24 per share, amounting to Baht 5,280 million. The dividend was paid to shareholders on 26 April 2006.

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16 Changes in accounting policy

The following change of accounting policy by the Company has no effect on the consolidated financial statements of the Group.

Until 31 December 2006, the Company accounted for its investments in subsidiary companies and associates in its financial statements using the equity method.

During 2007, the FAP issued the following new TAS which are effective for accounting periods beginning on or after 1 January 2007:

TAS 44 (revised 2007) *Consolidated and Separate Financial Statements*

TAS 45 (revised 2007) *Investment in Associates*

These new TAS require a parent company which has investments in a subsidiary company, or an associate company, which is not classified as a “held for sale” investment, to record such investment in accordance with either the cost method or with the recognition and measurement basis for financial instruments (when an announcement is made), instead of the equity method currently used.

Starting from 1 January 2007, the Company has, accordingly, changed its accounting policy for its investments in subsidiary companies and associate companies in its financial statements from the equity method to the cost method. The change in accounting policy has been applied retrospectively and the Company’s 2006 financial statements, which are included in the Company’s 2007 interim financial statements for comparative purposes, have been restated accordingly. The effects of the change in accounting policy on the Company’s 2007 and 2006 interim financial statements are as follows:

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	2007	Separate financial statements		2006
		2007	2006	
		<i>(in million Baht)</i>		
<i>Investments in subsidiaries and associates</i>				
Balance at 1 January before change in accounting policy		69,391		68,046
Balance at 1 July before change in accounting policy	-		67,639	
Decrease in retained earnings	-	(15,567)	(14,114)	(14,494)
Decrease in revaluation surpluses	-	(6,452)	(6,450)	(6,450)
Increase in currency translation changes	-	20	36	5
Increase in difference arising from common control transactions	-	17,141	15,979	15,979
Decrease in excess of share losses over cost of investment	-	(938)	(5)	(1)
Net decrease	-	(5,796)	(4,554)	(4,961)
Balance at 1 January after change in accounting policy		63,595		63,085
Balance at 1 July after change in accounting policy	-		63,085	
<i>Retained earnings</i>				
Balance at 1 January before change in accounting policy		19,102		17,656
Balance at 1 July before change in accounting policy	-		17,484	
Increase in dividend income from subsidiaries and associates	-	14,358	11,588	6,302
Decrease in share of profits from investments accounted for using the equity method, net	-	(29,925)	(25,702)	(20,796)
Net decrease	-	(15,567)	(14,114)	(14,494)
Balance at 1 January after change in accounting policy		3,535		3,162
Balance at 1 July after change in accounting policy	-		3,370	

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	Three months period ended 30 September 2007	Separate financial statements		Nine months period ended 30 September 2006
		Nine months period ended 30 September 2007	Three months period ended 30 September 2006	
		<i>(in million Baht)</i>		
<i>Net profit</i>				
Net profit before change in accounting policy	1,930	7,190	2,285	7,394
Increase in dividend income from subsidiaries and associates	4,889	20,290	2,769	8,055
Decrease in share of profits from investments accounted for using the equity method, net	(1,789)	(6,978)	(1,918)	(6,823)
Net increase	3,100	13,312	851	1,232
Net profit after change in accounting policy	5,030	20,502	3,136	8,626
Increase in earnings per share (Baht)	0.12	0.53	0.04	0.05

17 Commitments with non related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in million)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for</i>				
Land, Buildings and other constructions				
Baht	260	392	-	86
Machinery and equipment				
Baht	123	232	-	-
Euro (EUR)	5	9	-	-
Great Britain Pound (GBP)	-	3	-	-
Hong Kong Dollar (HKD)	1	-	-	-
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in million Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	118	142	8	-
After one year but within five years	90	70	15	1
Total	208	212	23	1

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	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	<i>(in million)</i>			
<i>Other commitments</i>				
Unused letters of credits (Baht)	520	20	500	-
Forward exchange contracts to sell foreign currencies (Baht)	246	1,505	214	1,505
Forward exchange contracts to buy foreign currencies (Baht)	5,025	3,330	-	-
Bank guarantees				
Baht	110	102	17	154
US Dollar (USD)	4	-	-	-
Raw materials purchasing agreements (Malt & Hop)				
US Dollar (USD)	89	44	-	-
Euro (EUR)	19	9	-	-
Great Britain Pound (GBP)	5	6	-	-
Molasses purchasing agreements (Baht)	142	1,596	-	-
Computer system installation agreements (Baht)	48	96	48	96
Others (Baht)	132	158	-	-

- (a) During 2004, the Company and four subsidiaries entered into production and blending control agreements with a specialist for a period of 40 years from 1 August 2004 to 1 August 2044. Under the agreements, the Company and its subsidiaries are obliged to pay monthly service fees of Baht 4.3 million which are to be annually increased by 5% for the first 20 years from 1 August 2004 to 1 August 2024. Afterwards, the Company and its subsidiaries have to pay monthly service fees of Baht 250,000 until the expiration of the agreements. Service fee under the agreements totaled Baht 1,766.2 million. Subsequently, the addendums were made on 5 January 2006, under which the Company and its subsidiaries have to pay additional amount to this specialist amounting to Baht 2,000 million. Therefore, the total service fees under the agreements both outstanding and already paid by the Company and its subsidiaries amounted to Baht 3,766.2 million.

As at 30 September 2007 the remaining commitments to be paid, relating to these agreements, amounted to Baht 1,593.6 million.

- (b) During 2005, a subsidiary renewed a sponsorship agreement with Everton Football Club, in the United Kingdom, for a period of three years as from 1 June 2005 to 31 May 2008 in order to promote the Group's businesses globally. Under the agreement, the subsidiary is obliged to pay a minimum amount of £0.5 million and a maximum amount of £2.9 million per year, dependent on the performance of Everton football team in each year.

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18 Litigation

The application filed by a subsidiary to the Central Tax Court to withdraw the assessment of the property tax of 2002 up to 2006 in the amount of Baht 151.3 million. The subsidiary has appealed and the case is currently being considered by the Central Tax Court and the Supreme Court. The management of the subsidiary ensures that they will receive the above property tax back.

19 Events after the balance sheet date

- (a) On 1 October 2007, the Company directly owned Sura Piset Phatra Lanna Co., Ltd. by purchasing 999,994 ordinary shares from Thai Cooperage Co., Ltd. and Sura Piset Thipparat Co., Ltd., the Company's subsidiaries in the amount of Baht 115 million at Baht 115 per share. Sura Piset Phatra Lanna Co., Ltd. is in the process of the acquisitions of a distillery and a non alcohol beverage manufacturer in the amount of Baht 911 million which are expected to be completed by the end of the year 2007. Part of the fund will be derived from the increase of the authorised share capital in the amount of Baht 500 million.
- (b) The Extraordinary Shareholders' Meeting of Thai Beverage Logistics Co., Ltd. held on 8 October 2007 unanimously approved an increase of its authorised share capital from Baht 12 million to Baht 1,012 million by issuing 100 million ordinary shares at Baht 10 per share. The first call for the capital paid up is to be 25% in the amount of Baht 250 million.
- (c) The Executive Board of Directors' Meeting held on 26 October 2007 unanimously approved the principle for a project to increase PET (Polyethylene terephthalate) drinking water bottle production capacity at Cosmos Brewery (Thailand) Co., Ltd., the Company's subsidiary. The budget of this project is expected to cost Baht 194 million.

20 Reclassification of accounts

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

21 Significant differences between Thai GAAP and IFRS (unaudited/ unreviewed)

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Thailand ("Thai GAAP"), which differ in certain significant respects from International Financial Reporting Standards ("IFRS"). The following disclosure provides a summary of certain significant differences between Thai GAAP and IFRS, as applicable to the consolidated financial statements of the Group, and a reconciliation of net profit and total shareholders' equity from Thai GAAP to IFRS. Neither the narrative summary nor the reconciliation should be construed as being exhaustive or presented fairly in all material respects and are provided for information purposes only.

(a) *Deferred tax*

There is no Thai accounting standard currently effective in relation to accounting for deferred taxes. Whilst not specifically addressed in Thai GAAP, provisions for income taxes of the Group are typically based on corporate income taxes currently payable in the period under the Revenue Code of Thailand. The Group does not, therefore, recognise deferred tax assets and liabilities for the current period.

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Under IFRS, provision is made for deferred tax using a balance sheet approach, with deferred tax calculated on temporary differences, being the differences between the tax and the book values of assets and liabilities. The deferred tax charge or credit is the change in the period in deferred tax liabilities and assets. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be fully utilised.

(b) *Employee benefits*

There is currently no Thai accounting standard in relation to accounting for employee benefits, including termination, retirement and post-retirement benefits. The Group's primary obligations in respect of employee benefits are contributions on behalf of employees to provident funds and the payment of statutory severance benefits on retirement and terminating employment involuntarily. Severance termination and retirement benefits vary according to various factors, including the employee's service life and salary. Whilst not specifically addressed in Thai GAAP, contributions are charged as an expense as incurred.

Under IFRS, employee benefits are accounted for in accordance with IAS No. 19 *Employee Benefits*. Accordingly, termination benefits are recognised as a liability and an expense when, and only when, the enterprise is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Retirement benefits are recognised as a liability, being the net total of the present value of the obligation at the balance sheet date less the fair value of any plan assets and recognised as an expense the net total of current service costs, interest costs, past service costs and any actuarial gains and losses.

(c) *Financial instruments*

Thai GAAP has certain disclosure requirements for financial instruments, but only limited guidance on the recognition and measurement of financial instruments. The Group has decided not to recognise derivative financial instruments on the balance sheet. However, foreign currency assets and liabilities hedged by these contracts are translated into Thai Baht at exchange rates prevailing on the balance sheet date.

Under IFRS, derivative financial instruments are recognised on the balance sheet as either an asset or a liability initially at cost, which is the fair value of consideration given (in the case of an asset) or received (in the case of a liability). Transaction costs are included in the initial measurement. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Movements in fair values are recognised in the consolidated statement of income.

(d) *Investment in property*

In accordance with Thai GAAP, owned land held to earn rentals is classified as part of property, plant and equipment. This land is carried at a revalued amount less any subsequent accumulated impairment losses. Movements on the revaluation surplus are reflected in equity.

Under IFRS, owned property held to earn rentals is classified as part of investment property. This is covered by IAS No. 40 *Investment Property*. IAS No. 40 allows enterprises to choose either a fair value model or a cost model to measure investment property.

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In accordance with the fair value model, an enterprise should measure all of its investment property at its fair value. A gain or loss arising from a change in the fair value of investment property should be included in net profit or loss for the period in which it arises.

In accordance with the cost model, land and buildings held as investment property should be measured at cost less any accumulated impairment losses.

For the purposes of disclosure under IFRS, the Group has adopted the cost model for investment property consisting of both land and buildings. For Thai GAAP, the land has been revalued while the buildings have not.

(e) **Business combination (Goodwill)**

Thai GAAP requires goodwill acquired in business combination to be systematically amortised over its estimated useful life, although its useful life should not exceed 20 years from initial recognition.

Under IFRS, acquired goodwill is measured after initial recognition at cost less any accumulated impairment losses. Therefore, goodwill is not amortised and must be tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

	Consolidated net profit	
	Nine months period ended 30 September 2007	Nine months period ended 30 September 2006
	<i>(in million Baht)</i>	
As reported in these consolidated financial statements under Thai GAAP	7,190	7,377
<i>Add (less) : Thai GAAP/IFRS differences (net of tax effect)</i>		
(a) Deferred tax	267	(7)
(b) Employee benefits	(53)	(43)
(c) Financial instruments	87	9
(d) Business combination (Goodwill)	18	-
Under IFRS	7,509	7,336

	Consolidated total shareholders' equity	
	30 September 2007	31 December 2006
	<i>(in million Baht)</i>	
As reported in these consolidated financial statements under Thai GAAP	53,928	52,554
<i>Add (less) : Thai GAAP/IFRS differences (net of tax effect)</i>		
(a) Deferred tax	(1,095)	(1,429)
(b) Employee benefits	(573)	(521)
(c) Financial instruments	17	(70)
(d) Investment in property	(51)	(51)
(e) Business combination (Goodwill)	92	73
Under IFRS	52,318	50,556