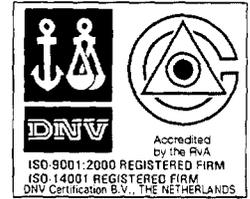




บริษัท เอเชียไฟเบอร์ จำกัด (มหาชน)  
**ASIA FIBER PUBLIC COMPANY LIMITED**

33/133-136 Surawongse Road, Bangkok 10500, Thailand. Tel. (66) 0-2632-7071  
 Facsimile : (66) 0-2236-1982 E-mail : [afcny6@ksc.th.com](mailto:afcny6@ksc.th.com) <http://www.asiafiber.com>  
 เลขทะเบียน บมจ. 237



Securities and Exchange Commission  
 Division of Corporate Finance  
 450 Fifth Street  
 Washington, DC 20549  
UNITED STATES OF AMERICA



Attention: International Corporate Finance  
 Re: Asia Fiber Public Company Limited  
 Rule 12g3-2 (b) Exemption  
 File No. 82-2842

Ladies and Gentlemen:

Pursuant to Rule 12g3-2 (b) (1) (iii), and on behalf of Asia Fiber Public Company Limited (the "Company"), enclosed are the documents described on Annex A hereto for your attention.

These documents supplement the information previously provided with respect to the Company's request for exemption under Rule 12g3-2, which exemption was established on June 4, 1990.

This information is being furnished with the understanding that such information and documents will not be deemed "filed" with the Securities and Exchange Commission (the "SEC") or otherwise subject to the liabilities of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), and that neither this letter nor the furnishing of such documents shall constitute an admission for any purpose that this Company is subject to the Exchange Act.

Please do not hesitate to contact the undersigned at (011-66-2) 237-5928 or (011-66-2) 632-7071 in Bangkok, Thailand if you have any questions.

Please acknowledge receipt of this letter and the enclosed materials by date stamping the enclosed receipt copy of this letter and return it to Andrew J. Delaney, Esq., Skadden, Arps, Slate, Meagher & Flom, 919 Third Avenue, New York, NY 10022 in the enclosed self-addressed stamped envelope.

Thank you for your attention.



Very truly yours,

Mr. Chen Namchaisiri

President

(File No. 82-2842)

Annex A to Letter to the SEC  
dated February 17, 2003 of  
Asia Fiber Public Company Limited

The documents checked below are being furnished to the SEC to supplement information provided with respect to the Company's request for exemption under Rule 12g3-2, which exemption was established on June 4, 1990:

Description of Document Check if Enclosed

Title: \_\_\_\_\_ Annual Report

Date: as of \_\_\_\_\_

Entity requiring item: The Securities  
Exchange of Thailand ( the "SET" ) pursuant  
to its rules governing listed companies. \_\_\_\_\_

Title: Audited Financial Information

for Years Ended \_\_\_\_ , 200\_\_ and 200\_\_

Date: as of \_\_\_\_ , 200\_\_ and 200\_\_

Entity requiring item: The SET pursuant  
to its rules governing listed companies. \_\_\_\_\_

Title: Unaudited Financial Information

for Years Ended \_\_\_\_\_ , 200\_\_ and 200\_\_

Date: as of \_\_\_\_\_ , 200\_\_ and 200\_\_

Entity requiring item: The SET pursuant  
to its rules governing listed companies. \_\_\_\_\_

Title: Interim Financial Information

for Three Months Ended December 31,2003  
and Review Report of Certified Public Accountant

Date: as of \_\_\_\_\_ , \_\_\_\_.

Entity requiring item: The SET pursuant  
to its rules governing listed companies. \_\_\_\_\_

X

Title: Invitation to Shareholders to

Attend Ordinary Meeting on \_\_\_\_\_ ,

Date: \_\_\_\_\_ ,

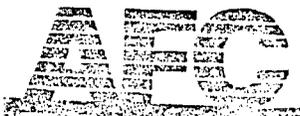
<u>Description of Document</u>	<u>Check if Enclosed</u>
Title: Proxy Form for Ordinary Meeting of Shareholders on _____, 200__ Date: _____, 200__ Entity requiring item: Pursuant to the Civil and Commercial Code of Thailand.	_____
Title: Prospectus for the Offering of _____ Shares of Common Stock of the Company Date: _____, 200__ Entity requiring item: The SET pursuant to its rules governing listed companies.	_____
Title: Minutes of the _____ Shareholders Meeting Date: _____, 200__ Entity requiring item: The SET pursuant to its rules governing listed companies.	_____
Title: Press Release Date: _____, 200__ Entity requiring item: The SET pursuant to its rules governing listed companies.	_____
<u>Other:</u>	
Title:	
Date: _____, 200__	
Entity requiring item:	_____

**ASIA FIBER PUBLIC COMPANY LIMITED**

**Reviewed**

**Financial Statement**

**As at December 31, 2003 and 2002**





บริษัท สำนักงาน พิปัดและเพื่อน จำกัด  
**Pipat & Associates Co., Ltd.**  
Certified Public Accountant of Thailand

## REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To The Board of Directors of **ASIA FIBER PUBLIC COMPANY LIMITED**

I have reviewed the balance sheet of **ASIA FIBER PUBLIC COMPANY LIMITED** as at December 31, 2003, the related statements of income, for the three months period and six months period then ended December 31, 2003 changes in shareholders' equity and cash flows for the six months period ended December 31, 2003. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my reviews.

I conducted my reviews in accordance with the Standard on Auditing applicable to review engagements. This Standards requires that I plan and perform the reviews 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, and accordingly, I do not express an opinion.

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

The financial statements of **ASIA FIBER PUBLIC COMPANY LIMITED** for the year ended June 30, 2003 were audited in accordance with generally accepted auditing standards by another auditor, who expressed an unqualified opinion on those financial statements under his report dated August 19, 2003. The balance sheet as of June 30, 2003, as presented herein for comparative purposes, formed an integral part of the financial statements, which were audited and reported on by that auditor.

The statements of earnings for the the six-month periods ended December 31, 2002 and changes in shareholders' equity and cash flows for the six-month period then ended of **ASIA FIBER PUBLIC COMPANY LIMITED** as persented herein for comparative purposes, and formed an integral part of the interim financial statements, were reviewed by the aforementioned auditor whose report dated January 29, 2003 stated that nothing had come to his attention to cause him to believe that the interim financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.



**PIPAT & ASSOCIATES CO., LTD**  
Bangkok  
February 6, 2004

**(Pipat Pusayanonda)**  
Certified Public Accountant  
of Thailand No. 56

ASIA FIBER PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT DECEMBER 31, 2003 & JUNE 30, 2003

(BAHT)

	<u>ASSETS</u>		
	<u>Note</u>	<u>Unaudited , reviewed December 31, 03</u>	<u>Audited June 30, 03</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3.11	30,558,585.85	41,404,714.30
Accounts and notes receivable - trade ,net	3.3, 5	103,384,385.15	146,163,286.38
Accounts and notes receivable - related companies ,net	3.3, 4.1	99,742,452.48	99,945,530.52
Inventories - net	3.4, 6	354,360,008.28	284,780,238.57
Inventories in transit		13,349,759.06	36,085,056.68
Other current assets		17,956,079.45	2,811,123.27
<b>Total Current Assets</b>		<u>619,351,270.27</u>	<u>611,189,949.72</u>
<b>NON-CURRENT ASSETS</b>			
Fixed deposit as collateral	3.12	1,648,095.71	1,640,955.71
Investments in shares of other company - at cost	3.5, 4.2,7	500,000.00	500,000.00
Property , plant and equipment - net	3.6, 3.7, 8, 13	560,927,539.71	549,717,481.96
Other non-current assets		536,193.35	691,347.89
<b>Total Non-Current Assets</b>		<u>563,611,828.77</u>	<u>552,549,785.56</u>
<b>TOTAL ASSETS</b>		<u>1,182,963,099.04</u>	<u>1,163,739,735.28</u>

ASIA FIBER PUBLIC COMPANY LIMITED

ASIA FIBER PUBLIC COMPANY LIMITED

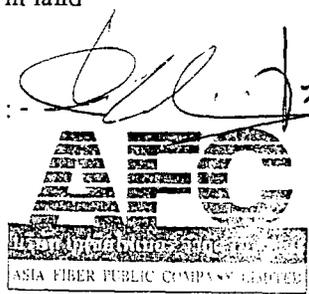
BALANCE SHEETS (Continue)

AS AT DECEMBER 31, 2003 & JUNE 30, 2003

(BAHT)

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Unaudited , reviewed December 31, 03	Audited June 30, 03
<b>CURRENT LIABILITIES</b>			
Bank overdrafts and short-term loans from financial institutions	9	88,423,612.51	70,002,178.89
Account and notes payable - trade		39,043,223.06	49,667,950.30
Current portion of long-term loans	10	8,571,360.00	8,571,360.00
Accrued interest		67,012.11	25,275,650.66
Accrued expenses		14,071,712.43	16,722,332.14
Other current liabilities		11,493,832.42	12,562,791.93
<b>Total Current Liabilities</b>		<u>161,670,752.53</u>	<u>182,802,263.92</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans - net of current portion	10	<u>14,285,840.00</u>	<u>18,571,520.00</u>
<b>TOTAL LIABILITIES</b>		<u>175,956,592.53</u>	<u>201,373,783.92</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital			
Registered share capital			
Common shares , authorized 100,000,000 shares , Baht 10.00 par value			
Total Baht <u>1,000,000,000.00</u>			
Issued and fully paid			
Common shares 45,572,418 shares , Baht 10.00 per share			
Common shares increased from exercise its warrants			
		80 shares , Baht 10.00 per share	455,724,980.00
			455,724,180.00
Premium on share capital		369,500,000.00	369,500,000.00
Revaluation increment in land		250,082,762.65	250,082,762.65
Retain earning			
Appropriated for : - 			
Legal reserve	12	16,247,500.00	16,247,500.00
General reserve		1,357,626.34	1,357,626.34
Unappropriated		(85,906,362.48)	(130,546,117.63)
<b>Shareholders' Equity - Net</b>		<u>1,007,006,506.51</u>	<u>962,365,951.36</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>1,182,963,099.04</u>	<u>1,163,739,735.28</u>



ASIA FIBER PUBLIC COMPANY LIMITED

STATEMENTS OF INCOME

UNAUDITED , REVIEWED

FOR THE 3 MONTHS ENDED AND THE 6 MONTHS ENDED DECEMBER 31, 2003 AND 2002

(SAHT)

	Note	For the 3 months ended December 31,		For the 6 months ended December 31,	
		<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>REVENUES</b>					
Net sales and services income		312469241.15	291639803.34	596,936,252.90	618,639,399.98
Gain on foreign exchange - net		875740.02	216227.76	1,064,428.37	705,844.69
Other income		6540003.36	5303279.44	11,413,150.73	13,380,890.10
<b>Total Revenues</b>		<b>319,884,984.53</b>	<b>297,159,310.54</b>	<b>609,413,832.00</b>	<b>632,726,134.77</b>
<b>COSTS AND EXPENSES</b>					
Cost of sales and services		298378264.5	271456875.1	550,589,894.40	546,151,376.25
Selling and administrative expenses		17561354.36	15465120.71	32,196,484.60	29,159,739.24
<b>Total Costs and Expenses</b>		<b>315,939,618.81</b>	<b>286,921,995.78</b>	<b>582,786,379.00</b>	<b>575,311,115.49</b>
<b>INCOME BEFORE INTEREST EXPENSE</b>		<b>3,945,365.72</b>	<b>10,237,314.76</b>	<b>26,627,453.00</b>	<b>57,415,019.28</b>
Interest Expense		(760,860.21)	(3,726,352.18)	(2,739,273.18)	(9,143,006.87)
<b>NET INCOME FROM NORMAL OPERATING</b>		<b>3,184,505.51</b>	<b>6,510,962.58</b>	<b>23,888,179.82</b>	<b>48,272,012.41</b>
Gain on Debt Restructuring	9	20,751,575.33	-	20,751,575.33	-
<b>NET INCOME</b>		<b>23,936,080.84</b>	<b>6,510,962.58</b>	<b>44,639,755.15</b>	<b>48,272,012.41</b>
<b>NET INCOME / SHARES</b>					
Net Income from normal operating		0.07	0.14	0.52	1.06
Extra-ordinary items		0.46	-	0.46	-
Net Income		0.53	0.14	0.98	1.06
Weighted average of common shares (shares)		45,572,438	45,572,418	45,572,438	45,572,340

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

(Financial statement as at December 31, 2003 were audited by auditor who has not been approved by S.E.C.)

The image shows a stylized logo for Asia Fiber Public Company Limited (AFC) consisting of the letters 'AFC' in a bold, blocky font. Below the logo is a rectangular stamp with the text 'ASIA FIBER PUBLIC COMPANY LIMITED' and a signature in cursive script that appears to read 'D. J. ...'.

ASIA FIBER PUBLIC COMPANY LIMITED  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

UNAUDITED, REVIEWED

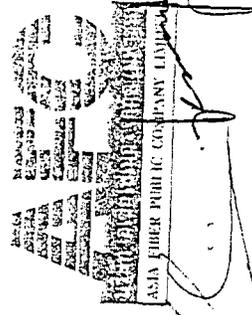
FOR THE 6 MONTHS ENDED DECEMBER 31, 2003 AND 2002

(BAHT)

	Share Capital	Premium on Share Capital	Revaluation Increment in land	Legal Reserve	General Reserve	Deficit Unappropriated	Net
<u>2002</u>							
Balance as at July 1,	455,723,400.00	369,500,000.00	250,082,762.65	16,247,500.00	1,357,626.34	(230,560,086.50)	862,351,202.49
Increase during period							
Increase in share capital	780.00	-	-	-	-	-	780.00
Net income for the period	-	-	-	-	-	48,272,012.41	48,272,012.41
Balance as at December 31,	455,724,180.00	369,500,000.00	250,082,762.65	16,247,500.00	1,357,626.34	(182,288,074.09)	910,623,994.90
<u>2003</u>							
Balance as at July 1,	455,724,180.00	369,500,000.00	250,082,762.65	16,247,500.00	1,357,626.34	(130,546,117.63)	962,365,951.36
Increase during period							
Increase in share capital	800.00	-	-	-	-	-	800.00
Net income for the period	-	-	-	-	-	44,639,755.15	44,639,755.15
Balance as at December 31,	455,724,180.00	369,500,000.00	250,082,762.65	16,247,500.00	1,357,626.34	(85,906,362.48)	1,007,006,506.51

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

(Financial statement as at December 31, 2003 were audited by auditor who has not been approved by S.E.C.)



**ASIA FIBER PUBLIC COMPANY LIMITED**

**STATEMENTS OF CASH FLOWS**

**UNAUDITED ,REVIEWED**

**FOR THE 6 MONTHS ENDED DECEMBER 31 , 2003 AND 2002**

**(BAHT)**

	<u>2003</u>	<u>2002</u>
<b>Cash Flows from Operating Activities : -</b>		
Net income (loss)	44,639,755.15	48,272,012.41
Adjustments to reconcile net income (loss) to net cash provided by (used in)		
operating activities : -		
Depreciation	27,464,239.82	28,780,711.33
Provision (reversal) for doubtful accounts	-	(767,661.43)
Unrealized (gain) loss on exchange rate	(104,448.21)	(65,584.18)
Loss (gain) on disposal of fixed assets	362,343.99	(600,222.86)
Loss (gain) on Debt - restructuring	<u>(20,751,575.33)</u>	<u>-</u>
Net income (loss) from Operating activities before change in		
operating assets and operating liabilities	<u>51,610,315.42</u>	<u>75,619,255.27</u>
Decrease (Increase) in operating assets : -		
(Increase) decrease in accounts and notes receivable-trade	43,072,192.44	30,819,457.19
(Increase ) decrease in inventories	(69,398,201.44)	(69,274,607.72)
(Increase ) decrease in inventories in transit	22,735,297.62	48,422,668.74
(Increase ) decrease in other current assets	(15,144,956.18)	(138,498.78)
(Increase ) decrease in other assets	<u>155,154.54</u>	<u>726,934.15</u>
Operating assets (increase) decrease	<u>(18,580,513.02)</u>	<u>10,555,953.58</u>
Increase (Decrease) in operating liabilities : -		
Increase (decrease) in accounts payable and notes payable	(10,624,727.24)	(15,784,359.87)
Increase (decrease ) in accrued interest and accrued expenses	(9,607,682.93)	6,704,716.26
Increase (decrease) in other current liabilities	<u>(1,054,724.47)</u>	<u>1,678,751.24</u>
Operating liabilities increase (decrease)	<u>(21,287,134.64)</u>	<u>(7,400,892.37)</u>
<b>Net Cash provided by (used in) Operating Activities</b>	<u>11,742,667.76</u>	<u>78,774,316.48</u>

ASIA FIBER PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (Continue)

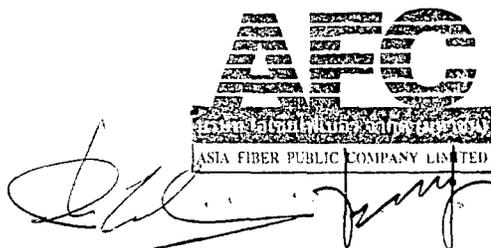
UNAUDITED ,REVIEWED

FOR THE 6 MONTHS ENDED DECEMBER 31, 2003 AND 2002

(BAHT)

	<u>2003</u>	<u>2002</u>
<b>Cash Flows from Investing Activities :-</b>		
Fixed deposit as collateral	(7,140.00)	-
Cash proceed from sales of fixed assets	477,757.01	1,107,913.83
Purchase of fixed assets	<u>(39,695,966.84)</u>	<u>(7,213,666.76)</u>
<b>Net Cash provided by (used in) Investing Activities</b>	<u>(39,225,349.83)</u>	<u>(6,105,752.93)</u>
<b>Cash Flows from Financing Activities :-</b>		
Increase (decrease) in Bank overdraft and loans from Financial Institutions	20,921,433.62	(17,577,155.54)
Repayment of long-term loans	(4,285,680.00)	(51,980,000.00)
Cash proceed from pain-in capital (warrant exercise)	<u>800.00</u>	<u>780.00</u>
<b>Net Cash provide by (used in) Financing Activities</b>	<u>16,636,553.62</u>	<u>(69,556,375.54)</u>
<b>Net increase (decrease) in Cash and cash equivalents</b>	(10,846,128.45)	3,112,188.01
<b>Cash and cash equivalents at beginning of period</b>	<u>41,404,714.30</u>	<u>32,321,242.28</u>
<b>Cash and cash equivalents at the end of period</b>	<u>30,558,585.85</u>	<u>35,433,430.29</u>
<b>Additional Cash Flows information :-</b>		
<b>Cash payments during the period for :-</b>		
Interest expense paid	9,431,336.40	6,930,861.01
Withholding tax paid	118,410.63	51,406.40

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



ASIA FIBER PUBLIC COMPANY LIMITED

ASIA FIBER PUBLIC COMPANY LIMITED  
NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS ENDED DECEMBER 31, 2003 AND 2002 (REVIEWED) & FOR THE YEAR ENDED JUNE 30, 2003 (AUDITED)  
(BAHT)

**BASIS FOR THE PRESENTATION OF FINANCIAL STATEMENTS**

The presentation of these financial statements has been made in compliance with the Notification of the Commercial Registration Department dated September 14, 2001 issued under the Accounting Act. B.E. 2543.

**GENERAL INFORMATION**

Asia Fiber Public Company Limited is incorporated in Thailand and listed in the Stock Exchange of Thailand. The company is engaged in manufacturing of nylon products. The company's office and factory are located as follows :-

Office :- 27 th. Floor , Wall Street Tower , 33/133-136 Surawongse Road, Suriyawongse , Bangrak , Bangkok , Thailand

Factory :- 406-7 Moo 7 , Sukhumvit Road , Km. 33.5 , Tambol Bangpoomai , Muang District , Samutprakarn , Thailand

The employees information for the 6 months ended December 31, 2003 and 2002 are as follows :-

	Reviewed	
	<u>2003</u>	<u>2002</u>
The average number of employees	1,191	1,298
Total expenses concerned to employees for the 6 months ended December 31,	58,597	61,052

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Revenue recognition**

- Sales are recognized when delivery has taken place and transfer of risks and rewards has been completed.
- Interest income are recognized on a time proportion basis that takes into account the effective yield on the assets.
- Other income are recognized according to Accrual basis.

**3.2 Expenditure recognition**

The company's expenditure are recognized according to Accrual basis.

**3.3 Allowance for doubtful accounts**

The company provides an allowance for doubtful accounts equal to the estimated collection losses by the executive consideration together with a review of the current status of the existing receivables as at the end of period.

**3.4 Inventory valuation**

Inventories consist of finished goods , work in process , raw materials and factory supplies. The company values its inventories at moving average cost or net realizable value , whichever is lower.

**3.5 Investment in Shares**

The company accounts for its investments in shares of associated companies by the equity method and adjust , recognizes in gain(loss) of associated companies from updated of financial statements that have been reviewed and audited by auditor. In case of the associated companies occurs a loss in excess of investment , the company will reduce the investment account to be zero (in case of no supportingas guarantor to associated companies ).

The investments in shares of other company (general investment) , which held for long-term purpose , are recorded at cost. Gain (loss) are taken up in the accounts when the investments are disposed.



3.6 Property, Plant & Equipment / Depreciation

- Land has been recorded and stated at acquisition cost and appraised value by an independent appraisal firm.
- Property, plant and equipment has been recorded and stated at acquisition cost (net of accumulated depreciation).
- Depreciation has been computed by the straight-line method over the estimated useful lives of the assets as follows :-
  - Buildings and improvements 10 - 20 years
  - Machinery and equipments 10 - 15 years
  - Furniture, fixtures and office equipments 5 - 10 years
  - Transportation equipments 5 years
- The Company values its spare parts for machinery at moving average cost net of allowance for slow-moving - spare parts for machinery.

3.7 Impairment of Assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in current operations for items of property, plant and equipment and intangible assets carried at cost, and treated as revaluation decrease for assets that are carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

3.8 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense on a systematic basis over the lease term.

3.9 Foreign Currency Transactions

Transactions in foreign currencies throughout the year are recorded in Baht at rates prevailing at the date of transactions. Outstanding assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Baht at the prevailing bank rates at that date. Gains (losses) arising from the translation are credited or charged to operations.

3.10 Income Tax

The provision for income tax is based on the amount currently payable according to the Revenue Code. However, no income tax is payable for 6 months period then end December 31, 2003 and 2002 because the company utilizes tax loss carryforwards.

3.11 Cash and Cash Equivalents

Cash and cash equivalents in Cash Flow Statement mean for cash on hand and cash held at banks. Cash on hand is kept for general use within the company. Cash at banks are short-term saving deposits that are highly liquid investments (maturity period not over 3 months and not pledged, readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.)

3.12 Fixed deposit as collateral

The company's fixed deposit account are put up as collateral security to the bank.

3.13 Appropriate Retain Earning

Appropriation of retain earning is according to the Public Company Limited Act, B.E. 2535. Reserve fund will be appropriated when has been approved from shareholders' meeting.



3.14 Use of Accounting Estimate

Preparation of financial statements in conformity generally accepted accounting principles requires management to make estimate assumption that effect the reported amounts of revenues , expenses , assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from these estimates.

3.15 Basic Earnings per Share

Basic earnings per share is determined by dividing the net profit by the weighted average number of common shares outstanding during the years.

4. TRANSACTIONS WITH RELATED COMPANIES

The company has a portion of the assets and revenues which arise from transactions with related companies. These companies are related through common shareholdings and / or directorships. As at December 31, 2003 and June 30, 2003 as follows :-

Types of Relation

	<u>Types of Relation</u>	<u>Types of Related</u>
Prachin Power Co.,Ltd.	Affiliated company	Affiliated company & Director sharing
Thai Far East Co.,Ltd.	Related company	Director sharing
T.F.E.Trading Co.,Ltd.	Related company	Director sharing
Thai Industrial Promotion Factory Co.,Ltd.	Related company	Director sharing
Asia Garment Co.,Ltd.	Related company	Director sharing
Thai Sewing Industrial Co.,Ltd.	Related company	Director sharing

4.1 Accounts and notes receivable - related companies , net

As at December 31, 2003 and June 30, 2003 consisted of :-

	<u>Reviewed</u> <u>December 31,03</u>	<u>Audited</u> <u>June 30, 03</u>
Thai Far East Co.,Ltd.	107,528,533.43	107,555,620.03
T.F.E.Trading Co.,Ltd.	19,324,138.68	19,324,138.68
Thai Industrial Promotion Factory Co.,Ltd.	-	-
Asia Garment Co.,Ltd.	-	266,425.47
Thai Sewing Industrial Co.,Ltd.	-	151,868.31
<b>Total</b>	<b>126,852,672.11</b>	<b>127,298,052.49</b>
Add accrued interest receivable - lately payment	242,302.34	-
<b>Total</b>	<b>127,094,974.45</b>	<b>127,298,052.49</b>
Less allowance for doubtful accounts	(27,352,521.97)	(27,352,521.97)
<b>Total - net</b>	<b>99,742,452.48</b>	<b>99,945,530.52</b>

The aging analysis of trade accounts receivable - related companies above mentioned as at December 31, 03 and June 30, 03 are

as follows :-



	<u>Reviewed</u> <u>December 31, 03</u>	<u>Audited</u> <u>June 30, 03</u>
Current to 3 months	195,376.65	1,685,527.95
Over 3 months to 6 months	176,585.31	1,251,851.85
Over 6 months to 12 months	2,519,086.02	770,544.72
Over 12 months	123,961,624.13	123,590,127.97
<b>Total</b>	<b>126,852,672.11</b>	<b>127,298,052.49</b>

As at December 31, 2003 and June 30, 2003, the company had long-outstanding trade accounts receivable from two related companies (Thai Far East Co.,Ltd. And T.F.E. Trading Co.,Ltd.) totalling Baht 123.96 million and Baht 123.59 million, respectively (the outstanding balances from these companies as at December 31,2003 and June 30, 2003 totalling Baht 126.85 million and Baht 126.88 million, respectively) The land and construction thereon of such companies are mortgaged as collateral for these receivables. The appraised value (based on report of an independent appraisal firm dated March 26, 2003) amounted to Baht 99.55 million. As at December 31, 2003 and June 30, 2003 the company provided an allowance for doubtful accounts totalling Baht 27.35 million and Baht 27.35 million, respectively. Management believes that such allowance is adequate to absorb possible losses on the difference of appraised value and the balance of such receivables.

4.2 Investments in Shares of Associated companies

Company name	Type of business	Type of relation	Paid-Up Capital	% Share Holding	At Cost Method	Equity Method	
						Reviewed December 31, 03	Audited June 30, 03
Prachin Power Co.,Ltd.	Manufacturing	Associated	43.29 million baht	31.12%	13,471,000.00	-	-

The company has a policy to record the investments in shares of associated companies by equity method.

	Reviewed December 31, 03	Audited June 30, 03
4.3 Revenues from Sales	10,369,312.97	1,766,260.89
4.4 Interest Income	1,210,971.99	-

Inter-companies transactions of trading between the company with associated companies are continued according to negotiated agreement referenced with market price.

5. ACCOUNTS AND NOTES RECEIVABLES-TRADE, NET

As at December 31, 2003 and June 30, 2003 consisted of :-

	Reviewed December 31, 03	Audited June 30, 03
Posted date cheques	28,350,248.75	35,707,990.31
Trade accounts receivable (Domestic)	60,971,586.41	95,388,416.28
Trade accounts receivable (Oversea)	27,308,073.83	28,312,403.63
Total	116,629,908.99	159,408,810.22
Less allowance for doubtful accounts	(13,245,523.84)	(13,245,523.84)
Total - net	103,384,385.15	146,163,286.38

The aging analysis of trade accounts receivable above mentioned as at December 31, 03 and June 30, 03 are as follows :-

	Reviewed December 31, 03	Audited June 30, 03
Current to 3 months	113,519,226.26	155,904,810.22
Over 3 months to 6 months	478,720.18	-
Over 6 months to 12 months	-	-
Over 12 months	2,631,962.55	3,504,000.00
Total	116,629,908.99	159,408,810.22



**INVENTORIES - NET**

As at December 31, 2003 and June 30, 2003 consisted of : -

	Reviewed	Audited
	December 31, 03	June 30, 03
Finished goods	188,523,828.83	155,020,741.99
Work in process	85,929,356.49	70,956,366.02
Raw materials	69,109,184.77	47,930,094.44
Spare parts and factory supplies	10,797,638.19	10,873,036.12
Total - net	<u>354,360,008.28</u>	<u>284,780,238.57</u>

**INVESTMENT IN SHARES OF OTHER COMPANY (AT COST)**

As at December 31, 2003 and June 30, 2003 consisted of : -

	Reviewed	Audited
	December 31, 03	June 30, 03
Thai Caprolactum Public Co.,Ltd.	500,000.00	500,000.00

**PROPERTY, PLANT AND EQUIPMENT - NET**

As at December 31, 2003 and June 30, 2003 consisted of : -

	Audited		Reviewed	
	June 30, 2003	Increase	Decrease	December 31, 2003
At Appraised Value				
Land and improvements	265,090,000.00	-	-	265,090,000.00
At Cost				
Buildings and improvements	376,743,876.93	943,594.30	35,000.00	377,652,471.23
Machinery and equipment	2,002,855,824.98	20,241,938.44	-	2,023,097,763.42
Spare parts for machinery	57,236,475.24	8,477,486.72	7,952,711.75	57,761,250.21
Furniture, fixtures and office equipment	14,092,464.74	302,928.30	140,186.92	14,255,206.12
Transportation equipment	5,907,442.52	1,607,000.00	2,262,000.00	5,252,442.52
Spare parts and machinery in transit	2,181,230.73	34,277,532.73	18,529,938.44	17,928,825.02
Total	<u>2,724,107,315.14</u>	<u>65,850,480.49</u>	<u>28,919,837.11</u>	<u>2,761,037,958.52</u>
Accumulated Depreciation				
Buildings and improvements	270,732,524.72	7,656,838.24	-	278,389,362.96
Machinery and equipment	1,874,800,741.45	19,345,376.14	-	1,894,146,117.59
Furniture, fixtures and office equipment	13,273,814.13	175,429.50	140,185.92	13,309,057.71
Transportation equipment	3,947,842.52	286,595.94	1,421,900.00	2,812,538.46
Total	<u>2,162,754,922.82</u>	<u>27,464,239.82</u>	<u>1,562,085.92</u>	<u>2,188,657,076.72</u>
Allowance for Slow-Moving of spare parts for machinery	11,634,910.36	-	181,568.27	11,453,342.09
Total - net	<u>549,717,481.96</u>			<u>560,927,539.71</u>
Depreciation for the period				
July 1 - December 31, 2003	549,717,481.96			<u>27,464,239.82</u>
July 1 - December 31, 2002				<u>28,780,711.33</u>

The company appraised its land by following Statement No. 32 issued by the Institute of Certified Accountants and Auditors of Thailand which allows the valuation of property, plant and equipment at appraisal amounts for financial statements reporting purposes. The company's land is stated at appraised value (based on reports of an independent appraisal firm dated March 16, 2000 and March 23, 1999). The excess of appraised value over cost Baht 250.08 million is shown as "Revaluation increment in land" under "Shareholders" in the balance sheets as at December 31, 2003 and June 30, 2003. The revaluation increment in land is not available for dividend distribution.

**BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

As at December 31, 2003 and June 30, 2003 consisted of :-

	Reviewed December 31, 2003	Audited June 30, 2003
Bank overdrafts	8,636.51	2,178.89
Short-term loans (Interest rate 1.825 - 1.95 per annual as at December 31, 2003 and 3.0 - 3.13 per annual as at June 30, 2003)	65,000,000.00	45,000,000.00
Defaulted short-term loans	-	25,000,000.00
Liabilities under T/R (Interest rate 2.45% per annual)	23,414,976.00	-
Total	<u>88,423,612.51</u>	<u>70,002,178.89</u>

As at December 31, 03 and June 30, 03, the company has overdrafts lines with several local banks totalling Baht 35 million. An overdraft line of Baht 20 million is collateralized by part of the company's land, machineries and equipments.

Short-term loans of Baht 65 million as at December 31, 2003 is collateralized by part of the company's land, buildings, machineries and equipments.

On October 4, 2000 a local financial institution filed a claim against the company for damage arising from the default in the repayment of short-term note payable of Baht 25 million, the company has contacted to compromise and settle of the remaining amount in October 15, 2003 as follow :-

Principal & accrual interest expense	51,445,205.47
Less Remaining amount of compromised and settle	(30,693,630.14)
Gain on Debt - restructuring	20,751,575.33

**10. LONG-TERM LOANS**

As at December 31, 2003 and June 30, 2003 consisted of :-

	Reviewed December 31, 2003	Audited June 30, 2003
Long-term loans	22,857,200.00	27,142,880.00
<u>Less</u> Current portion of long-term loans	(8,571,360.00)	(8,571,360.00)
Net	<u>14,285,840.00</u>	<u>18,571,520.00</u>

Long-term loans from local bank, repayable in 42 monthly installments (Baht 714,280.00 / months) starting from March 31, 2003 and fully settlement within year 2006 (Interest rate : MLR - 1.25%). These loan-term loans are collateralized by a portion of the company's machinery and equipment.

**I. SHARE CAPITAL**

At the extraordinary shareholders meeting held on December 4, 1996, the shareholders passed a special resolution to approve the additional cash contribution towards the company's capital from Baht 372 million (divided into 37,200,000 shares at Baht 10 par value) to Baht 706.8 million (divided into 70,680,000 shares at Baht 10 par value). This can be made by issuing common shares of 18,600,000 shares and warrants to purchase common shares of 14,880,000 units. The holder of each warrant has the option to purchase 1 common share at the price of Baht 10 par value.

In January 1997, the company partially received the amount of Baht 83.6 million (8,360,612 shares at Baht 10 par value) towards this increase in share capital and issued warrants to purchase common shares of 6,688,384 units. In April 1998, a shareholder exercised its warrants to purchase 11,728 common shares at the price of Baht 10 par value.

At the ordinary shareholders' meeting held on October 15, 2001, the shareholders passed a resolution to extend the expired date of the warrants to purchase common shares to January 30, 2006. In July 2002 and in October 2003 the shareholders exercised its warrants to purchase 78 common shares and 80 common shares respectively at the price of Baht 10 par value.

**LEGAL RESERVE**

Under the provisions of the Limited Public Company Act. B.E. 2535, the company is required to appropriate at least 5% of its annual net profit after deduction of the deficit brought forward (if any) as reserve fund until the reserve fund reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

**PLEGGED SECURITIES**

- The company's land and buildings are mortgaged as collateral to the local bank and financial institution for related loans.
- A portion of company's machinery and equipment are mortgaged as collateral to the local bank and financial institution for related loans.

**OBLIGATION AND CONTIGENT LIABILITIES**

As at December 31, 2003 and June 30, 2003, the company had unused letters of credit amounting to Baht 50.32 million and Baht 47.20 respectively.

**FINANCIAL INSTRUMENTS**

**Financial Risk Management and Policies**

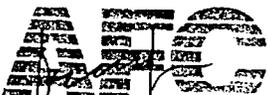
The company is exposed to risk from fluctuations of interest rate and a counterparty is unable or unwilling to meet a commitment that it entered into with the company. The company does not has the polity to hold or issue derivative instruments for speculative or trading purposes. Interest Rate Risk

**Interest Rate Risk**

Interest rate risk arises from fluctuations of market interest rates in the future, which may have a negative effect to current and future operations and cash flow of the company because the company deposit cash with financial institutions, bank overdrafts and on loans. The company does not use derivative financial instruments to hedge such risk because the management believes that there is no local market to support and protect against such risk.

**Credit Risk**

The company is exposed to credit risk primarily with respect to accounts receivable. However, since the revenues from sales will be recognized when delivery has taken place. The company expects that there is no significant damage from debt collection.

*[Handwritten signature]* 

**Fair Value of Financial Instruments**

The following methods and assumptions are used to estimate the fair value of each class of financial instruments : -

- Cash and cash equivalents are stated with the approximately fair values as in the balance sheet.
- Trade accounts receivable which on payment due less than 90 days started from the end of period are stated with the approximately fair values as in the balance sheet.
- Loans to employees are stated with the approximately fair values as in the balance sheet.
- Bank overdrafts , accounts payable and notes payable which on payment due less than 90 days are stated with the approximately fair values as in the balance sheet.
- Short-term loans and long-term loans which on float interest position , book value are equal to approximately fair values.
- Accrued interest expense are stated with the approximately fair values as in the balance sheet.

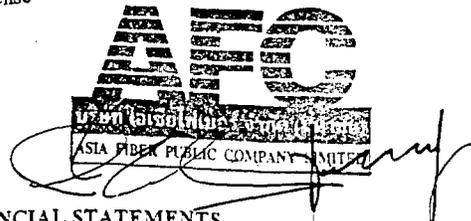
**RECLASSIFICATION OF ACCOUNTS**

Certain accounts in the interim financial statements for the period ended June 30, 2003 have been reclassified to conform with the interim financial statements for the period ended December 31, 2003

**SEGMENTATION OF BUSINESS**

	For the 6 months ended December 31, 2003		
	Domestic	Oversea	Total
Net sales and services income	311,258,460.82	285,677,792.08	596,936,252.90
Cost of sales and services	276,818,175.03	273,771,719.37	550,589,894.40
Gross profit	34,440,285.79	11,906,072.71	46,346,358.50
Gain on foreign exchange - net			1,064,428.37
Other income			11,413,150.73
Selling and administrative expenses			(32,196,484.60)
Interest expense			(2,739,273.18)
Gain on Debt - restructuring			20,751,575.33
Net income			44,639,755.15
Fixed assets			560,927,539.71
Others			622,035,559.33
Total assets			1,182,963,099.04

	For the 6 months ended December 31, 2002		
	Domestic	Oversea	Total
Net sales and services income	404,870,473.29	213,768,926.69	618,639,399.98
Cost of sales and services	360,291,086.27	185,860,289.98	546,151,376.25
Gross profit	44,579,387.02	27,908,636.71	72,488,023.73
Gain on foreign exchange - net			705,844.69
Other income			13,380,890.10
Selling and administrative expenses			(29,159,739.24)
Interest expense			(9,143,006.87)
Net income			48,272,012.41
Fixed assets			575,834,601.37
Others			643,407,437.25
Total assets			1,219,242,038.62



**APPROVAL OF FINANCIAL STATEMENTS**

These financial statements has been approved by the company's director.