

(Translation)

Bor. Jor. (Wor.) 102/2005

December 9, 2005

Managing Director
All Listed Companies, Auditors, Law Firms and Financial Advisors

Dear Managing Director,

Re: Compensating for accumulated losses *and* losses/gains from disposal of treasury stock as they affect corporate income tax liabilities

Reference: 1. Revenue Department letter No. Gor Kor 0706/9245, dated November 8, 2005
2. Revenue Department letter No. Gor Kor 0706/9342, dated November 10, 2005

This is to answer these questions raised by listed firms on corporate income tax calculation.

The questions, with the Revenue Department's replies, are:

1. Is a firm permitted to carry losses forward once accumulated losses have been reduced to zero by transferring its other reserve funds, then legal reserve funds, then premiums on shares?

Answer: Yes. Such carrying forward would be in accordance with Revenue Code Section 65 Tri (12) (see Reference 1).

2. Do losses or gains from disposal of treasury stocks affect the amount of income taxes due?

Answer: No. When calculating income tax in accordance with Revenue Code Section 65, losses or gains from disposing of treasury shares are not to be taken into account. This is because such stocks are entered as equity in the company's balance sheet. Hence, transactions related to such shares may affect equity levels but not income (see Reference 2).

Please be informed accordingly.

Sincerely yours,

(Signed) Sakkarin Ruamrangsri

(Sakkarin Ruamrangsri)
Senior Vice President
On behalf of the President

Listed Companies Development Department
Tel. 0-2229-2000 ext 3405