

Ref.AIT/08-229

May 16, 2008

Subject : An acquisition of SG Land Co., Ltd. ordinary shares

To : Shareholders

Thai Factory Development Public Company Limited (“TFD” or the “Company”) would like to inform shareholders that the resolution of the Board of Directors at meeting No. 6/2007 dated September 21, 2007, had unanimously approved to invest in ordinary shares of SG Land Company Limited (“SG Land”) which will be purchased those shares from Siam Commercial Bank Public Company Limited (“SCB” or the “Seller”), and the resolution of the Board of Directors at meeting No.4/2008 dated April 28, 2008, had approved the transfer of shares from the Seller. The Company had completed all the conditions on April 30, 2008.

However, the size of transaction with respect to an acquisition in ordinary shares of SG Land equals 36.94 of net profit criterion of both TFD and SG Land’ audited financial statements as of December 31, 2007. Regulations consider this transaction as Class 2 transactions in accordance with the Rules, Procedures and Disclosure of Information of the Stock Exchange of Thailand (the “SET”) regarding the Acquisition and Disposition of Assets of Listed Companies. TFD is required to disclose the information immediately and send a circulation to shareholders within 21 days from the date of disclosure to the SET.

In this regards, the details of an acquisition transaction are summarized for shareholders’ acknowledgement.

Yours faithfully,

THAI FACTORY DEVELOPMENT PLC.

.....
(Mr. Apichai Taechaubol)

Managing Director

.....
(Mr. Anukul Ubonnuch)

Director and Deputy Managing Director

**Summary of Acquisition of Asset (ordinary shares of SG Land Co., Ltd.) of
Thai Factory Development Public Company Limited**

Information as per Schedule (2) in accordance with the acquisition of assets of listed companies

1. Information as per Schedule (1) in accordance with the acquisition of assets of listed companies

Thai Factory Development Public Company Limited (“TFD” or the “Company”) would like to inform shareholders that the resolution of the Board of Directors at meeting No. 6/2007 dated September 21, 2007, had unanimously approved to invest in ordinary shares of SG Land Company Limited (“SG Land”) which will be purchased those shares from Siam Commercial Bank Public Company Limited (“SCB” or the “Seller”), and the resolution of the Board of Directors at meeting No.4/2008 dated April 28, 2008, had approved the transfer of shares from the Seller, which only one director who is not an independent director and audit committee member did not agreed. The Company had completed all the conditions on April 30, 2008 which details are summarized as follows:

1.1 Date of Transaction

Following the Board of Directors’ meeting resolution that approved the transaction and Thai Factory Development Public Company Limited receiving the transfer of shares and share certificates from the Seller.

1.2 The Parties Involved

Buyer : Siam Commercial Bank Plc.
Seller : Thai Factory Development Plc.

The buyer and the seller are not related parties.

1.3 General Characteristics of the Transaction

Transaction type The Company invests in SG Land in the proportion of 49.89 per cent of SG Land’s registered capital. The investment is by means of buying 10,022,950 ordinary shares (par value of Baht 5 per share) at the total price of Baht 45,500,000 from Siam Commercial Bank Plc. and lending to SG Land of Baht 225 million.

Transaction volume The transaction volume meets the criteria in evaluating value of transaction according to the SET’s notification and regulation on Disclosure of Information and Other Acts of Listed Companies concerning the Acquisition and Disposition of Assets, 2004. The

followings are the calculation based on the Company's consolidated financial statements as of December 31, 2007:

1. **By the value of assets acquired criterion: the value of assets acquired compared with the value of the net tangible assets is 7.33 percent.**
2. **By the net profit from normal operation criterion: the value of transaction is 36.94 percent of net profit after tax.**
3. **By total value of consideration paid criterion: the total value of consideration paid compared with value of net tangible assets of the Company is 18.16 per cent.**

1.4 Details of the Acquired Asset

1.4.1 Company name SG Land Company Limited

1.4.2 Company registration date June 8, 1988

1.4.3 Type of business SG Land is in real estate business, owning office space for rent and investing in land for property development. The Company presently owns SG Tower I buildings, 19 floors plus 2 underground floors of office and car park space for rent; and the Millennia Tower (SG Tower II) buildings, 26 floors plus 1 underground floor of office and car park space for rent. The combined space at SG Tower I is 30,752 squared meters and at the Millennia Tower is 29,700 squared meter. The net rentable area is 14,749 squared meters and 12,473 squared meters, respectively.

1.4.4 Registered capital Baht 100,450,000.-

1.4.5 Paid up capital 20,090,000 ordinary shares at par value of Baht 5 per share (which is the price that TFD pays for in this transaction) TFD pays for 10,022,950 shares.

1.4.6 SG Land's Board of directors as of December 31, 2007 comprised of 4 members as follows:

Director Name	Position
1. Mr. Seksom Sriroongreungdecha	Director
2. Miss Surangsri Pantumatam	Director
3. Mrs. Wirasna Boonyasai	Director
4. Mr. Wiroj Tienroongroj	Director

1.4.7 Major shareholders of SG Land

Prior to this transaction

Shareholder Name	No. of Shares	% Holding
1. SIAM COMMERCIAL BANK PLC.	20,030,599	99.70
2. ASTRAKHAN INVESTMENT LTD.	15,300	0.08
3. Minority shareholders	44,101	0.22
Total	20,090,000	100.00

Subsequent to this transaction

Shareholder Name	No. of Shares	% Holding
1. Thai Factory Development Public Company Limited	10,022,950	49.89
2. SCHUBERT HOLDINGS PTE. LTD.	10,022,949	49.89
3. Minority shareholders	44,101	0.22
Total	20,090,000	100.00

1.4.8 Financial highlights of SG Land Company Limited

Financial statements (Unit : Baht Million)	2007 ^{1/}	2006 (re-stated)	2006 ^{2/}	2005
Current assets	50.03	18.69	18.69	16.95
Non-current assets	962.59	1,013.19	1,013.19	1,070.69
Total assets	1,012.62	1,031.88	1,031.88	1,087.64
Current liabilities	548.69	95.41	71.78	60.86
Non-current liabilities	338.18 ^{3/}	394.17	334.96	399.16
Total liabilities	886.87	489.59	406.74	460.02
Registered and paid-up capital	100.45	100.45	100.45	100.45
Retained earnings	25.30	441.84	524.69	527.17
Total shareholders' equity	125.75 ^{4/}	542.29	625.14	627.62
Total liabilities and shareholders' equity	1,012.62	1,031.88	1,031.88	1,087.64
Total revenues	157.17	147.70	147.70	132.78
Total expenses	123.71	121.10	121.10	120.62
Net profit (loss)	33.46	26.60	(2.47)	(14.05)

Financial statements (Unit : Baht Million)	2007^{1/}	2006 (re-stated)	2006^{2/}	2005
Net profit (loss) per share	1.67	1.32	(0.12)	(0.70)

Notes : 1/Financial statements for the year ended December 31, 2007 audited by Somporn Kittisupaporn, CPA number 3608 from GSP Auditing Office

2/Financial statements for the year ended December 31, 2006 audited by Papawin Leelamantep, CPA number 3656 from PLP Auditing Office

3/Loan subjects to repayment according to debt restructuring agreement of Baht 319 million (excluding interest payable). The loan which has been owed to Siam Commercial Bank (The Seller) will be restructured with respect to repayment term to be finalized within 9 years and with the interest reduce to MLR – 1 percent per annum. If SG Land can repay the debt within the said period, SG Land will be able to unburden the debt quicker than planned (previous condition was that SG Land should repay the loan on an annual basis and the repayment should be finalized within the year 2023. The interest on the loan was MLR per annum and payable on a monthly basis).

4/ From the accompanying notes of the financial statements of SG Land for the year ended December 31, 2007, audited, had mentioned that the meeting of the board of directors on September 27, 2007 passed the resolution for the interim dividend payment of the total Baht 450 million.

1.5 Total value of consideration and payment term

The value of TFD's investment in SG Land's common shares equals Baht 45.50 million and loan to SG Land amounts to Baht 225 million. The transaction volume equals 36.94 percent by net profit criterion, which is the highest percentage value among the three criteria in calculation results using TFD's consolidated financial statements and SG Land's financial statements as at 31 December 2007 which are audited statements.

1.6 Value of the acquired asset

SG Land common shares, total of 10,022,950 shares at par value of 5 Baht per share. SG Land is the owner of SG Tower I and The Millennium Tower buildings (SG Tower II) buildings. The buildings have book value at 31 December 2007 of Baht 377.72 million and Baht 543.21 million, respectively. The appraised value on 12 February 2008 by an independent appraiser which was Brooke Real Estate Ltd. was Baht 494 million and Baht 459 million, in the same order.

1.7 The basis used to determine the value of consideration

The value is negotiated and jointly agreed by TFD, the investment partner, Schubert Holdings Pte. Ltd. and Siam Commercial Bank Plc.

1.8 Independent appraiser Brooke Real Estate Ltd.

Basis used in appraisal and appraised value Discounted Cash Flow

1.9 Expected benefits from this transaction

The investment will expand TFD's office space rental business in central business district (CBD) and TFD will earn investment return immediately from current office rent income from the two buildings which are SG Land's assets as well as any returns that will be generated in the future as a results of existing TFD's property under development in Soi Mahadlekluang 2, which is the adjacent land to SG Land's land plot.

1.10 Source of funds The transaction is funded by own capital of Baht 180.50 million and partly funded by loan from financial institution of Baht 90 million.

1.11 Conditions on entering into the transaction

The transaction volume is equivalent to 36.94 per cent by net profit criterion. As a result, TFD has to comply with the SET's notification and regulation on Disclosure of Information and Other Acts of Listed Companies concerning the Acquisition and Disposition of Assets, 2004 by immediately report and disclose the transaction to the SET at least the information according to Schedule (1) and must send a written notice to shareholders within 21 days from the date of transaction disclosure to the SET. The written notice sent to shareholders shall at least contains information as specified in Schedule (2) 1, 2, 3, 5(3), 7 and 8.

1.12 Opinion of the Board of Directors

The Board of Directors is of the opinion that the investment in SG Land is consistent with TFD's investment policy since it furthers the business expansion in central business district (CBD) office space rental. TFD will also benefit immediately from earning the rent income from the two buildings owned by SG Land and any future returns that will be generated as a result of the existing TFD's property under development in Soi Mahadlekluang 2 being adjacent to SG Land's land plot.

TFD seeks for investment partner and decides to partner with Schubert Holdings Pte., Ltd. since this investment requires high capital commitment to develop the project independently. To mitigate financial risk and to mitigate financial burden, TFD decides to invest by partnering with the investment partner with sound financial status.

1.13 Directors with interest in the transaction

- None -

2. An opinion of an independent expert (appraiser of assets)

Brooke Real Estate Ltd., an appraisal company and Miss Kanlaya Pornlattanapaser, a main appraiser which were approved by the Securities and Exchange Commission, to appraise the value of the assets. There is no relationship between Brooke Real Estate Ltd. and related parties. Brooke Real Estate Ltd. has completed such appraisal for the intended purpose and hereby submits the details of the appraisal, together with the assumptions and restricted conditions in support of the consideration of this appraisal as per the summary as follows:

Customer Name	Thai Factory Development Plc.
Type of Assets	<p>The assets appraised are divided into 2 office buildings, i.e.,</p> <p>1. SG Tower I</p> <p>Type : Office Building</p> <p>Construction area : 30,752 Square meters</p> <p>Net lettable area : 14,749 Square meters</p> <p>Occupancy rate : 95 per cent of net lettable area</p> <p>No. of storey : 19 with 2 basements</p> <p>Age : 13 years</p> <p>2. The Millennia (SG Tower II)</p> <p>Type : Office Building</p> <p>Construction area : 29,700 Square meters</p> <p>Net lettable area : 12,473 Square meters</p> <p>Occupancy rate : 95 per cent of net lettable area</p> <p>No. of storey : 26 with a basement</p> <p>Age : 9 years</p>
Location of Assets	<p>SG Tower I No. 161/1 Soi Mahadlekluang 3, Ratchdamri Road, Lumpini Subdistrict, Patumwan District, Bangkok</p> <p>The Millennia No. 62 Soi Lunglsuan, Ploenchit Road, Lumpini</p>

	Subdistrict, Patumwan District, Bangkok
Leasehold Period	SG Tower I A leasehold period from a Sub-lessor is 30 years, commencing from November 1, 1993. The Millennia A leasehold period from a Sub-lessor is 30 years, commencing from December 1, 1995.
Area	SG Tower I Locate and covering total area of 2 Rai 3 Ngan 85 Square Wah The Millennia Locate and covering total area of 1 Rai 3 Ngan 22 Square Wah
Purpose of Appraisal	This valuation is for financing purpose
Basis of Appraisal	Based on open market value
Appraisal Approach	Based on discounted cash flow approach
Date of Appraisal	February 12, 2008
Value of SG Tower I	494,000,000 (Baht Four Hundred Ninety Four Million)
Value of The Millennia	459,000,000 (Baht Four Hundred Fifty Nine Million)

3. Company Information

3.1 Nature of business operations and business trend of the Company and its subsidiary companies

The Company continued to conduct its main business, which was to construct factories for sale and rent in conjunction with selling of condominium unit and renting serviced apartment in central business district (CBD) of Bangkok, with a main policy to generate incomes from sales rather than rent as it provided quick and fast returns on investment.

In 2007, the Company expanded in core business by set up its own TFD industrial estate on Km. 43 of the Motorway at Bangpakong-Chachaeongsao Highway, Tha Sa-an Sub-District, Muang District, Chachaengsao Province. The land is 303 rai but the Company expects to expand it to no less than 500 rai to respond an increasing in demand of using land and factory from a small and medium size entrepreneurs in auto part, electronic and manufacturing firm which no affect the environment sectors.

Otherwise, the Company expanded into residential in Bangkok, which located on Sukhumvit road and serviced apartment, which located on Rajdamri-Lunglsuan. At the same year, Total Industrial Services Co., Ltd. (a subsidiary company) expanded into a warehouse business located on Kingkaew road, Bangphli District, Samut Prakan Province for serving the growth of surrounding area of Suvannabhumi Airport. Princeton Park Suites Company Limited (a subsidiary company) also expanded its investment into a residential project in Hua Hin-Pranburi.

In 2008, the Company and its subsidiary companies continued their projects from the previous year including factory and residential sectors. The Company also plans to sell more lands and factories to the Thai Industrial Fund 1 (TIF 1) due to it will be generated high return.

3.2 Shareholding structure in subsidiary companies

Company	Nature of Business Operation	Registered (Baht Million)	% of Holding
1. Princeton Park Suites Company Limited	Hotel, serviced apartment and condominiums	350	100
2. Total Industrial Services Company Limited	Ready made factory with the Industrial Estate Authority of Thailand	100	51

3.3 Summary of financial statements during the past 3 years and the latest quarter

Financial statements (Unit : Baht Million)	Q1'2008 ^{3/}	2007 ^{1/}	2006 ^{1/}	2005 ^{2/}
Current assets	1,037.31	764.89	251.59	198.19
Non-current assets	630.62	724.50	1,032.78	1,080.19
Total assets	1,667.93	1,489.39	1,284.37	1,278.38
Current liabilities	682.32	410.06	241.99	191.11
Non-current liabilities	136.68	206.47	165.96	260.34
Total liabilities	819.00	616.53	407.95	451.45
Registered capital	760.00	760.00	760.00	760.00
Paid-up capital	637.60	637.60	637.60	637.60
Retained earnings	48.69	71.11	70.56	17.78
Total shareholders' equity	848.93	872.86	876.42	826.92
Total liabilities and shareholders' equity	1,667.93	1,489.39	1,284.37	1,278.38
Total revenues	41.92	562.91	411.69	894.06
Total expenses	65.85	484.73	324.36	787.90
Net profit (loss)	(23.93)	45.19	65.50	41.16
Net profit (loss) per share	0.03	0.07	0.10	0.06

Notes : 1/ Financial statements for the first quarter of 2008 reviewed by Mrs. Vilairat Rojanuckarin, CPA number 3104 from DLA International Auditing.
2/ Financial statements for the year ended December 31, 2007 and 2006 audited by Ms. Siraporn Ouaanunkun, CPA number 3844 from Ernst & Young Office Limited.
3/ Financial statements for the year ended December 31, 2005 audited by Mrs. Vilairat Rojnakarinn CPA number 3104 from Office of DLA International Auditing.

3.4 Financial projections in the present year (if any), including assumptions on trade, economics, industry and review of the figures by a certified public auditor and the opinion of an independent financial advisor that the projections have been carefully prepared

- None -

3.5 List of Board of Director comprised of:

Name	Position
1. Dr. Sunthorn Sathirathai	Chairman
2. Mr. Apichai Taechaubol	Director, Executive Chairman and Managing Director
3. Mr. Chaisith Viriyamettakul	Director
4. Mr. Thavatchai Jiaravudthi	Director
5. Mr. Gumpol Tiyarat	Director
6. Mr. Anukul Ubonnuch	Director
7. Mr. Prasong Vara-ratanakul	Chairman of Audit Committee
8. Mr. Sommart Sangkhasap	Audit Committee Member
9. Mr. Nan Kitjalaksana	Audit Committee Member

3.6 List of the first 10 shareholders as at the latest date of close of share register book (7th May 2008) are as follows:

Name	No. of shares	% holding
1. JC Assets Company Limited	132,351,065	20.76
2. V.C.A.L. Business Group Company Limited	101,798,760	15.97
3. Mr. Pisuth Viriyamettakul	56,900,000	8.92
4. VSSL Enterprise Company Limited	52,746,070	8.27
5. Mr. Chaisith Viriyamettakul	36,200,000	5.68
6. Mr. Apichai Taechaubol	34,176,590	5.36
7. Mr. Pijit Viriyamettakul	20,000,000	3.14
8. Mr. Wattana Sawadthong	14,000,000	2.20
9. Mrs. Monthip Dancharoensuk	7,940,000	1.24
10. Thai Fa Holding Company Limited	7,580,000	1.19
Total	463,692,485	72.72
Minority shareholders	173,905,550	27.28
Total	637,598,035	100.00

4. Pending material lawsuits or claims

Background

In 2006, GF Holdings Co., Ltd. (as “Sub-Lessor”), the Plaintiff, filed a Civil Case against SG Land Co., Ltd. (as “Sub-Lessee”), the Defendant, at the Southern Bangkok Civil Court for termination of the Second Land Lease Agreement and for eviction of the Company from the sub-leased land and The Millennia. The grounds for taking said action as alleged by the Plaintiff were that the Company breached the Second Land Lease Agreement by adjusting and altering The Millennia into more retail lease spaces than original, by altering certain part of the ground floor into a supermarket without notifying the Plaintiff in writing, by not notifying the Plaintiff of the work progress during construction, and by not adhering to engineering principles in so adjusting and altering The Millennia.

The trial court rendered its holding on July 26, 2007 in the Defendant’s favor by dismissing the Plaintiff’s claims. The reason cited by the court in its dismissal of the claims was that the Second Land Lease Agreement only applied to the building that already existed as of the agreement date, i.e. February 28, 1992. Since The Millennia was built after said date, it falls completely outside of the scope of the Second Land Lease Agreement. As such, the trial court found it unnecessary to consider all the other claims raised by the Plaintiff.

The Plaintiff filed an appeal against the trial court’s judgment on September 23, 2007.

Current Status

Based on the record at the southern Bangkok Civil Court, the legal advisor found that the summons of the Plaintiff’s appeal was served to the Defendant by posting at the Defendant’s office on October 21, 2007. By means of posting the summons of the Plaintiff’s appeal, the Defendant was required to lodge an answer to the Plaintiff’s appeal within 30 days from the date of posting. However, the record showed that the Defendant failed to lodge the answer within the prescribed period of time. The result of the Defendant’s failure to lodge the answer to the Court of Appeal is that the appeal of the Civil Case will be proceeded by the Court of Appeal on an ex-parth basis.

Subsequently, Siam Commercial Bank Plc., as a major shareholder of SG Land prior an entering into this transaction provided the reason as to why the answer had not been lodged within the prescribed period of time was that SCB was not notified by the Defendant, SG Land Co., Ltd., about the summons and the Plaintiff’s appeal at all since the summons and the Plaintiff’s appeal had been posted at the office of the Defendant. An investigation by the Defendant has been recently made about the posting of the summons and the Plaintiff’s appeal at the Defendant’s office on Sunday, October 21, 2007. However, none seemed to recognize such posting.

Then, SCB's lawyer filed the petition requesting to lodge the Defendant's answer together with the Defendant's answer to the Southern Bangkok Civil Court on March 13, 2008. The Southern Bangkok Civil Court ruled the Defendant's petition on March 17, 2008. The Southern Bangkok Civil Court ordered that the Defendant's answer would be considered as the Defendant's Statement and that would be lodged to the Court of Appeal pursuant. In this regard, if there is any progress or other information that may materially affect the Company. The Company will inform shareholders immediately or without delay.

5. Interests or connected transactions between the listed company and directors, management and shareholders directly or indirectly holding shares amounting to 10 percent to more, including the nature of the transaction or the interests

- None -

Thai Factory Development Public Company Limited would like to certify that in entering into the transaction in acquiring SG Land Company Limited's common shares, the Company has already considered reasonableness of the transaction and value to TFD's shareholders. TFD would like to certify that the information contained in this information memorandum is true and accurate.

Yours faithfully,

THAI FACTORY DEVELOPMENT PLC.

.....
(Mr. Apichai Taechaubol)	(Mr. Anukul Ubonnuch)
Managing Director	Director and Deputy Managing Director

Copy to : The Secretary of the Securities and Exchange Commission